

NITIN

NITIN SPINNERS LTD.

CIN. : L17111RJ1992PLC006987



IS/ISO : 9001:2008

REF: NSL/SG/2016-17/
September 26, 2016

The Bombay Stock Exchange Mumbai
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street, Fort
Mumbai – 400 001

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

Company Code – 532698

Company ID - NITINSPIN

Subject: Annual Report 2015-2016

In pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015 please find attached Annual Report 2015-2016 as approved at the 24th Annual General Meeting held on 24th September, 2016. This is for your records please.

For : Nitin Spinners Ltd.

(Sudhir Garg)

Company Secretary & GM (Legal)



ANNUAL REPORT 2015-16

NITIN SPINNERS LTD.



**Sh. R.L.Nolkha , Chairman of the company receiving
“Rajasthan State Award for Export Excellence” in Textiles category for the year 2013-14.**



**Sh. Nitin Nolkha , Executive Director of the company receiving Texprocil's Bronze Trophy for
“Top Exporters Fabric “ in the category of “Grey Fabric” for the year 2014-15.**

BOARD OF DIRECTORS

Shri R. L. Nolkha
Shri Dinesh Nolkha
Shri Nitin Nolkha
Shri Y. R. Shah
Smt. Aditi Mehta
Dr. R. Chattopadhyay

Chairman
Managing Director
Executive Director
Independent Director
Independent Director
Independent Director

Bankers

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

Auditors

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

Secretarial Auditors

M/s V. M. & Associates
Company Secretaries
Jaipur

Cost Auditors

M/s V.K. Goyal & Company
Cost 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 - Vice President (HR)

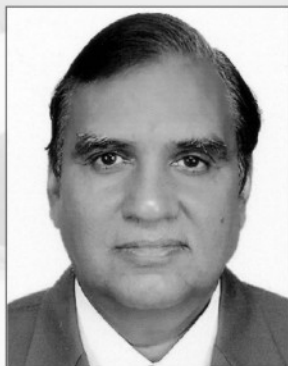
Registered Office & Works

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

CONTENTS

Chairman's Letter	02
Notice	3-8
Directors' Report	9-30
Management Discussions & Analysis	31-32
Corporate Governance Report	33-47
Auditors' Report	48-51
Balance Sheet	52
Profit & Loss Statement	53
Cash Flow Statement	54
Notes to Financial Statements	55-74
Attendance Slip and Proxy Form	75-76

CHAIRMAN'S LETTER



Dear Shareholders,

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

The current year was another challenging year for cotton textiles industry with falling cotton prices as a result of less procurement of cotton by China. Cotton Yarn prices were also reduced as a result of reduction 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 due to optimum utilization of enhanced capacities, focus on niche and value added products and exploring new markets.

During the Year 2015-16 the company achieved turnover of Rs 767 crores against last year of Rs 616 crores, registering growth of 24.5%, despite falling Cotton Yarn prices. The EBIDTA also increased by 32% from Rs 104 Crores in previous year to Rs 138 Crores during current year. Net Profits increased from Rs 40.96 Crores to Rs 44.16 Crores. I am pleased to inform that Board of Directors have recommended dividend of Rs 1.00 per Equity Share.

After successful implementation of Expansion project of Spinning and knitting during last year, the Company has again taken up ambitious plan to increase its Spinning Capacity in order to further expand its product range into niche segments. The company is implementing expansion plan to install 72960 compact spindles for manufacturing of fine count cotton yarn at the existing location at a project cost of Rs 290 Crores. The investment in the project is eligible for Interest subsidy and other benefits under Rajasthan Investment Promotion Scheme, 2014 of the Government of Rajasthan. After this expansion the company will be able to offer fine count premium yarn for high value apparels and furnishing fabrics. The commercial production on the expanded capacity is planned to be commenced in the last quarter of this fiscal.

Your Company remains committed to providing quality products, exemplary customer service, achieving business objectives with social responsibility and enhancing stakeholder value.

I would like to thank all the investors for faith reposed in Company and Board of Directors and all other stakeholders like customers, suppliers, bankers for their cooperation and last but not the least, all our employees for their hard and sincere work.

With Best Wishes

R.L.NOLKHA
Chairman

NOTICE

NOTICE is hereby given that the 24th 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 **Saturday, the 24th September, 2016 at 3.30 P.M.** to transact the following business:-

Ordinary Business:-

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2016 together with the Directors' and Auditors' Reports thereon.
2. To declare dividend on Equity Shares for the year ended March 31, 2016.
3. To appoint a Director in place of Shri R. L. Nolkha (DIN 00060746), 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 Dinesh Nolkha (DIN 00054658), Managing Director of the Company be and is hereby re-appointed as Managing Director of the Company for a further period of 3 (three) years with effect from 1st October, 2016 to 30th September, 2019 on following revised terms & conditions:-

- I. Basic Salary :** Rs. 3,00,000/- per month with an annual increase of Rs. 30000/- 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 Dinesh 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. 10,000/- 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. Dinesh Nolkha, Managing Director for attending the Meeting of Board of Directors or any committee thereof. He shall not 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. Dinesh Nolkha, Managing 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 Managing 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."

6. 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 (Firm Reg. No. 000550) for conducting Cost Audit of the Company for the Financial Year ending March, 2017 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 : 06.08.2016

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. R.L. Nolkha, Director of the Company, retires by rotation at the ensuing Meeting and being eligible, offers himself for re-appointment. In terms of regulation 36 of the SEBI(Listing Obligations and Disclosure Requirements)

Regulations, 2015 the relevant details of Sh. R.L. Nolkha are given in the Corporate Governance Report which forms an integral part of the notice. He is related to Sh. Dinesh Nolkha, Managing Director and Sh. Nitin Nolkha, Executive Director. The Board of Directors of the Company recommends his re-appointment.

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 24th Annual General Meeting is annexed hereto.
7. The register of Members and Share Transfer Books of the Company shall remain closed from 17th September, 2016 to 24th September, 2016 (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 24th September, 2016 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 16th September, 2016 and
 - (b) whose names appear as Beneficial Owners in the list of Beneficial Owners on 16th September, 2016 to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.
9. The Annual Report and the Notice for the ensuing AGM and also the details of unclaimed dividend for the year 2013-14 & 2014-15 are available at the website of the Company i.e. **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 24th 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 2000 equity shares were lying in the account as on 31.03.2016. During the year 2015-16, 300 shares have been transferred from this account on receipt of valid claim.
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-2016 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**
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 Regulation 44 SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company is pleased to provide a facility to the members to exercise their votes electronically through remote 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 Tuesday, the 20th September, 2016 and ends at 5.00 P.M on Friday, the 23rd September, 2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of, Saturday, the 17th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The instructions for Shareholders for voting electronically are as under:-

- (i) Log on to the e-voting website 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 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 | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> • 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 & address sticker/Postal Ballot Form/mail) in the PAN field. • 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.

Dividend Bank Details Enter the Dividend Bank Details or Date of Birth (in dd/mm/yy format) as recorded in your demat account or in company records in order to login.

OR Date of Birth (DOB) If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv)

- (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 login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non -Individual Shareholders and Custodians

- (a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on www.evotingindia.com and register themselves as Corporate.
- (b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- (c) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- (d) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- (e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian/any other person, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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 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

- 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 three 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 immediately placed on the Company's website 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**

The tenure of appointment of Sh. Dinesh Nolkha, Managing Director is expiring on 30.09.2016. The resolution at item no. 5 seeks approval of the members in respect of re-appointment of Sh. Dinesh Nolkha, Managing Director. The Nomination and Remuneration Committee has recommended his re-appointment in its meeting held on 06.08.2016. In accordance with the recommendations of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on August 6, 2016, re-appointed Sh. Dinesh Nolkha as Managing Director for three years w.e.f. 01.10.2016 on the terms and conditions set out in the resolution.

Save and except Sh. Dinesh Nolkha, being appointee and Sh R.L. Nolkha and Sh. Nitin Nolkha being relative of the appointee, 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 no. 5 of the notice.

The Board of Directors recommends the Special Resolutions as set out at item no. 5 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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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		
	31.03.2016	31.03.2015	31.03.2014
Revenue from Operations	76758.90	62159.96	48868.78
Profit Before interest & Depreciation	13776.19	10430.65	9428.40
Interest	3300.98	2261.98	1746.35
Profit Before Depreciation	10475.21	8168.67	7682.05
Depreciation	3955.73	2794.00	2486.58
Exceptional items	-	-	-

	Financial Year Ended		
	31.03.2016	31.03.2015	31.03.2014
Profit before Tax	6519.48	5374.67	5195.47
Provision for Tax	2103.20	1278.73	1717.40
Profit After Tax	4416.28	4095.94	3478.07

4. Export performance and net foreign exchange collaborations :

Export sale of the Company for the year 2015-16 was Rs. 531.53 crores against Rs. 392.18 crores in the year 2014-15.

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

Sh. Dinesh Nolkha aged about 45 years is Fellow Member of Institute of Chartered Accountants (ICAI) and Institute of Cost Accountants of India. He has vast experience of more than two decades in Textile Industries. He is one of the Promoters of the Company.

2. Past Remuneration and Proposed Remuneration

Past Remuneration	Proposed Remuneration
Basic Pay Rs. 2.00 Lacs	Basic Pay Rs. 3.00 Lacs
P.M. with an increment of Rs. 25,000/- per annum.	P.M. with an increment of Rs. 30,000/- per annum. Other
Other perquisites as mentioned in the resolution.	perquisites as mentioned in the resolution.(From 01.10.2016 to 30.09.2019)
(From 01.10.2013 to 30.09.2016) Present	
basic pay is Rs. 2.50 Lacs.	

3. Recognition or awards

Sh. Dinesh Nolkha is member of various Chamber of Commerce and presently he is Sr. Vice President of Mewar Chamber of Commerce & Industry.

4. Job Profile and his suitability

Being Managing Director he is looking after the affairs of the Company, subject to superintendence, control and direction of the Chairman and Board of Directors. Taking into account of his qualifications, experience and comparison with similarly situated managerial personnel in the industry and responsibilities placed on him as Managing Director of the Company and in view of his contribution to the Company since his appointment, the Board considers his 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 listed at two Stock Exchanges i.e. BSE & NSE with approx 17500 shareholders. It is in the business of manufacturing of Cotton Yarn and Knitted Fabric with Turnover of Rs. 767 Crores during the F.Y. 2015-16. Considering the size of the Company and profile of Sh. Dinesh Nolkha, responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.

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

Except the payment of remuneration for his services as Managing Director, detailed in the resolution and Interest on Loans, he has no other pecuniary relationship with the Company.

None of the Directors of the Company except Sh. Dinesh Nolkha himself and Sh. R. L. Nolkha and Sh. Nitin Nolkha being relatives, are interested.

III. Other information :

7. Reasons of loss or inadequate profit :

The Company earned profit before tax of Rs. 6519.48 Lacs for the financial year 2015-16 as compared to Profit before Tax of Rs. 5374.67 Lacs in the year 2014-15. Presently, the Company is having adequate profit. In the coming years the company may have inadequate profits and therefore this resolution has been proposed.

8. Steps taken or proposed to be taken for improvement :

The Company has undertaken expansion project at

an estimated cost of Rs. 290 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.

9. 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.

10. Directorship in other Listed Company :

Except Nitin Spinners Ltd., Sh. Dinesh Nolkha is not Director in any other listed company

Item No. 6

The Board of Directors on the recommendation of the Audit Committee have appointed, M/s. V. K. Goyal & Company, Cost Accountants, Bhilwara, as Cost Auditors of the Company for the financial year 2016-17. 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 no. 6 of the notice.

The Board of Directors recommends the Ordinary Resolutions as set out at item no. 6 of the Notice.

By order of the Board of Directors

Place : Bhilwara

(Sudhir Garg)

Date : 06.08.2016

Company Secretary & GM (Legal)

DIRECTORS' REPORT TO THE MEMBERS

Your Directors are pleased to present 24th Annual Report on the business and operations of your Company and the Financial Statements for the year ended 31st March, 2016

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	76686.68	61647.23
Gross Profit Before Finance Cost, Depreciation & Exceptional item.	13776.19	10430.65
Finance Cost	3300.98	2261.98
Profit before Depreciation & Exceptional items	10475.21	8168.67
Depreciation	3955.73	2794.00
Exceptional items	-	-
Profit before Taxation	6519.48	5374.67
Provision for Taxation - Current (Net of MAT Credit)	1167.61	-
- Deferred Tax	935.59	1278.73
Net Profit after Tax	4416.28	4095.94
Balance brought forward	7699.76	4905.47
Total balance available for appropriation	12116.04	9001.41
Appropriations :-		
- Proposed Dividend	458.34	458.34
- Tax on Dividend	93.31	93.31
- Transfer to General Reserve	750.00	750.00
Balance Carried to Balance Sheet	10814.39	7699.76

OPERATIONAL REVIEW

Turnover :-

The year under review was another challenging year for Cotton Textiles with the declining cotton, cotton

yarn and fabric prices. However, due to substantial capacity expansion in the previous year, the company has recorded highest ever turnover of Rs. 766.87 Crores in current year against Rs. 616.47 Crores in the previous year, an increase of 24.40%. The turnover of Cotton Yarn increased by 24.56% from Rs 472.01 Crores to Rs 587.93 Crores, whereas the turnover of Knitted Fabric increased by 15.74% from Rs. 119.57 Crores in the previous year to Rs. 138.39 Crores during the current year. Knitted Fabric turnover constitute 18.53% of the total turnover.

Exports :-

The export turnover significantly increased by 35.53% from Rs. 392.18 Crores in the previous year to Rs. 531.53 Crores in the current year. The export turnover constitutes 69.31% of the total turnover.

Profitability :-

The operating profit (EBIDTA) has increased from Rs. 104.31 Crores in previous year to Rs. 137.76 Crores in current year, registering considerable increase of 32.08% over previous year. In view of substantial capacity expansion in previous year, the Finance cost and Depreciation has increased considerably resulting in marginal growth in the net profit. The Company has reported Net Profit (PAT) of Rs. 44.16 Crores during the year under review against Rs. 40.96 Crores in the previous year registering an increase of 7.81% over the last year. A sum of Rs 7.50 Crores has been transferred to General Reserves out of the Net Profit.

DIVIDEND

Your Directors are pleased to recommend Dividend of 10% i.e. Re. 1/- per Equity Shares on the fully paid-up Equity Shares of Rs. 10/- each for the financial year 2015-16 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.

CAPITAL EXPENDITURE

In view of the promising long term scenario for textile industry in domestic as well as in export market and favorable Government Policies, the Company has undertaken another expansion project for installation 72960 Compact Spindles at the existing location at project cost of Rs. 290 Crores. The project is partly

financed through term loan of Rs. 215 Crores and balance from internal accruals. The project is under implementation as per schedule and commercial production is planned to commence by the end of the current financial year 2016-17. The expansion project is eligible for benefits of Customized Package under Rajasthan Investment Promotion Scheme, 2014.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is committed to make a positive contribution to communities where it operates. Pursuant to Section 135 of the Companies Act, 2013, the Company constituted CSR committee and formulated CSR Policy as guiding principle for undertaking CSR activities. The CSR committee comprises of Sh. R.L. Nolkha, Chairman, Sh. Dinesh Nolkha, Managing Director, Sh. Y.R. Shah, Independent Director and Smt. Aditi Mehta, Independent Director. During the current year, the Company has purchased land for construction of Girls/Women Hostel at Bhilwara. Total expenditure on CSR activities during the year was Rs. 108.77 Lacs against liability of Rs. 85.53 Lacs. The details of CSR activities in the prescribed format are enclosed as **Annexure - I** to this report.

DIRECTORS

Sh. B. Ram has resigned from the Directorship of the Company and he ceased to be Director of the Company w.e.f. 24.10.2015. The board places on record its sincere appreciation for the valuable contribution made by Shri B. Ram during his tenure of directorship of the company. All Independent Directors of the Company have confirmed that they are complying with the requirement of section 149(6) of the Companies Act, 2013 and applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Shri R. L. Nolkha, 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 Statutory 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 2016-17.

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 2016-17 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and have implemented all the prescribed requirements. In pursuance to regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Reports on Corporate Governance and Management Discussions & Analysis have been incorporated in the Annual Report and forms an integral part of the Directors' Report.

AWARDS & RECOGNITION

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

1. Texprocil's Bronze Trophy for "Top Exporters - Fabrics" in the category of "Grey Fabric" for the year 2014-15.
2. Award from the Government of Rajasthan for excellent performance in exports in the State for the year 2013-14.
3. Rajasthan Energy Conservation Award by the Government of Rajasthan for efforts for Energy Conservation for the year 2014-15.

4. Recognition as Three star export house status by the office of the Jt. Director General Foreign Trade, Jaipur.

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. The Company has in house skill training centre and impart on the job training to its manpower on continuous basis. The Skill Training Centre of the Company has been approved under Integrated Skill Development Scheme by the

Department of Industries, Government of Rajasthan, Jaipur.

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 2015-16. 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 in the ordinary course of business. The Company has complied with all the applicable provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in this regard. 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, 2016.

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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors have 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 in Form MGT-9 is enclosed as **Annexure V**

xi) Miscellaneous Disclosures :-

Details about risk management have been given in the Management Discussions & Analysis.

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

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

The Company is having adequate Internal Financial Control with reference to the Financial Statements.

During the year, the Company has not received any complaint under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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
Date : 03.05.2016

R. L. NOLKHA
Chairman
(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.	<ol style="list-style-type: none"> Shri R. L. Nolkha, Chairman Shri Dinesh Nolkha, Managing Director Shri Y. R. Shah, Independent Director Smt. Aditi Mehta, Independent Director
3. Average net profit of the company for last three financial years (Amount in Lakhs)	Rs. 4276.32 Lakhs
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) (Amount in Lakhs)	Rs. 85.53 Lakhs
5. Details of CSR spent during the financial year.	
(1) Total amount to be spent for the F.Y.	Rs. 85.53 Lakhs (Spent during the F.Y. Rs. 108.77 Lakhs)
(2) Amount unspent , if any;	Rs. Nil
(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 or programs 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.	Supply of Drinking Water at nearby villages	Safe Drinking Water	Local Area Bhilwara (Rajasthan)	53000.00	53000.00	53000.00	Direct
2.	Contribution for RVG Scholarship Fund	Promoting Education	Other Area Mumbai (Maharashtra)	251000.00	251000.00	251000.00	Implementing Agency - Rajasthan Vidyarthi Griha

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 or programs 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
3.	Health Check up Shivir	Health Care	Local Area Bhilwara (Rajasthan)	41000.00	41000.00	41000.00	Implementing Agency - Shri Ganesh Utsav Prabandh and Seva Samiti
4.	Construction of Woman Hostel	Empowering Women	Local Area Bhilwara (Rajasthan)	30000000.00	9851000.00	9851000.00	Direct
5.	Cotton Crop Development	Rural Development	Local & Other Area Rajasthan	150000.00	150000.00	150000.00	Implementing Agency - CITI-CDRA
6.	Construction of Community Building	Rural Development	Local Area Bhilwara (Rajasthan)	500000.00	500000.00	500000.00	Implementing Agency - Gram Panchayat, Kherabad
7.	Medical Aid to Animals	Animal Welfare	Local Area Bhilwara (Rajasthan)	31000.00	31000.00	31000.00	Implementing Agency - People for Animal
	Total			41026000	10877000	10877000	

The Company has spent Rs. 108.77 Lacs against obligation of Rs. 85.53 Lacs during the year 2015-16. Hence, there is no shortfall in spending of CSR expenditure.

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
(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, 2016.

1. Conservation of Energy : Energy conservation measures taken - The Company gives high priority for conservation of energy in all fields. In appreciation of the efforts for Energy Conservation, the Government of Rajasthan conferred Rajasthan Energy Conservation Award to the Company during year 2015-16. The Company has taken following measures for energy saving :

- a) As renewable/green energy initiatives, the Company has executed agreement for installation of 2.00 MW Roof Top Solar Power Plant in addition to existing plant of 300 KW for captive consumption of Solar Power.
- b) In order to save power, the company continues to use LED Lights in new plant and replaced normal lights with LED Lights in existing plants.
- c) Base frequency of Invertors reduced which resulted in power saving of Ring Frame and Auto Winder Machines.

2. Total energy consumption and consumption per unit of production

S.No.	Particulars	Current Year	Previous Year
Power & Fuel Consumption			
1.	Electricity		
	(a) Purchased		
	(i) AVVNL/Open Access :		
	Units (in Lacs)	1313.92	859.95
	Total Amount (Rs. in Lacs)	6124.84	4310.56
	Cost/Unit (Rs.)	4.66	5.01
	(ii) Solar Roof Top Plant :		
	Units (in Lacs)	4.23	0.63
	Total Amount (Rs. in Lacs)	25.40	3.76
	Cost/Unit (Rs.)	6.00	5.97
	(b) Own Generation		
	(i) Through Coal based TPP		

S.No.	Particulars	Current Year	Previous Year
	Units (in Lacs)	51.15	205.40
	Unit/Per kg of Coal	0.68	0.77
	Cost/Unit (Rs.)	6.94	5.22
	COAL		
	Quantity (Kg. in Lacs)	75.29	266.16
	Total cost (Rs. in Lacs)	354.96	1073.22
	Average Rate/Kg. (Rs.)	4.71	4.03
Consumption per Kg. of Production			
	Yarn Production (MT)	37650.25	28974.46
	Electricity Unit/Kgs.	3.57	3.61
	Fabric Production (MT)	6538.11	5385.20
	Electricity Unit/Kgs.	0.36	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.

- (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. No technology has been imported during the last three years.

- (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	–	273.25
(b) Recurring	101.41	62.72
Total (a+b)	101.41	335.97
% to total turnover	0.13%	0.54%

Foreign Exchange Earnings and Outgo

[Rs. In Lacs]		
Particulars	Current Year	Previous Year
(a) Earnings	50454.95	37405.97
(b) Outgo - Capital Goods	70.54	6462.73

Particulars	Current Year	Previous Year
- Recurring		
Components, Spares Parts including Packing Material	691.14	486.05
Raw Materials	6081.91	1381.09
Sales Commission & Other	475.19	444.96
Travelling	5.07	2.66

Date : 03.05.2016

Place : Bhilwara

R. L. NOLKHA

Chairman

(DIN – 00060746)

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

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

Date : 03.05.2016

Place : Bhilwara

R. L. Nolkha

Chairman

(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	89.88	FCA, FCS, FCMA	46	06.09.1997	5550000 (12.11%)	Permanent	69	Managing Director BSL Ltd.
Sh. Dinesh Nolkha	Managing Director	83.64	FCA, FCMA	22	01.01.1996	1070000 (2.33%)	Permanent	45	-
Sh. Nitin. Nolakha	Executive Director	80.32	B.Com., MBA	17	01.10.1998	1710000 (3.73%)	Permanent	40	-

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 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 2015-16 :-

Name of Directors	Ratio
Sh. R.L. Nolkha, Chairman	65:1
Sh. Dinesh Nolkha, Managing Director	61:1
Sh. Nitin Nolakha, Executive Director	58:1

- The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2015-16;

Name of Directors & KMP	% increase/ (Decrease) in remuneration
Sh. R.L. Nolkha, Chairman	(7.37)
Sh. Dinesh Nolkha, Managing Director	(3.4)
Sh. Nitin Nolakha, Executive Director	(3.29)
Sh. P. Maheshwari, Chief Financial Officer	15.75
Sh. Sudhir Garg, Company Secretary & GM (Legal)	17.40

- The percentage increase in the median remuneration of employees in the financial year 2015-16 :- 9.40

4. The number of permanent employees on the rolls of company:- 2333
5. The explanation on the relationship between average increase in remuneration and company performance :-
The Company's Profit is increased by 7.82% against average increase in Salary of 10.50%. The increase in salary is more than the 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 1.28% whereas Company's Profit is increased by 7.82%.
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 or 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	31.03.2015	31.03.2016
Market Capitalisation	Rs. 137.50 Crores	Rs. 270.65 Crores
Price Earning Ratio	3.35	6.13

Market Rate as on 31.03.2016	Rs. 59.05 per share
Rate of Share at last Public Offer	Rs. 21.00 per share
% increase in Shares	181.19%
Price over last public offer :-	

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 :- 10.82%

Average % increase/(decrease) in the Salary of the Managerial Personnel :- (4.81%).

The Fixed component of Salary of Managerial Personnel has increased by only 7% which is lower than the average percentage increase in salary of other employees.

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

The Company's Profitability is increased by 7.82% and increase in remuneration of Key Managerial Personnel are as under :-

Name of Key Managerial Personnel	% increase in remuneration
Sh. Dinesh Nolkha, Managing Director	(-) 3.41
Sh. P. Maheshwari, Chief Financial Officer	15.75
Sh. Sudhir Garg, Company Secretary & GM (Legal)	17.40

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

Executive Directors are being paid Commission @1.00% each for previous year and @0.75% each during the current year 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

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 : 03.05.2016
Place : Bhilwara

R. L. Nolkha
Chairman
(DIN - 00060746)

ANNEXURE - V

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2016
[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 stated:-

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	
A. Promoters									
(1) Indian									
a) Individual/HUF	12618500	—	12618500	27.53	12673500	—	12673500	27.65	0.12
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corp.	16720000	—	16720000	36.48	16755000	—	16755000	36.56	0.08
e) Banks / FI									
f) Any Other									
Sub-total (A)(1) :-	29338500		29338500	64.01	29428500	—	29428500	64.21	0.20
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individual									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total (A)(2) :-	—	—	—	—	—	—	—	—	—
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	29338500	—	29338500	64.01	29428500	—	29428500	64.21	0.20
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds									
b) Banks / FI	40825	—	40825	0.09	2500	—	2500	0.01	-0.08
c) Central Govt.									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs	—	—	—	—	57999	—	57999	0.13	0.13
h) Foreign Venture Capital Funds									
i) Other (specify)									
Sub-total (B)(1) :-	40825	—	40825	0.09	60499	—	60499	0.13	0.04
(2) Non-Institution									
a) Bodies Corp.									
i) Indian	1787929	—	1787929	3.90	1849264	—	1849264	4.03	0.13
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal capital upto Rs.1 Lakh	7682241	630	7682871	16.76	8599854	630	8600484	18.76	2.00

ANNUAL REPORT 2015-16



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	
ii) Individual shareholders holding nominal capital in excess of Rs.1 Lakh	6578880	—	6578880	14.35	4489062	—	4489062	9.79	-4.56
c) Others (specify)									
i) Clearing Members	65495	—	65495	0.14	123676	—	123676	0.27	0.13
ii) NRI	335495	2450	337945	0.74	1093685	2450	1096135	2.39	1.65
iii) Trust	1500	—	1500	0.00	1500	—	1500	0.00	0.00
iv) Overseas Bodies Corporate	—	—	—	0.00	184825	—	184825	0.40	0.40
Sub-total (B)(2) :-	16451540	3080	16454620	35.90	16341866	3080	16344946	35.66	-0.24
Total Public Shareholding (B)=(B)(1)+(B)(2)	16492365	3080	16495445	35.99	16402365	3080	16405445	35.79	-0.20
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	45830865	3080	45833945	100	45830865	3080	45833945	100	

ii) Shareholding of Promoters

SI 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	5550000	12.11	Nil	5550000	12.11	Nil	0.00
2	SUSHILA DEVI NOLKHA	1650000	3.60	Nil	1650000	3.60	Nil	0.00
3	RATAN LAL NOLKHA HUF	1435000	3.13	Nil	1465000	3.20	Nil	0.07
4	DINESH NOLKHA	1070000	2.33	Nil	1070000	2.33	Nil	0.00
5	KRISHNA NOLKHA	255000	0.56	Nil	260000	0.57	Nil	0.01
6	PRATYUSH NOLKHA	253500	0.55	Nil	253500	0.55	Nil	0.00
7	DINESH NOLKHA HUF	335000	0.73	Nil	345000	0.75	Nil	0.02
8	NITIN NOLAKHA	1710000	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	180000	0.39	Nil	190000	0.41	Nil	0.02
11	REDIAL TRADING & INVESTMENT PVT LTD	16720000	36.48	Nil	16755000	36.56	Nil	0.08
Total		29338500	64.01	Nil	29428500	64.21	Nil	0.20

(iii). Change in Promoter's Shareholding

SI No.	Shareholder's Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the company				No. of Shares	% of total Shares of the Company
1	RATAN LAL NOLKHA	5550000 5550000	12.11 12.11	01.04.2015 31.03.2016	0	Transfer	5550000	
2	SUSHILA DEVI NOLKHA	1650000 1650000	3.60 3.60	01.04.2015 31.03.2016	0	Transfer	1650000	
3	RATAN LAL NOLKHA HUF	1435000 1465000	3.13 3.20	01.04.2015 22.02.2016 23.02.2016 29.02.2016 23.03.2016 31.03.2016	 10000 7500 7500 5000	 Transfer Transfer Transfer Transfer	 1445000 1452500 1460000 1465000	 3.15 3.17 3.19 3.20
4	DINESH NOLKHA	1070000 1070000	2.33 2.33	01.04.2015 31.03.2016	0	Transfer	1070000	
5	KRISHNA NOLKHA	255000 260000	0.56 0.57	01.04.2015 29.03.2016 31.03.2016	 5000	 Transfer	 260000	 0.57
6	PRATYUSH NOLKHA	253500 253500	0.55 0.55	01.04.2015 31.03.2016	0	Transfer	253500	0.55
7	DINESH NOLKHA HUF	335000 345000	0.73 0.75	01.04.2015 29.02.2016 31.03.2016	 10000	 Transfer	 345000	 0.75
8	NITIN NOLAKHA	1710000 1710000	3.73 3.73	01.04.2015 31.03.2016	0	Transfer	1710000	
9	RANJEETA NOLKHA	180000 180000	0.39 0.39	01.04.2015 31.03.2016	0	Transfer	180000	0.39
10	NITIN NOLAKHA HUF	180000 190000	0.39 0.41	01.04.2015 29.02.2016 23.03.2016 31.03.2016	 5000 5000	 Transfer Transfer	 185000 190000	 0.40 0.41
11	REDIAL TRADING & INVESTMENT PVT LTD	16720000 16755000	36.48 36.56	01.04.2015 12.02.2016 29.02.2016 31.03.2016	 15000 20000	 Transfer Transfer	 16735000 16755000	 36.51 36.56

(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 (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the company				No. of Shares	% of total Shares of the Company
1	SHUBHA UMESH KAMATH	604281	1.32	01.04.2015				
				10.04.2015	-595781	Transfer	8500	0.02
				17.04.2015	-5000	Transfer	3500	0.01
				24.04.2015	-500	Transfer	3000	0.01
				01.05.2015	-3000	Transfer	0	0.00
				04.09.2015	10000	Transfer	10000	0.02
				11.09.2015	5000	Transfer	15000	0.03
				09.10.2015	-5000	Transfer	10000	0.02
				20.11.2015	3858	Transfer	13858	0.03
				27.11.2015	-3858	Transfer	10000	0.02
				04.12.2015	-10000	Transfer	0	0.00
		0	0.00	31.03.2016				
2	MAMTHA A MUTTHA	314465	0.69	01.04.2015	-	-	314465	0.69
		314465	0.69	31.03.2016				
3	RAHUL DILIPBHAI JHAVERI	300000	0.65	01.04.2015				
				01.05.2015	-100000	Transfer	200000	0.44
				15.05.2015	-50000	Transfer	150000	0.33
				22.05.2015	-27020	Transfer	122980	0.27
				29.05.2015	-4957	Transfer	118023	0.26
				05.06.2015	-18023	Transfer	100000	0.22
				03.07.2015	-50000	Transfer	50000	0.11
		50000	0.11	31.03.2016				
4	SUMAN MANGLUNIA	210717	0.46	01.04.2015				
				12.06.2015	383	Transfer	211100	0.46
				10.07.2015	-61840	Transfer	149260	0.33
				31.07.2015	-149260	Transfer	0	0.00
		0	0.00	31.03.2016				
5	P SHOBHA	197220	0.43	01.04.2015	-	-	197220	0.43
		197220	0.43	31.03.2016				
6	SETU SECURITIES PVT LTD	180612	0.39	01.04.2015				
				10.04.2015	-5612	Transfer	175000	0.38
				08.05.2015	-24988	Transfer	150012	0.33
				12.06.2015	-12500	Transfer	137512	0.30
				19.06.2015	-5012	Transfer	132500	0.29
				26.06.2015	-32500	Transfer	100000	0.22

SI No.	Shareholder's Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the company				No. of Shares	% of total Shares of the Company
				10.07.2015	-7500	Transfer	92500	0.20
				14.08.2015	-10000	Transfer	82500	0.18
				11.09.2015	-82500	Transfer	0	0.00
		0	0.00	31.03.2016				
7	J P SWAPNA	164744	0.36	01.04.2015	-	-	164744	0.36
		164744	0.36	31.03.2016				
8	SHALINI RUPRAMKA	137500	0.30	01.04.2015				
				10.04.2015	-2500	Transfer	135000	0.29
				17.04.2015	-4000	Transfer	131000	0.29
				01.05.2015	-1642	Transfer	129358	0.28
				05.06.2015	-2000	Transfer	127358	0.28
				12.06.2015	-5858	Transfer	121500	0.26
				26.06.2015	-62000	Transfer	59500	0.13
				30.06.2015	-9500	Transfer	50000	0.11
				10.07.2015	-1000	Transfer	49000	0.10
				07.08.2015	-7500	Transfer	41500	0.09
				14.08.2015	-1500	Transfer	40000	0.09
				04.09.2015	4000	Transfer	44000	0.10
				09.10.2015	-13084	Transfer	30916	0.07
				23.10.2015	-3916	Transfer	27000	0.06
				04.12.2016	-1900	Transfer	25100	0.05
				25.12.2015	-1500	Transfer	23600	0.05
				15.01.2016	-1000	Transfer	22600	0.05
				11.03.2016	4950	Transfer	27550	0.06
		27550	0.06	31.03.2016				
9	RAVI SHANKAR MARDIA	120511	0.26	01.04.2015				
				08.05.2015	-4699	Transfer	115812	0.25
				12.06.2015	9900	Transfer	125712	0.27
				26.06.2015	-10000	Transfer	115712	0.25
				07.08.2015	5000	Transfer	120712	0.26
				17.09.2015	5000	Transfer	125712	0.27
		125712	0.27	31.03.2016				
10	CHETAN RASIKLAL SHAH	115000	0.25	01.04.2015				
				10.04.2015	-25000	Transfer	90000	0.20
				17.04.2015	-25000	Transfer	65000	0.14
				26.06.2015	1	Transfer	65001	0.14
				03.07.2015	26	Transfer	65027	0.14

ANNUAL REPORT 2015-16



SI No.	Shareholder's Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the company				No. of Shares	% of total Shares of the Company
				17.07.2015	-27	Transfer	65000	0.14
				07.08.2015	7	Transfer	65007	0.14
				14.08.2015	33	Transfer	65040	0.14
				21.08.2015	2460	Transfer	67500	0.15
				28.08.2015	-2498	Transfer	65002	0.14
				04.09.2015	-2	Transfer	65000	0.14
				11.09.2015	-64997	Transfer	3	0.00
				17.09.2015	34	Transfer	37	0.00
				25.09.2015	1	Transfer	38	0.00
				30.09.2015	-38	Transfer	0	0.00
				16.10.2015	1	Transfer	1	0.00
				30.10.2015	-1	Transfer	0	0.00
				15.01.2016	65000	Transfer	65000	0.14
				22.01.2016	115000	Transfer	180000	0.39
				29.01.2016	5000	Transfer	185000	0.40
				19.02.2016	-2500	Transfer	182500	0.40
				18.03.2016	32613	Transfer	215113	0.47
				31.03.2016	24886	Transfer	239999	0.52
		239999	0.52	31.03.2016				

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 (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the company				No. of Shares	% of total Shares of the Company
1	P. MAHESHWARI	1000	0.00	01.04.2015	0	N.A.	1000	0
		1000	0.00	31.03.2016				0
2	SUDHIR GARG	100	0.00	01.04.2015	0	N.A.	100	0
		100	0.00	31.03.2016				0

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	3782739454.00	30000000.00	0.00	3812739454.00
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
Total (i+ii+iii)	3783822847.00	30000000.00	0.00	3813822847.00
Change in Indebtness at the end of the financial year				
1. Addition	45566281.00	0.00	0.00	45566281.00
2. Reduction	307561201.00	30000000.00	0.00	337561201.00
Net Change	-261994920.00	-30000000.00	0.00	-291994920.00
Indebtness at the end of the financial year				
i) Principal Amount	3520744534.00	0.00	0.00	3520744534.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	825234.00	0.00	0.00	825234.00
Total (i+ii+iii)	3521569768.00	0.00	0.00	3521569768.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SI. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Shri Ratan lal Nolkha, Chairman	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	3480000.00	2850000.00	2550000.00	8880000.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	13864.00	95401.00	99348.00	208613.00
	c) Profit in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commision				
	- as 0.75% of Profit	5077000.00	5077000.00	5077000.00	15231000.00
	- Others, specify	—	—	—	—
5	Contribution to PF	417600.00	342000.00	306000.00	1065600.00
	Total (A)	8988464.00	8364401.00	8032348.00	25385213.00
3	Ceiling as per Act				65153748.00

ANNUAL REPORT 2015-16



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	
1	Independent Directors					
	1. Fee for attending Board Committee Meetings	30000.00	97500.00	97500.00	97500.00	322500.00
	2. Commission	—	—	—	—	—
	3. Others, please specify	—	—	—	—	—
	Total (1)	30000.00	97500.00	97500.00	97500.00	322500.00
2	Other Non-executive Directors					
	1. Fee for attending Board Committee Meetings					—
	2. Commission					—
	3. Others, please specify					—
	Total (2)	—	—	—	—	—
	Total B = (1+2)	30000.00	97500.00	97500.00	97500.00	322500.00
	Total Managerial Remuneration	30000.00	97500.00	97500.00	97500.00	322500.00

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		814952.00	1292960.00	2107912.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961		302281.00	461623.00	763904.00
	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		97374.00	154735.00	252109.00
	Total (C)		1214607.00	1909318.00	3123925.00
	Ceiling as per Act				N.A.



NITIN SPINNERS LTD.

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)
A. COMPANY					
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. DIRECTORS					
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.
C. OTHER OFFICERS IN DEFAULT					
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 : 03.05.2016

R. L. Nolkha
Chairman
DIN - 00060746

Form No. MR-3

SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31st March, 2016

*[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.
Hamirgarh, 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, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- | | |
|---|---|
| <ul style="list-style-type: none"> (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'):- <ul style="list-style-type: none"> (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; | <ul style="list-style-type: none"> (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;(repealed w.e.f. 15th May, 2015) (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;(Not applicable to the Company during the Audit Period) (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;(Not applicable to the Company during the Audit Period) (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the Company during the Audit Period) (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the Audit Period) (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
|---|---|

(vi) As informed, no other sector specific law is applicable to the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with BSE Ltd. 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. 1,000 Crore (One Thousand Crore Only) in the Annual General Meeting held on September 25, 2015;
- 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. 1,000 Crore (One Thousand Crore Only) in the Annual General Meeting held on September 25, 2015.

Place: Jaipur
Date: 03.05.2016

For V.M. & Associates
Company Secretaries

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

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

'ANNEXURE A'

To,
The Members
Nitin Spinners Limited
Hamirgarh, Bhilwara.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. We have relied upon the Report of Statutory Auditors

regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance Acts, etc.

5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Jaipur
Date: 03.05.2016

For V.M. & Associates
Company Secretaries

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

MANAGEMENT DISCUSSIONS & ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENT

India has become the fastest growing economy in the world and it has grown by 7.50% during the year 2015-16. The inflow of the FDI has been highest ever; interest rates are in downward regime, "Make in India" and "Ease of doing Business" initiatives of the Government created an environment conducive to business and industry. However, the export is a weak area, the cumulative exports declined by 15.85% to \$261.13 billion in the year 2015-16 against \$310.30 billion in 2014-15. In the absence of supporting global demand, the domestic market will need to drive economic growth in next couple of years. India is the second largest global producer of textiles and garments. The abundant availability of raw materials (cotton, wool, silk and jute) and skilled workforce have graduated India into global sourcing hub, employment driver and net foreign exchange earner. Thus, Indian Textile Industry has an overwhelming presence in the economic life of the country.

The Indian textile industry accounts for about 24% of the world's installed capacity of spindles and about 8% of global rotor capacity. It has second highest spindles in the world after China. Cotton is the leading crop in India's textile sector, accounting for more than half the country's fibre consumption. Its production, however, largely depend on climatic conditions. The Cotton Association of India (CAI) estimates that country's cotton output for the year 2015-16 shall be 341 lacs bales against 382.75 lacs bales in the year 2014-15 due to adverse climatic conditions. The cotton price in the year 2015-16 remained stable but in the year 2016-17 there may be increasing trend in the prices.

OPPORTUNITIES AND THREATS

The size of the Indian textile and apparel industry is expected to reach \$223 billion by 2021. The Indian textile Industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The exports of textile and clothing products, account for 35% of the total textile sector in India. In spite of overall decline of 15.85% in export of the country during 2015-16, the export of textile sector remain flat at \$40 billion and your Company

registered remarkable growth of 35.53% in Exports during the year over the previous year. 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 balancing in operations, offering wide product range and broad base its customer profile. We expect good growth in the demand for our products in the coming 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 69% 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 2015-16 was 2333 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

Date : 03.05.2016

R. L. NOLKHA

Chairman
(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 six Directors including one Woman Director and composition of Board of Directors of the Company is in conformity with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred as Listing Regulations) and applicable

provisions of the Companies Act, 2013. The Company has an Executive Chairman and the numbers of Independent Directors are 50% of the total number of Directors. The Independent Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberation and decisions of the Board.

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 2015-16, four meetings of the Board of Directors were held on 04.05.2015, 25.07.2015, 05.11.2015 and 09.02.2016.

The 23rd Annual General Meeting of the Company was held on 25.09.2015.

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 25.09.15	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	Yes	Nil	Nil	Nil
Sh. Nitin Nolkha	Promoter Executive Director	4	Yes	Nil	Nil	Nil
Sh. Bhagwan Ram <small>Ceased to be Director w.e.f. (24.10.2015)</small>	Independent Non-Executive Director	2	No	Nil	Nil	Nil
Sh. Y.R. Shah	Independent Non-Executive Director	4	Yes	Nil	Nil	Nil
Dr. R. Chattopadhyay	Independent Non-Executive Director	4	No	Nil	Nil	Nil
Smt. Aditi Mehta	Independent Non-Executive Director	4	No	Nil	Nil	Nil

None of the Directors of the Board serve as Members of more than 10 Committees nor are they Chairman of more than 5 Committees, as per requirements of the Regulation 26(1) of the Listing Regulations. 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 Part A of Schedule-II under the regulation 17(8) of the Listing Regulations are regularly made available to the Board, wherever applicable. The Board also reviews periodically the compliances of 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 Regulations and also with the provisions of Section 177 of the Companies Act, 2013. The terms of reference broadly includes approval of annual

Internal Audit Plan, review of financial reporting processes, internal control, risk management system, 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 25th September, 2015. The composition of the Audit committee meets the requirements of section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

Meetings and Attendance

The committee met four times during the financial year 2015-16. The dates on which Audit Committee Meetings were held are 04.05.2015, 25.07.2015, 05.11.2015 and 09.02.2016. 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
Smt. Aditi Mehta	4
Dr. R. Chattopadhyay	4

The Managing Director, CFO as well as the representatives of the internal & the statutory auditors are permanent invitees to the meeting. The Company Secretary acts as secretary to the audit committee. 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 Regulations 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 performance of the 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.
4. Decision about continuation of term of Independent Directors on the basis of report of performance evaluation.

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 under the link of "Investor Relations" and enclosed herewith as **Annexure - 1**

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 2015-16, one meeting of the "Nomination and Remuneration Committee" was held on 25.07.2015 which was attended by all the members of the Committee.

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 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. 15000/- per meeting of the Board and Rs. 7500/- per meeting of the Committee thereof and total sitting fee of Rs. 3,22,500/- was paid during the financial year 2015-16. The details of remuneration paid to Executive Directors during the financial year 2015-16 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	50.77	0.14	89.88
2.	Sh. Dinesh Nolkha	Promoter & Executive Director	28.50	3.42	50.77	0.95	83.64
3.	Sh. Nitin Nolakha	Promoter & Executive Director	25.50	3.06	50.77	0.99	80.32

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	30,000.00
2.	Sh. Y. R. Shah	Independent Non-Executive Director	97,500.00
4.	Smt. Aditi Mehta	Independent Non-Executive Director	97,500.00
5.	Dr. R. Chattopadhyay	Independent Non-Executive Director	97,500.00

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 Regulations 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, non-receipt of declared Dividend, Annual Reports and to redress the grievances of the investors as may be received from time to time. The Committee meets as and when required and shares are transferred within 15 days from the date of receipt of valid transfer request. During the financial year 2015-16 no meeting of the committee was held as no share was received for transfer, transmission etc.

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 Nolakha	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 :-

Nine complaints received from Investors during the financial year 2015-16, were 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
21 th AGM	18.09.13	3.30 PM	16-17 K.M. Stone, Chittor Road, Hamirgarh, Bhilwara-311025	Re-appointment of Sh. Dinesh Nolkha, Managing Director
22 nd 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
23 rd AGM	25.09.15	3.30 PM	-Do-	1. Re-appointment of Sh. R. L. Nolkha, Chairman 2. Re-appointment of Sh. Nitin Nolakha, Executive Director 3. Borrowing Power increased to Rs. 1000 Crores. u/s 180(1)(c) of the Companies Act, 2013 4. 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. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on February 9, 2016, 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.

8. OTHER DISCLOSURES:

Details of Compliances :-

The Company has complied with all the requirements of the Listing Regulations as well as SEBI regulations and guidelines. 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 regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on arms length pricing basis and do not 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 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, 2015, as amended, inter alia, to 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 under the link of "Investor Relations". It provides for direct access to the Chairperson of audit committee in appropriate or exceptional cases.

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 details of familiarization programme for Independent Directors is available at the website of the Company i.e. www.nitinspinners.com under the link of "Investor Relations"

The Company is partly compliant with the Discretionary requirements as provided in the Part - E of Schedule - II under regulation 27(1) of the Listing Regulations

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** acts as the primary source of information about the Company which inter-alia displayed the annual/quarterly financial results and Shareholding pattern, of the Company. The same are also displayed on the website of the Stock Exchanges.

No presentation was made to institutional investors or to analysts during the financial year 2015-16

GENERAL SHAREHOLDER INFORMATION

1. Shareholder Information :-

- A. Date of AGM & Time & Venue : 24th September, 2016 at 3.30 PM at the Registered office of the Company.
- B. Date of Book Closure : 17.09.2016 to 24.09.2016 (both the days Inclusive)
- C. Dividend Payment date : Within 30 days from the date of AGM.
- D. Financial Year : April 1, 2016 to March 31, 2017
- E. Tentative Financial Calendar for next Year for 2016-17 :

Period	Date of Board Meeting
1st Quarter ending June, 16	Last week of July, 16
2nd Quarter ending September, 16	Last week of October, 16
3rd Quarter ending December, 16	Last week of January, 17
Year ending 31st March, 17	April/May 2017
AGM for year ending 31st March, 17	August/September 2017

- F. Listing on Stock Exchange & Stock Code :

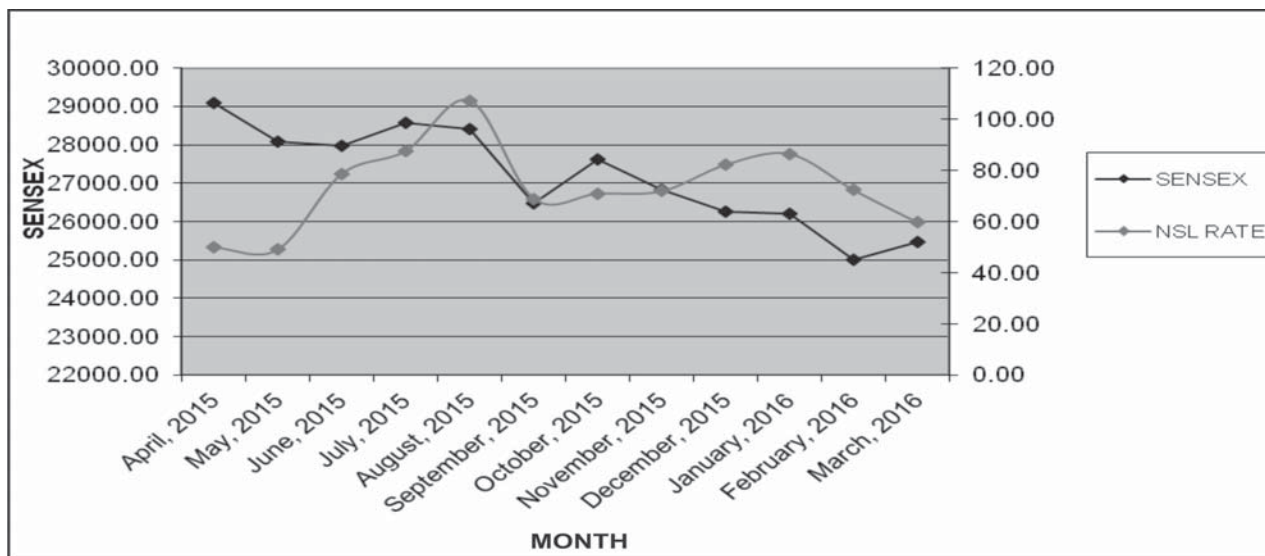
Name of Stock Exchange	Stock Code
BSE Ltd., Mumbai	532698
National Stock Exchange of India Ltd.	NITINSPIN

The applicable listing fee for the Financial Year 2016-17 has already been paid to both the Stock Exchanges

Stock Price Data :

(Price in Rs. Per Share)

Months	BSE Ltd.		National Stock Exchange of India (NSE)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 15	50.00	29.50	50.00	29.60
May, 15	49.20	42.65	49.00	42.50
June, 15	78.65	46.35	78.80	46.20
July, 15	87.60	74.50	87.55	73.00
August, 15	107.25	62.65	107.65	62.65
September, 15	69.00	53.60	69.50	53.60
October, 15	71.00	56.00	70.90	55.55
November, 15	71.90	52.00	72.00	53.10
December, 15	82.20	60.40	82.20	60.35
January, 16	86.40	61.35	86.50	61.00
February, 16	72.35	48.90	72.90	48.00
March, 16	59.70	49.30	59.95	49.35

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, 2016		31st March, 2015	
	No. of Shares	%	No. of Shares	%
No. of Shares Dematerialised				
— NSDL	4,14,29,820	90.39	4,00,70,197	87.42
— CDSL	44,01,045	9.60	57,60,668	12.57
No. of Shares in Physical Mode	3,080	0.01	3,080	0.01
Total	4,58,33,945	100.00	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 regulations, a practicing Company Secretary audits the System of Transfer and a Certificate to that effect is issued.

L. Distribution Schedule as on 31st March, 2016 :

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% to Shares
Up to 500	13470	76.55	26,70,627	5.82
501 to 1,000	2004	11.39	16,93,781	3.70
1,001 to 2,000	1018	5.79	15,64,850	3.41
2,001 to 3,000	373	2.12	9,67,329	2.11
3,001 to 4,000	178	1.01	6,37,775	1.39
4,001 to 5,000	124	0.70	5,93,860	1.30
5,001 to 10,000	210	1.19	15,61,757	3.41
10,001 & above	220	1.25	3,61,43,966	78.86
Total	17597	100	4,58,33,945	100

M. Shareholding pattern as on 31st March 2016 :

S.No.	Category	No. of shares Held	Percentage of Shareholding
A.	Promoters Holding		
a.	Indian Promoters	2,94,28,500	64.21
b.	Foreign Promoters	-	-
	Total Promoters' Holdings	2,94,28,500	64.21
B	Non-Promoters Holding :-		
a.	Banks, Financial Institutions, Insurance Companies	60,499	0.13
b.	Private Corporate Bodies	18,49,264	4.03
c.	Indian Public	1,30,89,546	28.55
d.	NRIs / OCBs	12,80,960	2.79
e.	Any other (please specify) - Trust	1,500	0.02
	- Clearing Members	1,23,676	0.27
	Total Non-Promoters' Holdings	1,64,05,445	35.79
	TOTAL (A) + (B)	4,58,33,945	100.00

N. Directors Seeking Re-appointment**Sh. R. L. Nolkha**

Sh. R.L. Nolkha aged 69 years is one of the key Promoters of the Company. He has vast experience of more than four decades in the Textile Industry at various positions. He was associated with Surya Roshini Ltd., RSWM Ltd. and BSL Ltd. at senior positions. He was Managing Director of BSL Ltd. for 8 years before joining Nitin Spinners Ltd. as Whole-Time Director in the year 1997. He is member of all three pioneer Institutes i.e. Institute of Chartered Accountant of India (ICAI), Institute of Company Secretaries of India (ICSI) and Institute of Cost Accountants of India (ICAI). He is a member of several industry associations and chambers. Presently, he is Chairman of Rajasthan Textile Mills Association (RTMA) and earlier he was Chairman of North India Textile Research Association (NITRA).

Directorship in other Companies :-

Redial Trading & Investment 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
Website - www.nitinspinners.com

For and on Behalf of the Board of Directors

Place : Bhilwara
Date : 03.05.2016

R. L. NOLKHA
Chairman
(DIN - 00060746)

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

All Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management of Nitin Spinners Limited for the Financial Year ended March 31st, 2016.

Place: Bhilwara
Date : 03.05.2016

DINESH NOLKHA
Managing Director
(DIN - 00054658)

APPOINTMENT, REMUNERATION & EVALUATION POLICY

Nomination, Remuneration and Evaluation Policy

This Nomination, Remuneration and Evaluation Policy (the "Policy") applies to the Board of Directors (the "Board"), Key Managerial Personnel (the "KMP") and the Senior Management Personnel of Nitin Spinners Limited (the "Company").

"Key Managerial Personnel" (KMP) in relation to a company means-

- (i) The Chief Executive Officer or the Managing Director or Manager;
- (ii) The Company Secretary;
- (iii) The Whole-time Director;
- (iv) The Chief Finance Officer; and
- (v) Such other officer as may be prescribed.

The term "Senior Management Personnel" means to include all members other than the Directors and KMPs of the Company, who are members of management one level below the Executive Directors.

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

1. Purpose

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and officials comprising the senior management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management and practice followed in Industry.

2. Accountabilities

- 2.1 The Board is ultimately responsible for the appointment of Directors. The "Key Managerial Personnel" i.e. Chief Financial Officer & Company Secretary and "Senior Management personnel" shall be appointed by the Chairman & Whole-time Directors jointly. The Board shall be informed about the same.
- 2.2 The Board has delegated responsibility for assessing and selecting the candidates for

the role of Directors to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board and for Key Managerial Personnel i.e. Chief Financial Officer & Company Secretary and the Senior Management of the Company to the Chairman & Whole-time Directors jointly.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for:

- 3.1 reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- 3.2 recommending to the Board on the selection of individuals nominated for Directorship;
- 3.3 making recommendations to the Board on the remuneration payable to the Directors;
- 3.4 assessing the independence of independent directors;
- 3.5 such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act 2013 and Rules thereunder.
- 3.6 to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- 3.7 ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets

appropriate performance benchmarks;

3.8 to devise a policy on Board diversity;

3.9 to develop a succession plan for the Board and to regularly review the plan;

The chairman & Whole-Time Director jointly shall be responsible to assess requirement, performance and remuneration in respect of Key Managerial Personnel i.e. Chief Financial Officer & Company Secretary and the Senior Management of the Company in terms of criteria laid down under the policy by the committee.

The Nomination and Remuneration Committee comprises of the following:

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

VOTING

a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

4. Appointment of Directors

4.1 Enhancing the competencies of the Board is the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:

- assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
- the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
- the skills and experience that the appointee brings to the role of Director and how an appointee will enhance the skill sets and experience of the Board as a whole;
- the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;

4.2 Personal specifications:

- Degree holder in relevant disciplines;
- Experience of management in a diverse organization;

- Excellent interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

5. Letters of Appointment

Each Director/KMP/Senior Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

6. Remuneration of Directors, Key Managerial Personnel and Senior Management

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials.

The Directors, Key Management Personnel and other senior official's salary shall be based & determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nominations & Remuneration Committee determines individual remuneration packages for Directors taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman is recommended by the Committee to the Board of the Company.

The remuneration of Key Managerial Personnel i.e. Chief Financial Officer & company Secretary

and the Senior Management of the company shall be decided jointly by the Chairman & Whole-Time Director based on the above referred criteria.

(i) Remuneration:

a) Base Compensation (fixed salaries)

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

b) Variable salary:

The Committee may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfillment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

(ii) Statutory Requirements:

Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.

Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.

The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.

The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to its any one Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.

The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.

The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

- 6.1 The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.
- 6.2 The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.
- 6.3 The remuneration payable to the Key Managerial Personnel i.e. Chief Financial Officer and Company Secretary and the Senior Management shall be as may be decided by the Chairman & Whole-Time Directors having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

7. **Evaluation/ Assessment of Directors/ KMPs/Senior Officials of the Company -**

The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis and to satisfy the requirements of the Listing Agreement.

The following criteria may assist in determining how effective the performances of the Directors/ KMPs/Senior officials have been:

- 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
- assess policies, structures & procedures
- direct, monitor & evaluate KMPs, senior officials
- review management's succession plan
- effective meetings
- assuring appropriate board size, composition, independence, structure
- clearly defining roles & monitoring activities of committees
- review of corporation's ethical conduct

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Directors/Non-Independent Directors along with the Independent Directors will evaluate/ assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

COMPLIANCE CERTIFICATE

(Under Regulation 17(8) of the SEBI (Listing Obligations and Development) Regulations, 2015)

- | | |
|---|---|
| <p>A) We have reviewed financial statements and cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:</p> <p>(1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.</p> <p>(2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.</p> <p>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.</p> <p>C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if</p> | <p>any, of which we are aware and the steps we have taken or propose to take rectify these deficiencies.</p> <p>D) We have indicated to the auditors and the Audit Committee:</p> <p>(1) Significant changes in internal control over financial reporting during the year;</p> <p>(2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and</p> <p>(3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.</p> |
|---|---|

P. Maheshwari
Chief Financial Officer
PAN – ABAPM8005C

Dinesh Nolkha
Managing Director
DIN - 00054658

Place : Bhilwara
Date : 03.05.2016

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, 2016 as stipulated in Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Stakeholders 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 : 03.05.2016

Ashok Mangal
Partner
 M.No. 071714

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Nitin Spinners Ltd.
Report on the Financial Statements

We have audited the accompanying financial statements of **Nitin Spinners Ltd.** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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, 2016;
- 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, 2016 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, 2016, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016, from

being appointed as a Director in terms of Section 164 (2) of the Act.

- With respect to adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
- 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 : 3rd May, 2016

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 year ended 31 March 2016, as per information and explanations given to us, we report that-

- the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- these fixed assets have been physically verified by the management at reasonable intervals, no material discrepancies were noticed on such verification.

- the title deeds of immovable properties are held in the name of the company,
- Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
- The company has not granted any loans secured or unsecured to the companies, firms, Limited Liability Partnerships, or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- (iv) In respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) the company has not accepted any deposits.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and such accounts and records have been so made and maintained.
- (vii) (a) the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities . There is no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) There are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute except as follows:-

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

Name of the Statute	Nature of dues	Unpaid Amount (Rs. in lacs)	Period	Forum at which pending /Remarks
Central Excise	Excise Duty	463.54	2008-09	CESTAT, New Delhi
Central Excise	Excise Duty	20.67	2008-09	CESTAT, New Delhi

- (viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) however it has raised term loans which were applied for the purposes for which those are raised.
- (x) There were no incident of fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The company is not a Nidhi Company.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where ever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place : Bhilwara
Date : 3rd May, 2016

Ashok Mangal
Partner
M.No. 071714

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Nitin Spinners Ltd. ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Bhilwara
Date : 3rd May, 2016

Ashok Mangal
Partner
M.No. 071714



BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31.03.2016 (Rs. in lacs)	As at 31.03.2015 (Rs. in lacs)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	4583.39	4583.39
(b) Reserve and Surplus	2	15981.12	12116.49
		<u>20564.51</u>	<u>16699.88</u>
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	24090.58	29424.55
(b) Deferred Tax Liabilities (Net)	4	4329.00	3393.41
(c) Long-Term Provisions	5	534.14	425.17
		<u>28953.72</u>	<u>33243.13</u>
(3) Current Liabilities			
(a) Short-Term Borrowings	6	5772.36	5333.70
(b) Trade Payables	7	1308.90	936.73
(c) Other Current Liabilities	8	6290.29	4171.31
(d) Short-Term Provisions	9	613.96	604.79
		<u>13985.51</u>	<u>11046.53</u>
TOTAL		<u>63503.74</u>	<u>60989.54</u>
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		38178.03	41640.22
(ii) Intangible Assets		29.43	33.54
(iii) Capital Work In Progress		1706.21	-
		<u>39913.67</u>	<u>41673.76</u>
(b) Long-Term Loans and Advances	11	3070.10	2726.61
		<u>42983.77</u>	<u>44400.37</u>
(2) Current Assets			
(a) Inventories	12	11476.03	9418.92
(b) Trade Receivables	13	3924.75	4041.94
(c) Cash and Cash Equivalents	14	56.93	67.89
(d) Short Term Loans and Advances	15	1895.25	385.23
(e) Other Current Assets	16	3167.01	2675.19
		<u>20519.97</u>	<u>16589.17</u>
TOTAL		<u>63503.74</u>	<u>60989.54</u>
Accounting Policies and Additional informations	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

R.L. NOLKHA
Chairman
(DIN - 00060746)

ADITI MEHTA
Director
(DIN - 06917890)

R. CHATTOPADHYAY
Director
(DIN - 06928729)

Place : Bhilwara
Date : 3rd May, 2016

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)

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

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	Year ended 31.03.2016 (Rs. in lacs)	Year ended 31.03.2015 (Rs. in lacs)
I. Revenue from Operations	17	76686.68	61647.23
II. Other Income	18	72.22	512.73
III. TOTAL REVENUE (I+II)		76758.90	62159.96
IV. Expenses			
Cost of Materials Consumed	19	46151.78	38534.55
Purchase of Stock in Trade		–	173.96
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	20	170.56	(340.50)
Employee Benefits Expenses	21	4314.39	3428.30
Finance Cost	22	3300.98	2261.98
Depreciation & Amortisation Expense	10	3955.73	2794.00
Other Expenses	23	12345.98	9933.00
TOTAL EXPENSES		70239.42	56785.29
V. Profit before Exceptional Items & Tax		6519.48	5374.67
VI. Tax Expenses			
1. Current Tax (Net of MAT Credit)		1167.61	
2. Deferred Tax		935.59	1278.73
VII. Profit /(Loss) After Tax (V-VI)		4416.28	4095.94
VIII. Basic & Diluted Earning Per Share		9.64	8.94
Accounting Policies and Additional informations	24		

In terms of our report of even date attached

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Place : Bhilwara
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Company Secretary
& GM (Legal)
(PAN - ABBPK6037F)

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016

Particulars	Year Ended 31.3.2016 (Rs. in lacs)	Year Ended 31.3.2015 (Rs. in lacs)
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax & Exceptional Items	6519.48	5374.67
Adjustments for :-		
Depreciation	3955.73	2794.00
Interest Expenditure	3300.98	2261.98
Loss/ (Profit) on sale of Fixed Assets	(4.11)	84.92
Operating Profit Before Working Capital Changes	13772.08	10515.57
Adjustments for :-		
Decrease/ (Increase) Inventories	(2057.11)	(2349.08)
Decrease/ (Increase) Sundry Debtors	117.19	(1552.63)
Decrease/ (Increase) Loans and Advances (Current & Non Current)	(806.60)	(1447.82)
Increase/(Decrease) Current & Non Current Liabilities	333.93	398.63
Total Adjustments	(2412.59)	(4950.90)
Cash Generated from Operations	11359.49	5564.67
Less : Taxes Paid (Including MAT)	1319.75	1113.95
Net Cash Generated from Operating Activities (A)	10039.74	4450.72
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(503.65)	(26097.37)
Capital WIP including Capital Advances	(3092.80)	3486.26
Sale of Fixed Assets	18.33	666.12
Net Cash Generated/(used) in Investing Activities (B)	(3578.12)	(21944.99)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from /(Repayment) of short term borrowing (Net)	438.66	3991.35
Proceeds from long term borrowing	17.00	19700.00
Repayment of long term borrowing	(3075.61)	(3471.41)
Interest Paid	(3300.98)	(2261.98)
Dividend Paid	(458.34)	(343.75)
Tax on Dividend Paid	(93.31)	(58.42)
Net Cash Generated/(used) From Financing Activities (C)	(6472.58)	17555.79
(D) Net Increase / (Decrease) in Cash & Cash Equivalent (A+B+C)	(10.96)	61.52
Closing Balance of Cash & Cash Equivalent	56.93	67.89
Opening Balance of Cash & Cash Equivalent	67.89	6.37

In terms of our report of even date attached

For R.S. DANI & CO.
Chartered Accountants
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Partner
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Place : Bhilwara
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For and on behalf of the Board

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Managing Director
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SUDHIR GARG
Company Secretary
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(PAN - ABBPK6037F)

Notes to Financial Statements**NOTE 1 : DETAILS OF SHARE CAPITAL**

Particulars	As at 31.03.2016 (Rs. in lacs)	As at 31.03.2015 (Rs. in lacs)
AUTHORISED :		
4,60,00,000 (Previous Year : 4,60,00,000) Equity Shares of Rs. 10/- Each	4600.00	4600.00
4,00,000 (Previous Year : 4,00,000) Preference Shares of Rs. 100/- Each	400.00	400.00
TOTAL	5000.00	5000.00
ISSUED, SUBSCRIBED & FULLY PAID - UP :		
4,58,33,945 (Previous Year : 4,58,33,945) Equity Shares of Rs. 10/- Each fully paid up ranking pari passu	4583.39	4583.39
	4583.39	4583.39

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

Name of Shareholders	No. of Shares (% of Holding)	No. of Shares (% of Holding)
Redial Trading & Investment Pvt. Ltd.	16755000 (36.56%)	16720000 (36.48%)
Ratan Lal Nolkha	5550000 (12.11%)	5550000 (12.11%)

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

Particulars	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	45833945	45833945
Add : Shares issued during the year	—	—
Equity Shares at the end of the year	45833945	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

Particulars	As at 31.03.2016 (Rs. in lacs)	As at 31.03.2015 (Rs. in lacs)
a. Capital Redemption Reserve		
Opening Balance	150.00	150.00
Additions during the year	—	—
Deductions during the year	—	—
Net Balance	150.00	150.00
b. Securities Premium Reserve		
Opening Balance	2766.73	2766.73
Additions during the year	—	—
Deductions during the year	—	—
Net Balance	2766.73	2766.73
c. General Reserve		
Opening Balance	1500.00	750.00
Additions during the year	750.00	750.00
Deductions during the year	—	—
Net Balance	2250.00	1500.00
d. Surplus in Profit & Loss Statement		
Opening Balance	7699.76	4905.47
Additions during the year	4416.28	4095.94
Less : Allocation / Appropriation		
Proposed Dividend on Equity Shares	458.34	458.34
Tax on Dividend	93.31	93.31
Transfer to General Reserve	750.00	750.00
Sub Total	1301.65	1301.65
Net Balance	10814.39	7699.76
TOTAL (a to d)	15981.12	12116.49

NOTE 3 : LONG TERM BORROWINGS

Particulars	As at 31.03.2016 (Rs. in lacs)	As at 31.03.2015 (Rs. in lacs)
a. Term Loan from Banks (Secured)	29397.88	32428.61
Less : Taken to Other Current Liabilities being Current Maturities	5316.20	3030.77
Total (a)	24081.68	29397.84
b. Vehicle Loan From Bank (Secured)	37.20	65.08
Less : Taken to Other Current Liabilities being Current Maturities	28.30	38.37
Total (b)	8.90	26.71
TOTAL (a+b)	24090.58	29424.55

Explanations**1. Security**

- (a) Term Loans of Rs. 27616.63 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. 1781.25 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. 96.96 Lacs are repayable in 1 quarterly instalments upto 30th June 2016, Rs. 9329.51 Lacs in 11 variable quarterly instalments upto 31st December 2018, Rs. 321.41 Lacs in 15 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. 0.64 Lacs is repayable in 1 monthly instalments upto 7th May 2016, Rs. 1.87 Lacs in 2 variable monthly instalments upto 12th June 2016, Rs. 4.07 Lacs in 10 variable monthly instalments upto 7th March 2017, Rs. 17.83 Lacs is repayable in 14 variable monthly instalments upto 7th May 2017 and Rs. 12.79 Lacs is repayable in 25 variable monthly instalments upto 5th June 2018

NOTE 4 : DEFERRED TAX LIABILITY (NET)

A. Deferred Tax Liability		
- Depreciation	4535.42	3605.68
B. Deferred Tax Assets		
- Employee Benefits & Other Expenses	206.42	212.27
C. Deferred Tax Liability (Net)	4329.00	3393.41

NOTE 5 : LONG TERM PROVISIONS

Provision for Employee Benefits	534.14	425.17
TOTAL	534.14	425.17

NOTE 6 : SHORT TERM BORROWINGS

Particulars	As at 31.03.2016 (Rs. in lacs)	As at 31.03.2015 (Rs. in lacs)
Loans repayable on demand :		
Working Capital Loan from Banks (Secured)	5772.36	5333.70
TOTAL	5772.36	5333.70

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	338.70	142.48
For Services & Others	970.20	794.25
TOTAL	1308.90	936.73

NOTE 8 : OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debt	5344.50	3069.14
Interest accrued but not due on borrowings	8.25	10.84
Unsecured Loan from Directors & Related Parties (Refer Note No. 24 B (10))	—	300.00
Advances from Customers	92.57	18.54
Statutory Dues	118.46	94.07
Capital Goods	8.10	—
Unclaimed Dividend	9.14	4.67
Other Payables	709.27	674.05
TOTAL	6290.29	4171.31

NOTE 9 : SHORT TERM PROVISIONS

Provisions for Employee Benefits	62.31	53.14
Provision for Dividend	458.34	458.34
Provision for Dividend Tax	93.31	93.31
TOTAL	613.96	604.79

NOTE 10 : FIXED ASSETS

(Rs. in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	As at 01-04-15	Additions	Deductions	As at 31-03-16	As at 01-04-15	For the Year	Deductions	As at 31-03-16	As at 31-03-16	As at 31-03-15
Tangible Assets										
Free Hold Land	204.31	284.90	–	489.21	–	–	–	–	489.21	204.31
Buildings	10595.83	38.22	–	10634.05	1780.94	421.78	–	2202.72	8431.33	8814.89
Plant & Machinery	48697.63	143.04	30.93	48809.74	17438.40	3247.79	29.38	20656.81	28152.93	31259.23
Electric installation	2112.96	–	31.82	2081.14	1050.54	223.95	30.23	1244.26	836.88	1062.42
Furniture & Fixtures	96.42	4.66	–	101.08	34.31	11.14	–	45.45	55.63	62.11
Office Equipments	129.81	9.15	–	138.96	79.66	14.86	–	94.52	44.44	50.15
Vehicles	241.88	20.63	25.49	237.02	54.77	29.05	14.41	69.41	167.61	187.11
Total	62078.84	500.60	88.24	62491.20	20438.62	3948.57	74.02	24313.17	38178.03	41640.22
Intangible Assets										
Computer Software	34.35	3.05	–	37.40	0.81	7.16	–	7.97	29.43	33.54
Total	34.35	3.05	–	37.40	0.81	7.16	–	7.97	29.43	33.54
Grand Total	62113.19	503.65	88.24	62528.60	20439.43	3955.73	74.02	24321.14	38207.46	41673.76
Previous Year	37870.94	26097.37	1855.12	62113.19	18749.51	2794.00	1104.08	20439.43	41673.76	19121.43
Capital Work in Progress									1706.21	

Note : Capital Work in Progress includes Rs. 90.74 Lacs (Previous Year- Rs. Nil) being preoperative expenses pending allocation.

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

Particulars	As at 31.03.2016 (Rs. in lacs)	As at 31.03.2015 (Rs. in lacs)
Advance Income Tax & MAT Credit Entitlement (Net of Provision)	2724.00	2571.86
Security Deposits	247.59	154.75
Advance against CSR Assets	98.51	–
TOTAL	3070.10	2726.61

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

Raw Material	8690.96	6859.55
Work-In-Process	651.42	523.62
Finished Goods	846.93	1163.49
Stores and Spares	423.91	267.69
Fuel	801.84	561.78
Saleable Waste	60.97	42.79
TOTAL	11476.03	9418.92

NOTE 13 : TRADE RECEIVABLES
(Unsecured, Considered Good)

Particulars	As at 31.03.2016 (Rs. in lacs)	As at 31.03.2015 (Rs. in lacs)
Outstanding exceeding Six months from due date	—	—
Other Debts	3924.75	4041.94
TOTAL	3924.75	4041.94

NOTE 14 : CASH AND CASH EQUIVALENTS

Cash in Hand	10.47	5.68
Balance with Banks in :		
Current Accounts	37.33	57.54
Unclaimed Dividend Account	9.13	4.67
TOTAL	56.93	67.89

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

Advances to Suppliers	169.66	69.28
Capital Advances	1467.11	80.52
Other Advances	258.48	235.43
(Recoverable in cash or in kind or for value to be received)		
TOTAL	1895.25	385.23

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

Amount Receivable under TUFS	803.12	786.23
VAT Credit and Other Receivables	2363.89	1888.96
TOTAL	3167.01	2675.19

NOTE 17 : REVENUE FROM OPERATIONS

Particulars	Year ended 31.03.2016 (Rs. in lacs)	Year ended 31.03.2015 (Rs. in lacs)
Sales	75726.24	60424.00
Foreign Exchange Fluctuation (Net)	913.63	1168.92
Job Receipts	47.31	66.69
TOTAL	76687.18	61659.61
Less : Excise Duty	0.50	12.38
TOTAL	76686.68	61647.23

NOTE 18 : OTHER INCOME

Particulars	Year ended 31.03.2016 (Rs. in lacs)	Year ended 31.03.2015 (Rs. in lacs)
Miscellaneous Income	7.11	481.60
Interest Received	55.53	31.13
Profit on Sale of Fixed Assets	4.11	—
Profit on Sale of Short-Term Investment	5.47	—
TOTAL	72.22	512.73

NOTE 19 : COST OF MATERIALS CONSUMED

Stock at Opening	6859.55	5189.21
Add : Purchases & Expenses	47983.19	40204.89
TOTAL	54842.74	45394.10
Less : Stock at Closing	8690.96	6859.55
TOTAL	46151.78	38534.55

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

Closing Stock		
Finished Goods	846.93	1163.49
Saleable Waste	60.97	42.78
Work-In-Progress	651.42	523.61
	1559.32	1729.88
Opening Stock		
Finished Goods	1163.49	995.83
Saleable Waste	42.78	59.25
Work-In-Progress	523.61	334.30
	1729.88	1389.38
Changes in Inventories		
Finished Goods	316.56	(167.66)
Saleable Waste	(18.19)	16.47
Work-In-Progress	(127.81)	(189.31)
TOTAL	170.56	(340.50)

NOTE 21 : EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31.03.2016 (Rs. in lacs)	Year ended 31.03.2015 (Rs. in lacs)
Salary & Wages	3667.78	2866.75
Contribution to Provident Fund and Other Benefits	333.86	259.31
Gratuity and Leave Encashment Expenses	141.34	148.55
Staff Welfare Expenses	171.41	153.69
TOTAL	4314.39	3428.30

NOTE 22 : FINANCE COST

Interest Expenses		
Term Loans	2339.51	1421.27
Others	680.82	628.77
TOTAL	3020.33	2050.04
Other Borrowing Costs	280.65	211.94
TOTAL	3300.98	2261.98

NOTE 23 : OTHER EXPENSES

(a) Manufacturing Expenses		
Power, Fuel & Water charges	6505.20	5130.29
Stores & Spares Consumed	1640.46	1383.68
Packing Expenses	1298.30	1037.46
Job Charges paid	6.47	3.19
Repair & Maintenance		
Plant & Machinery	84.84	54.08
Building	25.87	20.24
Others	19.19	12.76
TOTAL (a)	9580.33	7641.70
(b) Administrative and Other Expenses		
Printing & Stationery	13.89	12.44
Postage & Communication	26.68	25.13
Subscription & Membership Fees	2.25	2.03
Director's Sitting Fee	3.22	1.50
Rent, Rates & Taxes	27.47	20.09

Particulars	Year ended 31.03.2016 (Rs. in lacs)	Year ended 31.03.2015 (Rs. in lacs)
Travelling Directors	16.61	6.51
Others	15.56	15.32
Vehicle & Conveyance	75.63	58.74
Charity & Donation	0.75	0.89
CSR Expenditure	10.26	23.64
Legal & Professional	24.44	12.72
Insurance Charges	46.44	53.65
Loss on Sale of Fixed Assets	—	84.92
Audit Fees	4.00	2.50
Cost Audit Fees	0.40	0.25
Advertisement	11.26	8.21
Software Expenses	3.71	0.57
Miscellaneous Expenses	3.94	3.16
TOTAL (b)	286.51	332.27
(c) Selling and Distribution Expenses		
Sales Promotion	21.56	18.57
Sales Commission	1000.28	801.10
Rebate, Claims & Discount	82.32	31.17
Freight & Forwarding	1330.95	1069.93
Hank Yarn Obligation Expenses	44.03	38.26
TOTAL (c)	2479.14	1959.03
TOTAL (a to c)	12345.98	9933.00

NOTE 24 : ACCOUNTING POLICIES & ADDITIONAL INFORMATION

A. SIGNIFICANT ACCOUNTING POLICIES

1) Basis for preparation of Financial Statement

- 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.
- Accounting policies, not specifically referred to, are consistent with Generally Accepted Accounting Principles.

2) Revenue Recognition :

- 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. 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

- (a) Government Grants are recognized in accordance with AS-12 and reduced from the relevant expenses or shown as income. The benefits attributable to the acquisition/installation of Fixed Assets till the commencement of commercial production are netted against the cost of fixed assets.

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	804.91	804.91
b.	Guarantees - Outstanding Bank Guarantees	157.39	148.24
c.	Other money for which the company is contingently liable - Bill Discounted with Banks (against goods sold)	5968.02	4999.76

ii) Commitments

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) **Rs. 17396.11 Lacs** (Previous Year - Rs. 91.02 Lacs).
 - b) The company has an outstanding export obligation of approx. **Rs. 28215.24 lacs** (Previous Year - Rs. 25812.42 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 31.03.2021.
- 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 2016. 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) Provision for current tax is net of MAT Credit Entitlement **Rs. 223.75 Lacs** (Previous Year - Rs. 1126.56 Lacs)

5) 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, 2016 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)	95.72	6583.17	87.99	5599.71
EURO (Sale)	10.84	824.25	3.33	235.48
GBP (Sale)	0.12	11.55	0.85	81.57
Total	106.68	7418.97	92.17	5916.76
B Unhedged forex exposure				
Payable - USD	3.96	262.68	4.47	279.48
Payable - EURO	0.10	7.51	0.05	3.50
Payable - GBP	0.01	0.95	0.03	2.40

6) **Payment to Auditors :-**

	Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
A.	Audit Fee	3.50	2.20
B.	Tax Audit Fee	0.50	0.30
	Total	4.00	2.50

7) **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. 240.77 lacs** (Previous Year Rs 185.15 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	374.50	269.58
Interest cost	29.96	22.92
Current service cost	95.54	76.40
Benefits paid	(17.02)	(15.53)
Actuarial (gain)/loss on obligation	(8.46)	21.13
Present value of obligation at the end of period	474.52	374.50

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	95.54	76.40
Interest cost	29.96	22.92
Net actuarial (gain)/loss recognized in the period	(8.46)	21.13
Expenses recognized in the Profit & Loss statement	117.04	120.45

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	474.52	374.50
Fair value of Plan Assets	—	—
Liability Recognized in Balance Sheet	474.52	374.50

(ii) Leave Encashment

The company provides benefit of leave encashment to its employees as per defined rules. The provision for liability for leave encashment as on date of Balance Sheet is recognised on the basis of Actuarial certificate, as under:

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Present value of obligation as at the end of period	121.94	103.81
Fair value of Plan Assets	—	—
Liability Recognized in Balance Sheet	121.94	103.81

The assumptions used in Actuarial Valuation:-

Particulars	Current Year (In %)	Previous Year (In %)
i) Discounting Rate	8.00	8.00
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.

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

9) **SEGMENT REPORTING**

- (a) Primary Segment Reporting (By Business Segments)

- (ii) The Company is engaged in textiles. Hence there is no separate business segments
- (iii) 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	25683.37	24198.14
	- Outside India	51076.03	37974.20
	Total Revenue	76759.40	62172.34
2.	Segment Assets*		
	- Within India	61272.02	59354.29
	- Outside India	2231.72	1635.25
	Total Assets	63503.74	60989.54

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

10) **RELATED PARTY DISCLOSURES**

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

- (a) Key Management Personnel :-

Name of Person	Relationship
Shri R.L. Nolkha,	Chairman
Shri Dinesh Nolkha	Managing Director
Shri Nitin Nolkha	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 Nolkha
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- (c) Related Companies:-

Redial Trading & Investment Pvt. Ltd.

Details of Transactions with related parties :-

S.No.	Nature of Transactions	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
1	Rent Payment		
	Smt. Sushila Devi Nolkha	3.00	3.00
	Shri R.L. Nolkha	0.60	0.90
	Redial Trading & Investment Pvt. Ltd.	0.90	0.90
2	Managerial Remuneration		
	Shri R.L. Nolkha	89.88	97.04
	Shri Dinesh Nolkha	83.64	86.59
	Shri Nitin Nolakha	80.32	83.05
	Shri P. Maheshwari	19.09	16.50
	Shri Sudhir Garg	12.15	10.35
3	Interest Payment on unsecured loans		
	Shri R.L. Nolkha	9.95	3.03
	Shri Dinesh Nolkha	7.48	2.51
	Shri Nitin Nolakha	8.81	2.14
	Redial Trading & Investment Pvt. Ltd	20.71	3.95

The balance due to related parties (Refer Note no. 8 - Other Current Liabilities) and maximum outstanding balance during the year are as under:

S.No.	Nature of Transactions	Outstanding Balance		Maximum outstanding balance during the year	
		As at 31.03.16	As at 31.03.15	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
1.	Shri R.L. Nolkha	Nil	55.00	175.00	80.00
2.	Shri Dinesh Nolkha	Nil	60.00	90.00	60.00
3.	Shri Nitin Nolakha	Nil	60.00	125.00	60.00
4.	Redial Trading & Investment Pvt. Ltd	Nil	125.00	275.00	125.00

11) Earning Per Share (EPS) -

S.No.	Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
A	Net Profit available to Equity Shareholders	4416.28	4095.94
B	Number of Equity Shares of Rs.10 each outstanding during the year (in lacs)	458.34	458.34
C	Basic/Diluted Earning per share (Rs.)	9.64	8.94
D	Face Value of each equity share (Rs.)	10.00	10.00

13) Installed Capacity

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

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
A	YARN								
i)	Own Manufacturing								
	Qty. (In Tons) *	704.14	544.64	37650.26	28974.46	31578.42	23713.73	442.37	704.14
	Value (Rs. in Lacs)	1005.92	878.57	—	—	57998.50	45955.35	670.36	1005.92
ii)	Trading								
	Qty. (In Tons)	—	—	—	85.28	—	85.28	—	—
	Value (Rs. in Lacs)	—	—	—	—	—	180.83	—	—
B	Fabric								
	Qty. (In Tons)	94.65	54.68	6363.08	5129.91	6364.65	5089.93	93.09	94.65
	Value (Rs. in Lacs)	157.57	117.25	—	—	13696.34	11788.39	176.57	157.57
C	Saleable Waste & Others								
	Value (Rs. in Lacs)	42.78	59.25	—	—	4031.40	2499.43	60.97	42.78
D	Job Work for Other								
i)	Fabric								
	Qty. (In Tons)	—	—	175.02	255.29	175.02	255.29	—	—
	Value (Rs. in Lacs)	—	—	—	—	47.31	66.69	—	—

* Production includes 6333.60 Tons. (Previous Year 5101.22 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
A	Own Manufacturing								
i)	Cotton								
	Qty. (In Tons)	8487.29	4853.09	49161.22	40687.71	48431.53	37053.51	9216.98	8487.29
	Value (Rs. in Lacs)	6819.28	5155.23	47529.63	39833.16	45676.24	38169.11	8672.67	6819.28
ii)	Yarn								
	Qty. (In Tons)	6.81	6.26	78.38	60.73	81.78	60.18	3.41	6.81
	Value (Rs. in Lacs)	40.27	33.98	453.56	371.73	475.54	365.44	18.29	40.27
	Total								
	Qty. (In Tons)	8494.10	4859.34	49239.60	40748.45	48513.31	37113.69	9220.39	8494.10
	Value (Rs. in Lacs)	6859.55	5189.21	47983.19	40204.89	46151.78	38534.55	8690.96	6859.55
B	Trading								
i)	Yarn								
	Qty. (In Tons)	—	—	—	85.28	—	85.28	—	—
	Value (Rs. in Lacs)	—	—	—	173.96	—	173.96	—	—

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	691.14	486.05
b.	Raw Material	6081.91	1381.09
c.	Capital Goods	70.54	6462.73
	Total	6843.59	8329.87

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

S.No.	Particulars	Current Year (Rs. in lacs)	%	Previous Year (Rs. in lacs)	%
(i)	Raw Materials				
a.	Imported	5210.92	11.29	1343.82	3.49
b.	Indigenous	40940.86	88.71	37190.73	96.51
	Total	46151.78	100.00	38534.55	100.00
(ii)	Components & Spare Parts including Packing Materials				
a.	Imported	628.08	21.37	547.94	22.63
b.	Indigenous	2310.68	78.63	1873.20	77.37
	Total	2938.76	100.00	2421.14	100.00

E. Expenditure in Foreign Currency

S.No.	Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
i.	Commission & Others	475.19	444.96
ii.	Travelling	5.07	2.66
	Total	480.26	447.62

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	50454.95	37405.97

Singnature to Note 1 to 24

As per of our report of even date attached.

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

ASHOK MANGAL
Partner
M.No. 071714

R.L. NOLKHA
Chairman
(DIN - 00060746)

ADITI MEHTA
Director
(DIN - 06917890)

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)

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

Place : Bhilwara
Date : 3rd May, 2016



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 24th Annual General Meeting of the Company being held on Saturday, the 24th September, 2016 at 3.30 PM at Registered office of 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

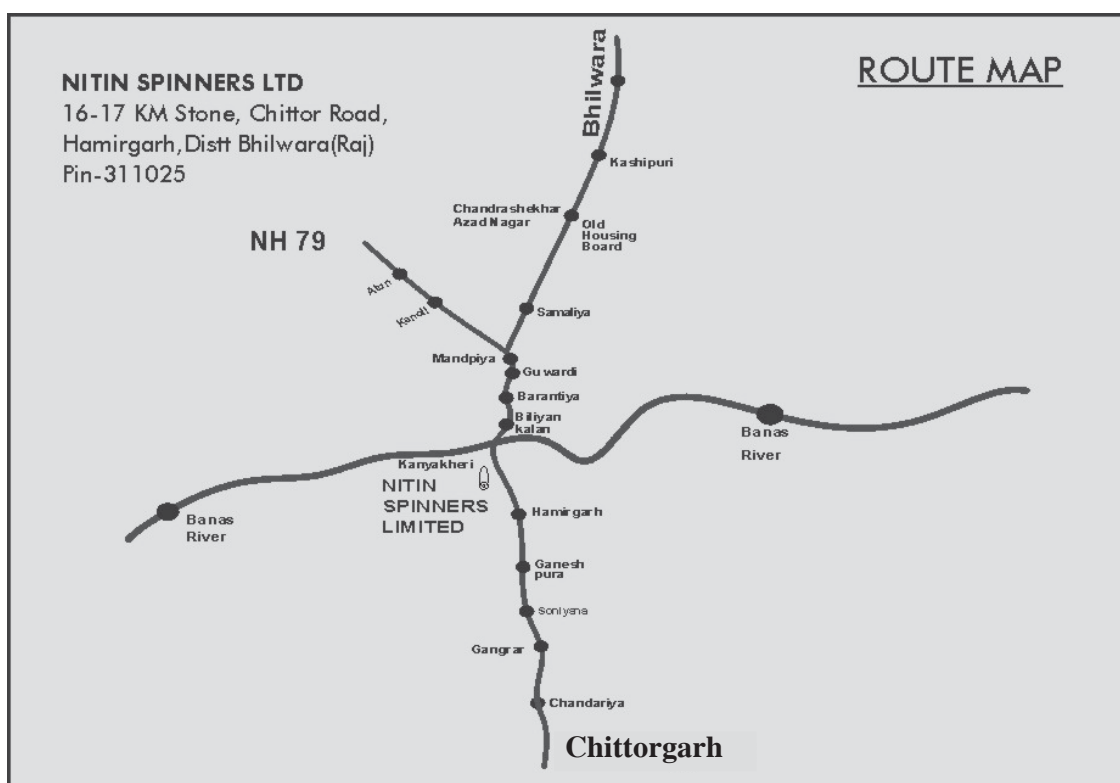
(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

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 : Signatureor falling him;
- (2) Name : Address
Email ID : Signatureor falling him;
- (3) Name : Address
Email ID : Signatureor falling him;



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on Saturday, the 24th September, 2016 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
Ordinary Business			
1.	Adoption of Audited Financial Statements of the Company for the year ended March 31, 2016 together with the Directors' and Auditors' Reports thereon.		
2.	Declaration of Dividend on Equity Shares for the year ended 31st March, 2016.		
3.	Re-appointment of Sh. R.L. Nolkha as Director who is liable to retire by rotation.		
4.	Re-appointment of Auditors and to fix their remuneration.		
Special Business			
5.	Re-appointment of Sh. Dinesh Nolkha, Managing Director		
6.	Ratification of remuneration of Cost Auditors.		

Signed this day of 2016

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 24th 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.



Sh. P. Maheshwari , CFO and Sh. G.S. Heda, DGM (Engg.) receiving
"Rajasthan Energy Conservation Award" for the year 2014-15.

Financial Highlights

(Rs. in Crore)

	2015-16	2014-15	2013-14	2012-13
Turnover	766.87	616.47	488.34	446.05
Exports	531.53	392.18	332.05	340.9
PBIDT	137.76	104.30	94.27	87.53
PBDT	104.75	81.69	76.82	60.22
PAT	44.16	40.96	34.78	14.14
EPS Rs	9.64	8.94	7.59	3.09
Cash EPS Rs	22.86	17.82	16.76	13.14
Net Fixed assets	399.14	416.74	191.21	212.98
Equity Share Capital	45.83	45.83	45.83	45.83
Net Worth	205.64	167.00	131.55	100.79



If undelivered please return to:

Nitin Spinners Ltd

16-17 KM Stone, Chittor Road,
Hamirgarh, Distt Bhilwara (Raj) Pin-311025