

Girnar Spintex Industries Limited

(Formerly known as Amit Spinning Industries Limited)



ANNUAL REPORT

2023 – 2024

BOARD OF DIRECTORS

| | |
|--|---------------------------------------|
| Mr. Deepak Choudhari | (Chairman and Managing Director) |
| Mr. Jitendrakumar Chopra | (Managing Director) |
| Mrs. Madhubala Deepak Choudhari (<i>Appointed w.e.f. 29/03/2024</i>) | (Non- Executive Director) |
| Mr. Manoj Sethia | Non-Executive, Independent Director) |
| Mr. Dhruv Jain | (Non-Executive, Independent Director) |
| Mr. Siddharth Pradip Bhirdi (<i>Appointed w.e.f. 29/03/2024</i>) | (Non-Executive, Independent Director) |
| Mrs. Sharmiladevi Chopra (<i>Resigned w.e.f. 11/03/2024</i>) | (Non- Executive Director) |
| Mr. Pruthveesh Ravi Shetti (<i>Resigned w.e.f. 29/03/2024</i>) | (Non-Executive, Independent Director) |

AUDITORS

Nenawati & Associates
Chartered Accountants
Mumbai

CHIEF FINANCIAL OFFICER

Mr. Shreyans Rajendra Choudhari

COMPANY SECRETARY

Mrs. Bhakti Dnyaneshwar Kapratwar

BANKERS

HDFC Bank Ltd.

REGISTERED OFFICE

Gat No. 47 & 48, Sangwade, Hupari Kolhapur Road, Karvir, Kolhapur 416202

REGISTRAR & TRANSFER AGENTS

M/s. RCMC Share Registry Pvt. Ltd.
B-25/1, Okhla Industrial Area, Phase II
Near Rana Motor, New Delhi – 110020
Tel.: 011-26387320 Fax: 011-26387322

PLANT

Gat No. 47 & 48, Sangawade 47 & 48,
Sangavade Village, Kolhapur Hupari Road
Kolhapur 416202
Maharashtra

32nd AGM

Date : Monday, September 30, 2024 Time: 01.00 PM
Venue : Gat No. 47 & 48, Sangwade, Hupari Kolhapur Road, Karvir, Kolhapur 416202
Book Closure : September 23, 2024 – September 30, 20234 (Both days inclusive)

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GIRNAR SPINTEX INDUSTRIES LIMITED

(Formerly known as Amit Spinning Industries Limited)

Regd. & Corporate Office: Gat No. 47 & 48, Sangwade, Kolhapur Hupari Road Kolhapur 416202

Tel.: +7038094545, Email: secretarialgirnar@gmail.com,

Website: www.girnarspintex.com CIN: L17100PN1991PLC190209

NOTICE

NOTICE is hereby given that the **32nd Annual General Meeting** of the Members of **Girnar Spintex Industries Limited** (Formerly known as **Amit Spinning Industries Limited**) will be held on **Monday, September 30, 2024 at 1.00 P.M** through Video Conferencing / Other Audio-Visual Means (VC) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors ("the Board") and auditors thereon
2. To appoint a Director in place of Mr. Jitendrakumar Goutamchand Chopra (DIN: 08196887) who retires from office by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. **Approval for appointment of M/s Nenawati and Associates as a Statutory Auditor to fill up casual vacancy**

To Consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s. Nenawati and Associates, (Firm Registration No. 002148C), be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the vacation of office of Sanjay Vhanbatte and Company, Chartered Accountants (ICAI Firm Registration No. 112996W)".

"RESOLVED FURTHER THAT M/s. Nenawati and Associates, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold the office from February 10, 2024, until the conclusion of the 32nd Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company."

4. **Appointment of M/s Nenawati and Associates as a Statutory Auditor**

To Consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable

provisions, if any, M/s. Nenawati and Associates, (Firm Registration No. 002148C) be and are hereby appointed as the Statutory Auditor of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the sixth consecutive Annual General Meeting from this Annual General Meeting, at such remuneration and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.”

“**RESOLVED FURTHER THAT** any of the Director or Company Secretary of the Company, be and are hereby authorized to do such act, deeds and things and to file necessary e – forms with the concerned Registrar of Companies, to give effect to the aforementioned resolution.”

5. To ratify the remuneration payable to the Cost Auditor appointed by the Board of Directors of the Company for the financial year 2023-24 pursuant to Section 148 and all other applicable provisions of Companies Act, 2013.

To Consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the remuneration of 60,000/- (Rupees Sixty Thousands Only) excluding applicable Tax payable to Nilesh Ashok Chalke, Cost Accountants, Nipani, for conducting cost audit of the Company for the financial year 2023-24, as approved by the Board of Directors of the Company, be and is hereby ratified.”

6. Appointment of Mrs. Madhubala Deepak Choudhari (DIN: 08180531) as a Director of the Company

To Consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** Mrs. Madhubala Deepak Choudhari (DIN: 08180531) who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 29, 2024 and who holds office upto the date of this Annual General Meeting of the Company but who is eligible for appointment and in respect of whom the company has received a notice in writing from a member under section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company (Liable to retire by rotation).

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.”

7. Appointment of Mr. Siddharth Pradip Bhirde (DIN: 10546676) as an Independent Director of the Company

To Consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT Mr. Siddharth Pradip Bhirdi (DIN: 10546676) who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 29, 2024 and who holds office upto the date of this Annual General Meeting of the Company but who is eligible for appointment and in respect of whom the company has received a notice in writing from a member under section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

“RESOLVED FURTHER THAT pursuant to the provisions of sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under read with Schedule IV to the Act, and regulation 17 and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations) as amended from time to time, the appointment of Mr. Siddharth Pradip Bhirdi (DIN: 10546676) who meets the criteria of Independence as provided in section 149(6) of the Act and SEBI Listing Regulations and who has submitted a declaration to that effect and who is eligible for appointment as an independent Director of the Company not liable to retire by rotation, for a term of five years commencing March 29, 2024, be and is hereby approved.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.”

8. Re-appointment of Mr. Deepak Chaganlal Choudhari (DIN: 03175105) as a Managing Director of the Company

To consider and, if thought fit, to pass with or without modifications the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V thereof, and in accordance with Articles of Association of the Company and pursuant to recommendation of Nomination & Remuneration Committee and further approval of the Board of Directors and subject to such sanctions, approvals and consents as may be necessary, the consent of Members of the Company be and is hereby accorded to the re-appointment of Mr. Deepak Chaganlal Choudhari (DIN 03175105) as Managing Director of the Company for a period of three years with effect from August 13, 2024 to August 12, 2027 (including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period) , on the terms and conditions as set out in the Explanatory Statement annexed to the notice convening this with liberty to the Board of Directors or a committee thereof to alter/vary/modify/amend the terms and conditions of the said appointment and/or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Deepak Chaganlal Choudhari within the overall limits as specified Companies Act, 2013.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.”

9. Re-appointment of Mr. Jitendrakumar Goutamchand Chopra (DIN: 08196887) as a Managing Director of the Company

To consider and, if thought fit, to pass with or without modifications the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V thereof, and in accordance with Articles of Association of the Company and pursuant to recommendation of Nomination & Remuneration Committee and further approval of the Board of Directors and subject to such sanctions, approvals and consents as may be necessary, the consent of Members of the Company be and is hereby accorded to the reappointment of Mr. Jitendrakumar Goutamchand Chopra (DIN: 08196887) as Managing Director of the Company for a period of three years with effect from August 13, 2024 to August 12, 2027 (including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period) , on the terms and conditions as set out in the Explanatory Statement annexed to the notice convening this meeting, with liberty to the Board of Directors or a committee thereof to alter/vary/modify/amend the terms and conditions of the said appointment and/or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Jitendrakumar Goutamchand Chopra within the overall limits as specified in Companies Act, 2013.“

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.”

10. Increasing the borrowing powers under section 180(1)(C) of the Companies Act, 2013 up to INR 200 Crores

To consider and, if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the earlier Special Resolution passed by the shareholders at the Annual General Meeting held on September 11, 2014 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 (“Act”) read with applicable rules framed thereunder (including any statutory amendment, modification or re-enactment thereof, for the time in force), applicable regulations framed by Securities Exchange Board of India, applicable provisions of Foreign Exchange Management Act, 1999 read with rules or regulations framed thereunder, enabling provisions of the Memorandum and Articles of Association of the Company and such other applicable laws and regulations and subject to the permissions, approvals, consents and sanctions as may be necessary to be obtained from appropriate authorities, to the extent applicable and wherever necessary, consent of the Members be and is hereby accorded to empower Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include, unless the context otherwise requires, any Committee which the Board may have constituted or hereinafter constitute or any officer(s) authorised by the Board or Committee to exercise the powers conferred on the Board by this Resolution) to borrow any sum of money, from time to time, whether in Indian or foreign currency, in any manner including but not limited to, fund based or non-fund based assistance, term loan, guarantees, working capital facilities, overdraft facilities, lines of

credit, inter corporate deposits, credit facilities, external commercial borrowings or any other form of financial assistance, from any person including but not limited to any company, individual, body corporate, banks, related parties, financial institutions or any other person, whether Indian or foreign, in any form including but not limited to by way of draw-down or issue of securities, whether in India or outside India, upon such terms & conditions as regards to interest, repayment, tenor, security or otherwise, as the Board may determine and think fit, such that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital, free reserves and securities premium of the Company but shall not exceed at any time a sum equivalent to INR 200 Crores (Indian Rupees Two Hundred Crores Only).

RESOLVED FURTHER THAT consent of the Members be and is hereby accorded to use / modify / amend / reduce / enhance the existing or new borrowing facilities interchangeably among various lenders, without any restriction on borrowing from a specific lender, subject to the overall borrowing limit.

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to do all such acts, deeds, matters and things, arrange, give such directions as may be deemed necessary or expedient, or settle the terms and conditions of such instrument, securities, loan, debt instrument, agreement as the case may be, on which all moneys as are borrowed, or to be borrowed, from time to time, as to interest, repayment, security, or otherwise howsoever as it may think fit, and to execute all such documents, instruments and writings as may be required to give effect to this resolution and for matters connected herewith or incidental hereto, including intimating the concerned authorities or regulatory bodies and delegating all or any of the powers conferred herein to any committee of directors or officers of the Company.”

11. Power to create charge on the assets of the company to secure borrowings up to INR 200 Crores pursuant to section 180(1)(a) of the Companies Act, 2013

To consider and, if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the Special Resolution passed by the Shareholders of the Company at the Annual General Meeting held on September 11, 2014 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, if any, for the time being in force) ('Act'), consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board' which term shall include any Committee constituted by the Board to exercise its powers, including powers conferred by this resolution) to create such charges, mortgages and hypothecations, in addition to the existing charges, mortgages and hypothecations created by the Company, in such form and manner, at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties/assets of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company for securing the borrowings of facilities/loan in any form excluding temporary loans and cash credits, the aggregate value of which shall not exceed at any time INR 200 crores (Rupees Two Hundred Crores) or the aggregate of the paid up capital, free reserves and securities premium account of the Company, whichever is higher, from any one or more Banks and/or Financial Institutions and/ or any other lending institutions in India or abroad

and/or Bodies Corporate from time to time, together with interest, additional interest, commitment charges, repayment or redemption and all other costs, charges and expenses including any increase as a result of devaluation/revaluation and all other monies payable by the Company in terms of loan agreement(s)/debenture trust deed(s) or any other document, entered into/to be entered into between the Company and the lender(s)/ Agent(s) and Trustee(s) of lender(s) in respect of the said loans / borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the lender(s)/agent(s) of lender(s)/trustee(s) of lender(s).”

12. To Approve the prior approval regarding raising of funds through Secured / Unsecured Loan with an option to Conversion into Equity Shares:

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

“RESOLVED THAT pursuant to Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and in accordance with the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended and the applicable laws, rules, regulations, notifications guidelines issued by various authorities and subject to all such approval(s), consent(s), permission(s), sanction(s), if any, of appropriate statutory, governmental and other authorities and departments in this regard and subject to such condition(s) and modification(s) as may be prescribed or imposed, while granting such approval(s), consent(s), permission(s) or sanction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution), to convert in whole or in part, the loan borrowed on or after the date of this resolution, by the various types of lenders to the Company up to the amount of INR 100 Crores (Indian Rupees One Hundred Crores Only) in respect of such loan, at the option of the Lenders, to convert into fully paid-up Equity Shares of the Company, on such terms and conditions as may be stipulated in the Loan agreement providing inter-alia the provision of such conversion as hereinbefore mentioned and subject to applicable laws.

RESOLVED FURTHER THAT the loan as hereinbefore mentioned would be converted into fully paid Equity Shares of the Company in accordance with the following conditions:

(i). the lender (or their agents or trustees) shall give notice in writing to the Company (hereinafter referred to as the “Notice of Conversion”) of the exercise of their Conversion rights i.e. right to convert their loan into fully paid Equity Shares of the Company;

(ii). on receipt of the Notice of Conversion, the Company shall, subject to the provisions of the Loan Agreement, allot and issue the requisite number of fully paid-up equity shares to the Lenders after due compliance of all applicable provisions of the Companies Act, 2013 and other applicable laws;

(iii). the Lender/s may accept the same in satisfaction of the part of the loans so converted and the loan shall stand correspondingly reduced;

(iv). the equity shares so allotted and issued to the Lender/s shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said shares shall rank pari-passu with the existing equity shares of the Company in all respects;

(v). The loans shall be converted into equity shares at a price will be decided at the time of conversion, subject to the compliance of applicable provisions of the Companies Act, 2013.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise the terms and conditions for raising the loan, from time to time, with an option to convert them into equity shares of the Company at any time till the loan is repaid, on the terms specified in the Loan Agreement.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to issue, offer and allot from time to time to the Lenders such number of equity shares for conversion of the outstanding portion of the loans as may be desired by the Lenders as well as to dematerialize the shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept such modifications and to accept such terms and conditions as may be imposed or required by the Lender/s arising from or incidental to the aforesaid terms providing for such option.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable without being required to seek any further consent or approval of the members or otherwise in this regard and intent that they shall be deemed to have given their approval expressly by the authority of this resolution.

RESOLVED FURTHER THAT Mr. Deepak Choudhari, Managing Director of the company and/or, CFO and/or Company Secretary of the Company be and are hereby jointly or severally authorized to delegate all or any of the powers herein conferred by this resolution on it, to any committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution.

By Order of the Board of Directors

Date: 14-08-2024
Place: Kolhapur

Deepak Choudhari
Chairman and Managing Director
DIN - 03175105

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is annexed hereto
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.girnarspintex.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice

is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 30, 2024. Members seeking to inspect such documents can send an email to secretarialgirnar@gmail.com.
10. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again
11. The Board has appointed M/s. Shrenik Nagaonkar & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
12. The e-voting period commences on September 27, 2024 to, (9:00 a.m. IST) and ends on September 29, 2024 (5:00 p.m. IST). During this period, a member holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on September 23, 2024 may cast their votes electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cutoff date, i.e. as on September 23, 2024..
13. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
14. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote
15. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.
16. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.

17. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website at www.girnarspintex.com. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, RCMC Share Registry Private Limited, in case the shares are held in physical form.
18. The Register of Members and the Share Transfer Books of the Company will remain closed from September 23, 2024 to September 30, 2024 (both days inclusive).
19. Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders whose ledger folios did not had/had incomplete details with respect to PAN and Bank particulars were mandatorily required to furnish these details to the Company/ Registrar & Transfer Agent ("RTA") for registration/ updation in the physical folio. The Company had sent intimation followed by two reminders to those shareholders. Shareholders are requested to update the same at the earliest

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on Friday, September 27, 2024 at 09:00 A.M. and ends on Sunday, September 29, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 23, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 23, 2024.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat | 1. Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page |

mode with NSDL.

click on the “**Beneficial Owner**” icon under “**Login**” which is available under ‘**IDeAS**’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “**Access to e-Voting**” under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select “**Register Online for IDeAS Portal**” or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
4. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



| | |
|---|--|
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| <p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

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

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

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

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is |

| | |
|---|--|
| | 12***** |
| c) For Members holding shares in Physical Form. | <p>EVEN Number followed by Folio Number registered with the company</p> <p>For example if folio number is 001*** and EVEN is 131261 then user ID is 131261001***</p> |

5. Password details for shareholders other than Individual shareholders are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to shrenik.nagaonkar@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download

section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Mr. Abhishek Mishra at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarialgirnar@gmail.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarialgirnar@gmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of

Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarialgirnar@gmail.com. The same will be replied by the company suitably.
6. Members who wish to be a speaker or would like to express their views or ask questions during AGM my register themselves by sending email from registered email address mentioning DP ID Client ID, PAN, Mobile Number at secretarialgirnar@gmail.com from September 24, 2024 to September 29, 2024.

By Order of the Board of Directors

Date: 14-08-2024
Place: Kolhapur

Deepak Choudhari
Chairman and Managing Director
DIN - 03175105

Explanatory Statement

As required under section 102 of the Companies Act, 2013 ("Act"), the following explanatory statements set out all material facts relating to business mentioned under item Nos. 3 to 12 of the accompanying Notice:

Item No. 3 & 4

M/s. Sanjay Vhanbatte and Company, Chartered Accountants (ICAI Firm Registration No. 112996W) was inadvertently reappointed as a Statutory Auditor of the company in the 31st Annual General Meeting held on September 29, 2023. Hence M/s. Sanjay Vhanbatte and Company through their email dated, February 05, 2024 vacated the office of Auditor. In order to fill up such casual vacancy, the company has appointed M/s. Nenawati and Associates, Chartered Accountants, to conduct the audit in the Board Meeting held on February 10, 2024.

In pursuance to the provisions of Section 139(8) of the Companies Act, 2013, the company needs to approve the appointment of M/s. Nenawati and Associates in the Next General Meeting of the Company from the date of appointment by the Board. Hence, the company has proposed their approval of the members in the item number 3 of the notice. Further, the company has proposed their appointment in the item number 4 of the notice, for the period of 5 (five) years. The Board commends the Ordinary Resolutions set out at Item Nos. 3 and 4 of the Notice for approval by the members.

M/s. Nenawati and Associates, Chartered Accountants have consented to their appointment as the Statutory Auditors and have confirmed that the appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and the Rules framed thereunder.

M/s. Nenawati & Associates, is a Chartered Accountants firm registered as under Category – I with RBI. The Firm brings more than four decades of professional expertise through its managing partners and multilocation presence helped in catering geographically diversified clients. The strong team of 50+ professionals like chartered accountants, Rtr. Bankers, Company Secretary and Law and Management Graduates committed for execution of assignments with adhering to highest SOPs and delivered output across different financial verticals. The firm, incorporated in 1983, is led by seven full-time partners (5 FCAs including 2 DISA qualified partners), and operates from Mumbai, New Delhi and Udaipur locations. The Firm structured in three verticals – each vertical is led by a Senior Partner along with a dedicated team of professional with hands-on experienced in similar assignments. The primary vertical are i) Audit and Assurances; ii) Taxation and Statutory Compliance; and iii) Corporate Management Advisory Services

M/s. Nenawati & Associates will be paid remuneration of Rs. 2,50,000/- plus taxes per year

Besides the audit services, the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board in consultation with the Audit Committee.

The Board, in consultation with the Audit Committee, may alter and vary the terms and conditions of re-appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 3 and 4 of the accompanying Notice.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 3 and Item No. 4 of the Notice for approval by the Members.

Item Nos. 5

The Board, on the recommendation of the Audit Committee, has approved on June 22, 2023, the appointment of Nilesh Ashok Chalke, Cost Accountants, Nipani, at a remuneration of 60,000/- (Rupees Sixty Thousand only) excluding applicable Tax to conduct the Cost Audit of the Company for the financial year 2023-24

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditor Rules), 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution. The Board of Directors recommends the Ordinary Resolution for your approval

Item No. 6

Mrs. Madhubala Deepak Choudhari (DIN: 08180531) was appointed as an Additional Director with effect from March 29, 2024, in accordance with the provisions of Section 161 of the Companies Act, 2013 read with the Articles of Association. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office up to the date of ensuring Annual General Meeting of the Company. The Board is of the view that the appointment of Mrs. Madhubala Deepak Choudhari (DIN: 08180531) on the Company Board is desirable and would be beneficial to the Company. The Board of Directors recommends the Ordinary Resolution set out at Item No. 6 of the Notice of AGM for approval of the members. Except Deepak Chaganlal Choudhari, Managing Director who is Husband of Mrs. Madhubala Deepak Choudhari and Mr. Shreyans Rajendrakumar Choudhari, CFO of the company who is her nephew, none of the Director or Key Managing Personnel of the Company and their relative are in any way concerned or interested, financially or otherwise in this resolution

Item Nos. 7

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Siddharth Pradip Bhirde (DIN: 10546676) as Additional Director of the Company and also as Independents Directors, not liable to retire by rotation, for a term of 5 years w.e.f. March 29, 2024, subject to approval of the Members.

The Company has received declarations from Mr. Siddharth Pradip Bhirde (DIN: 10546676) to the effect that he meets criteria of Independence as provided in section 149(6) of the Act and SEBI Listing Regulations. In terms of SEBI listing regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may reasonably anticipated that could impair or impact their ability to discharge their duties.

In compliance of with the provisions of section 149, read with schedule IV of the act and Regulation 17 of the SEBI Listing Regulations and other applicable Regulations, the appointments of Mr. Siddharth Pradip Bhirdi (DIN: 10546676) as Independent Directors is now being placed before members for their approval as Special Resolution.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends a Special Resolution set out in the Notice for approval by the Members

Item Nos. 8

Mr. Deepak Chaganlal Choudhari (DIN: 03175105) was appointed as Managing Director of the company for the period of 3 years w.e.f. August 13, 2021. The Company’s Nomination and Remuneration Committee (‘the Committee’) of the Board at its meeting held on August 10, 2024 considered and recommended to the Board the re-appointment of Mr. Deepak Chaganlal Choudhari (DIN: 03175105) as Managing Director of the Company, along with the terms of appointment. Accordingly, the Board of Directors at its meeting held on August 10,2024, has subject to approval of members re-appointed Mr. Deepak Chaganlal Choudhari (DIN: 03175105) Managing Director of the Company w.e.f. August 13, 2024 for the period of three years

In terms of the Section 197 of the Companies Act read with Schedule V thereof approval of the Members is required for the appointment and payment of remuneration to Managing Director, in view of the absence /inadequacy of profits for the Company.

The Directors recommend the passing of the Special Resolution under Item No. 8 of the accompanying Notice for the approval of the Members of the Company

None of the Directors of the Company or the Key Managerial Persons of the Company or their respective relatives is concerned or interested in the passing of the above Resolution Except that Mr. Deepak Choudhari himself, also he is uncle of Mr. Shreyans Rajendrakuma Choudhari who is CFO of the Company and husband of Mrs. Madhubala Deepak Choudhari who is Director of the Company

| Sl. No. | Description | Mr. Deepak ChaganlalChoudhari |
|---------|-----------------------|---|
| 1. | Period of Appointment | Three years from 13 th August, 2024 to 12 th August, 2027 |
| 2. | Salary | Considering the financial position of the company Mr. Deepak Choudhari has opted not to withdraw any salary. However, during his tenure if Company’s financial performance improves then Board may pay him salary within the limits prescribed under the Companies Act 2013 |

The following additional detailed information as per Section – II of Schedule V is as follows:

| I. General Information: | |
|---|--|
| (a) Nature of industry | Textile |
| (b) Date or expected date of commencement of commercial production. | The Company was incorporated on November 18, 1991 and is a listed company. |
| c) In case of new companies, expected date of commencement of activities as per | Not applicable |

| project approved by financial institutions appearing in the prospectus. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-----------------------------------|-----------------------------------|-----------------------------------|-------------------------|----------------|----------------|--------------|--------------|--------------|---|---------------|-----------------|---|---------------|---------------|---|-----------------|-----------------|-------------------------------|-------------|-------------|---------------------------------|-----------------|-----------------|--|-------------|-------------|---------------------------|-----------------|-----------------|
| (d) Financial performance based on given indicators. | <table border="1"> <thead> <tr> <th>Particulars</th> <th>2023-24 (Rs. in Lakhs)</th> <th>2022-23 (Rs. in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td>9570.46</td> <td>7812.03</td> </tr> <tr> <td>Other Income</td> <td>99.15</td> <td>24.46</td> </tr> <tr> <td>Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense</td> <td>180.90</td> <td>(115.43)</td> </tr> <tr> <td>Less: Depreciation/ Amortisation/ Impairment, Finance Costs</td> <td>665.02</td> <td>572.62</td> </tr> <tr> <td>Profit /loss before Exceptional items and Tax Expense</td> <td>(484.12)</td> <td>(688.05)</td> </tr> <tr> <td>Add/(less): Exceptional items</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>Profit /loss before Tax Expense</td> <td>(484.12)</td> <td>(688.05)</td> </tr> <tr> <td>Less: Tax Expense (Current & Deferred)</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>Profit /loss for the year</td> <td>(484.12)</td> <td>(688.05)</td> </tr> </tbody> </table> | Particulars | 2023-24 (Rs. in Lakhs) | 2022-23 (Rs. in Lakhs) | Revenue from Operations | 9570.46 | 7812.03 | Other Income | 99.15 | 24.46 | Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense | 180.90 | (115.43) | Less: Depreciation/ Amortisation/ Impairment, Finance Costs | 665.02 | 572.62 | Profit /loss before Exceptional items and Tax Expense | (484.12) | (688.05) | Add/(less): Exceptional items | 0.00 | 0.00 | Profit /loss before Tax Expense | (484.12) | (688.05) | Less: Tax Expense (Current & Deferred) | 0.00 | 0.00 | Profit /loss for the year | (484.12) | (688.05) |
| Particulars | 2023-24 (Rs. in Lakhs) | 2022-23 (Rs. in Lakhs) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenue from Operations | 9570.46 | 7812.03 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Income | 99.15 | 24.46 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense | 180.90 | (115.43) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Less: Depreciation/ Amortisation/ Impairment, Finance Costs | 665.02 | 572.62 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit /loss before Exceptional items and Tax Expense | (484.12) | (688.05) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add/(less): Exceptional items | 0.00 | 0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit /loss before Tax Expense | (484.12) | (688.05) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Less: Tax Expense (Current & Deferred) | 0.00 | 0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit /loss for the year | (484.12) | (688.05) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (e) Foreign investments or collaborators, if any | Not applicable | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| II. Information about the appointee: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) Background details | Commerce Graduate from Shivaji University, Kolhapur and has over 25 years of experience in Yarn Manufacturing and Fabric Processing Business | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (b) Past remuneration | NIL. Considering the financial position of the company he opted not to withdraw any salary. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (c) Recognition or awards | Not applicable | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (d) Job profile and his suitability | He has been looking after production and administration of the company since August 2018 and with his expertise and knowledge Company could revived and turnover of the company has been increased gradually. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (e) Remuneration proposed | Considering the financial position of the company Mr. Deepak Choudhari has opted not to withdraw any salary. However, during his tenure if Company's financial performance improves then Board may pay him salary within the limits prescribed under the Companies Act 2013 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (f) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person | Considering the responsibility shouldered by Mr. Deepak Choudhari in respect of enhancement of the business activities of the Company the proposed remuneration is miniscule. Commensurate with Industry standards and Board level positions held in similar sized companies, the remuneration proposed is very low. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | |
|--|--|
| (g) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any | <p>Mr. Deepak Choudhari is a Director in the following other companies:</p> <ul style="list-style-type: none"> i. Mahaalaxmi Corp-Tex Private Limited ii. Siddarth Emporium India Private Limited iii. Sharad Cotspin Private Limited. iv. Manibhadra Polycot Private Limited v. Abhishek Corporation Limited <p>Mr. Deepak Choudhari is uncle of Mr. Shreyans Rajendrakumar Choudhari who is CFO of the Company and husband of Mrs. Madhubala Deepak Choudhari who is Director of the company.</p> |
|--|--|

| | |
|---|--|
| III. Other information: | |
| (a) Reasons of loss or inadequate profits | The Company was not operative since last several years. The Company started operations in last 5 years. However, COVID pandemic as well as repairs and modifications to the machinery has affected the overall financials of the company. Increase in prices of raw materials are major reason for losses in past 2 years. |
| (b) Steps taken or proposed to be taken for improvement | It is proposed to utilize the capacity fully and also it is proposed to reduce the raw material consumption ratio. |
| (c) Expected increase in productivity and profits in measurable terms | Barring unforeseen circumstances, the Company hopes to increase the revenue and profits in a significant way in the next 2 years. |

Item Nos. 9

Mr. Jitendrakumar Goutamchand Chopra (DIN: 08196887) was appointed as Managing Director of the company for the period of 3 years w.e.f. August 13, 2021. The Company's Nomination and Remuneration Committee ('the Committee') of the Board at its meeting held on August 10, 2024 considered and recommended to the Board the re-appointment of Mr. Jitendrakumar Goutamchand Chopra (DIN: 08196887) as Managing Director of the Company, along with the terms of appointment. Accordingly, the Board of Directors at its meeting held on August 10, 2024, has subject to approval of members re-appointed Mr. Jitendrakumar Goutamchand Chopra (DIN: 08196887) as a Managing Director of the Company w.e.f. August 13, 2024 for the period of three years

In terms of the Section 197 of the Companies Act read with Schedule V thereof approval of the Members is required for the appointment and payment of remuneration to Managing Director, in view of the absence /inadequacy of profits for the Company.

The Directors recommend the passing of the Special Resolution under Item No. 9 of the accompanying Notice for the approval of the Members of the Company

None of the Directors of the Company or the Key Managerial Persons of the Company or their respective relatives is concerned or interested in the passing of the above Resolution.

| Sl. No. | Description | Mr. Jitendrakumar Chopra |
|---------|-----------------------|---|
| 1. | Period of Appointment | Three years from 13 th August, 2021 to 12 th August, 2024 |
| 2. | Salary | Considering the financial position of the company Mr. Jitendrakumar Chopra has opted not to withdraw any salary. However, during his tenure if Company's financial performance improves then Board may pay him salary within the limits prescribed under the Companies Act 2013 |

The following additional detailed information as per Section – II of Schedule V is as follows:

| I. General Information: | | | |
|--|--|-----------------------------------|-----------------------------------|
| (a) Nature of industry | Textile | | |
| (b) Date or expected date of commencement of commercial production. | The Company was incorporated on November 18, 1991 and is a listed company. | | |
| (c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Not applicable | | |
| (d) Financial performance based on given indicators. | Particulars | 2023-24 (Rs. in Lakhs) | 2022-23 (Rs. in Lakhs) |
| | Revenue from Operations | 9570.46 | 7812.03 |
| | Other Income | 99.15 | 24.46 |
| | Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense | 180.90 | (115.43) |
| | Less: Depreciation/ Amortisation/ Impairment, Finance Costs | 665.02 | 572.62 |
| | Profit /loss before Exceptional items and Tax Expense | (484.12) | (688.05) |
| | Add/(less): Exceptional items | 0.00 | 0.00 |
| | Profit /loss before Tax Expense | (484.12) | (688.05) |
| | Less: Tax Expense (Current & Deferred) | 0.00 | 0.00 |
| | Profit /loss for the year | (484.12) | (688.05) |
| (e) Foreign investments or collaborators, if any | Not applicable | | |
| II. Information about the appointee: | | | |
| (a) Background details | Post-Graduation in Commerce from Shivaji University, Kolhapur and has over 18 years of experience in Yarn Trading and Processing Business. He is the proprietor of M/s Universal Cottex and many small SSI firms which is into Weaving Business. He was pioneer in growing | | |

| | |
|---|--|
| | the Yarn Trading Business into manifold level |
| (b) Past remuneration | NIL. Considering the financial position of the company he opted not to withdraw any salary. |
| (c) Recognition or awards | Not applicable |
| (d) Job profile and his suitability | He has looking after marketing and administration of the company since August 2018 and with his expertise and knowledge Company turnover of the company has been increased gradually |
| (e) Remuneration proposed | Considering the financial position of the company Mr. Jitendrakumar Chopra has opted not to withdraw any salary. However, during his tenure if Company's financial performance improves then Board may pay him salary within the limits prescribed under the Companies Act 2013 |
| (f) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person | Considering the responsibility shouldered by Mr. Jitendrakumar Goutamchand Chopra (DIN: 08196887) in respect of enhancement of the business activities of the Company the proposed remuneration is miniscule. Commensurate with Industry standards and Board level positions held in similar sized companies, the remuneration proposed is very low. |
| (g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any | Mr. Jitendrakumar Goutamchand Chopra not holding directorship in any other company. He is not related any Director of the company. He is partner of following LLP's i. Universal Spintex LLP ii. Kankariya Exports LLP |

| | |
|---|--|
| III. Other information: | |
| (a) Reasons of loss or inadequate profits | The Company was not operative since last several years. The Company started operations in last 5 years. However, COVID pandemic as well as repairs and modifications to the machinery has affected the overall financials of the company. Increase in prices of raw materials are major reason for losses in past 2 years. |
| (b) Steps taken or proposed to be taken for improvement | It is proposed to utilize the capacity fully and also it is proposed to reduce the raw material consumption ratio. |
| (c) Expected increase in productivity and profits in measurable terms | Barring unforeseen circumstances, the Company hopes to increase the revenue and profits in a significant way in the next 3 years. |

Item Nos. 10 & 11

In view of the increase in business activities, keeping in view the future plans of the Company and to fulfil long term strategic and business objectives, it is proposed to increase in the borrowing limit from Rs. 100 Crores (Rupees Hundred Cores) to Rs. 200 Crores (Rupees Two Hundred Crores) pursuant to Section 180 (1)(c) of the Companies Act, 2013 and accordingly, increase the limit for relation of charge to secure the indebtedness upto the aggregate limit of Rs. 200 Crores (Rupees Two Hundred Crores) pursuant to Section 180 (1)(a) of the Companies Act, 2013, subject to the approval of the members of the Company.

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors have the powers to borrow money, where the money to be borrowed, together the monies already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) exceeds aggregate of the paid-up share capital, free reserves and securities premium of the Company, with the consent of the Shareholders of the Company by way of Special Resolution.

Further, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors have the powers to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company with the consent of the Shareholders of the Company by way of a Special Resolution.

In order to secure the borrowings, the Company may be required to create security by way of mortgage/ charge/ hypothecation on its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over control of the said assets and properties of the Company. Since creation of charge on properties and assets of the Company with the right of taking over the control in certain events of default may be considered to be a sale/ lease/ disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013, it is proposed to seek approval of the shareholders of the Company for increasing the existing limits to Rs. 200 Crores.

Accordingly, the approval of the members of the Company is sought for increase in the borrowing limits and to secure such borrowings by the creation of charge on assets/properties of the Company upto Rs. 200 Crores (Rupees Two Hundred Crores) as stated in the resolutions. The Board of Directors therefore recommends the resolutions as set out in Item Nos. 10 and 11 of the Notice for approval of members of the Company by way of Special Resolutions. None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolutions.

Item No. 12

Pursuant to Section 62(3) of the Companies Act, 2013, to enable the Company to raise loans to be converted into equity shares of the Company, the Company is required to pass Special Resolution prior to the raising of such loans.

With a view to expansion of Business and meet its working capital requirements of the Company, Management of the Company desires to raise loans from the various types of lenders to be converted into equity shares of the Company. The Board of Directors in their meeting held on 14-08-2024 accorded approval for conversion of any loan that the Company may borrow from Various Lenders via Loan Agreement executed/ to be executed by the Company upto amount of INR 100 Crores (Indian Rupees One Hundred Crore only), and such loan can be converted into the Equity Shares of the Company at a later date, at the option of the Lenders, upon such terms and conditions as may be deemed appropriate by the

Board and as stipulated in the Loan Agreement at a price will be decided at the time of conversion. This would provide an enabling option to the Various Lenders, to convert the whole or any part of such outstanding loans into fully paid up Equity Shares of the Company.

Accordingly, the Board recommends the resolution as set forth in the item no. 12 of the Notice, for the consideration and approval of the Members of the Company as Special Resolution, to enable the Company to raise loans from Various types of Lenders, the whole or part of their respective outstanding loans into the fully paid Equity Shares of the Company, at their option, upon such terms and conditions as may be deemed appropriate by the Board and/or as stipulated in the Loan Agreement.

None of the Directors, Key Managerial Persons or their relatives, except the director whose loan is converted into the Equity Shares and his relatives, in any way, concerned or interested in the said resolution, except to their respective Shareholding of the company, if any.

By Order of the Board of Directors

Date: 14-08-2024
Place: Kolhapur

Deepak Choudhari
Chairman and Managing Director
DIN - 03175105

Details of Directors seeking appointment/re-appointment at the 32nd^t Annual General Meeting in pursuance of Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)

| Name of the Director | Mrs. Madhubala Deepak Choudhari | Mr. Siddharth Pradip Bhirdi | Mr. Deepak Chaganlal Choudhari | Mr. Jitendrakumar Goutamchand Chopra |
|--|--|--|--|--|
| DIN | 08180531 | 10546676 | 03175105 | 08196887 |
| Age | 48 | 44 | 50 | 43 |
| Qualifications | B.COM | B.COM | B.COM | M.COM |
| Date of joining the Board | 29/03/2024 | 29/03/2024 | 10/08/2018 | 10/08/2018 |
| Brief resume and Nature of Expertise in specific functions | Mrs. Madhubala Choudhari is holding Bachelor Degree in commerce. She is having good experience of about 10 years in the field of Textile and market Technology. | Mr. Siddharth Pradip Bhirdi is holding Bachelor Degree in commerce. He is having good experience of about 15 years in the field of Textile, Automobile, Finance and Management | Commerce Graduate from Shivaji University, Kolhapur and has over 25 years of experience in Yarn Manufacturing and Fabric Processing Business | Post-Graduation in Commerce from Shivaji University, Kolhapur and has over 18 years of experience in Yarn Trading and Processing Business. He is the proprietor of M/s Universal Cottex and many small SSI firms which is into Weaving Business. He was pioneer in growing the Yarn Trading Business into manifold level |
| Shareholding in the Company | NIL | NIL | 14,52,485 | 14,52,484 |
| Last Drawn Remuneration | NIL | NIL | NIL | NIL |
| Relationship with other directors or key managerial personnel of the Company | Mr. Deepak Chaganlal Choudhari, Managing Director is Husband of Mrs. Madhubala Deepak Choudhari and Mr. Shreyans Rajendrakumar Choudhari, CFO of the company is her nephew | NIL | Mr. Deepak Choudhari is uncle of Mr. Shreyans Rajendrakumar Choudhari who is CFO of the Company and husband of Mrs. Madhubala Deepak Choudhari who is Director of the company. | NIL |
| Directorship in other companies /LLP | i. Abhishek Corporation Limited | NIL | i. Mahaalaxmi Corp-Tex Private Limited ii. Siddarth Emporium India Priavte Limited iii. Sharad Cotspin Private Limited. iv. Manibhadra Polycot Private Limited v. Abhishek Corporation Limited | i. Universal Spintex LLP ii. Kankariya Exports LLP |

| | | | | |
|---|----------------|--|---|----------------|
| Membership / Chairmanship in committees of other Board | NIL | NIL | Membership of Nomination and Remuneration committee of Abhishek Corporation Limited | NIL |
| Number of meeting of the Board attended during the year | Not Applicable | Not Applicable | 9 | 9 |
| In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements | Not Applicable | Mr. Siddharth Pradip Bhardi is holding Bachelor Degree in commerce. He is having good experience of about 15 years in the field of Textile, Automobile, Finance and Management | Not Applicable | Not Applicable |

By Order of the Board of Directors

Date: 14-08-2024
Place: Kolhapur

Deepak Choudhari
Chairman and Managing Director
DIN - 03175105

Details pursuant to Regulation 36 (5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | |
|--|---|
| Name of Statutory Auditor Proposed to be appointed | Nenawati and Associates |
| Proposed fees payable to the statutory auditor along with terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change; | Rs. 2,50,000/- Plus Taxes per annum. Appointment is proposed for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the sixth consecutive Annual General Meeting from this Annual General Meeting There is no change in the fee payable to proposed Auditor and previous Auditor |
| Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed. | Nenawati & Associates, is a Chartered Accountants firm registered as under Category – I with RBI. The Firm brings more than four decades of professional expertise through its managing partners and multilocation presence helped in catering geographically diversified clients. The strong team of 50+ professionals like chartered accountants, Rtr. Bankers, Company Secretary and Law and Management Graduates committed for execution of assignments with adhering to highest SOPs and delivered output across different financial verticals. The firm, incorporated in 1983, is led by seven full-time partners (5 FCAs including 2 DISA qualified partners), and operates from Mumbai, New Delhi and Udaipur locations. The Firm structured in three verticals – each vertical is led by a Senior Partner along with a dedicated team of professional with hands-on experienced in similar assignments. The primary vertical are i) Audit and Assurances; ii) Taxation and Statutory Compliance; and iii) Corporate Management Advisory Services |

By Order of the Board of Directors

Date: 14-08-2024
Place: Kolhapur

Deepak Choudhari
Chairman and Managing Director
DIN - 03175105

GIRNAR SPINTEX INDUSTRIES LIMITED

(Formerly known as Amit Spinning Industries Limited)

Regd. & Corporate Office: Gat No. 47 & 48, Sangwade, Kolhapur Hupari Road Kolhapur 416202

Tel.: +7038094545, Email: secretarialgirnar@gmail.com,

Website: www.girnarspintex.com CIN: L17100PN1991PLC190209

Director's Report

Dear Members,

Your Directors have great pleasure in presenting the 32nd Annual Report together with Audited Statements of Accounts of the Company for the year ended March 31, 2024.

FINANCIAL SUMMARY AND HIGHLIGHTS:

The summarized financial results for the year ended March 2024 as compared to the previous year are as follows:

| Particulars` | (Rs. in Lakhs) | |
|---|----------------|----------|
| | 2023-24 | 2022-23 |
| Revenue from Operations | 9570.46 | 7812.03 |
| Other Income | 99.15 | 24.46 |
| Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense | 180.90 | (115.43) |
| Less: Depreciation/ Amortisation/ Impairment, Finance Costs | 665.02 | 572.62 |
| Profit /loss before Exceptional items and Tax Expense | (484.12) | (688.05) |
| Add/(less): Exceptional items | 0.00 | 0.00 |
| Profit /loss before Tax Expense | (484.12) | (688.05) |
| Less: Tax Expense (Current & Deferred) | 0.00 | 0.00 |
| Profit /loss for the year | (484.12) | (688.05) |

REVIEW OF OPERATIONS

After obtaining physical possession of the factory the Management carried out repairs and maintenance activities and started trial production in May 2019.

Commercial Production was started from October 2019. During the year under review, the turnover of the Company was Rs. 9570.46 Lakhs as against Rs. 7812.03 Lakhs in previous year. Company has incurred loss of Rs. 484.12 Lakhs as against loss of Rs. 688.05 Lakhs in previous year. Further Management is actively involved in trying to utilize the idle capacities available with the Company and reduction of raw material cost.

The cost of materials consumed by the company increased significantly to ₹7,505.03 lakhs from ₹5,886.54 lakhs in the previous fiscal year. This rise in costs is reflective of the broader trend in the industry, where mills are grappling with high cotton prices, which constitute the major input cost.

Additionally, energy costs, another significant expense in the spinning industry, have also seen upward pressure due to increased charges from MSEDCL.

AMOUNT, IF ANY, WHICH THE BOARD PROPOSES TO CARRY TO ANY RESERVES

No amount is proposed to be transferred to any reserve.

DIVIDEND:

In view of the accumulated losses no dividend is recommended for the year.

MAJOR EVENTS OCCURRED DURING THE YEAR

(i) SEGMENT-WISE POSITION OF BUSINESS AND ITS OPERATIONS

The Company operates in one segment only i.e. Textile

(ii) CHANGE IN STATUS OF THE COMPANY

There has not been change in status of the company.

(iii) CHANGE IN THE FINANCIAL YEAR

There is no change in financial year

(iv) CAPITAL EXPENDITURE PROGRAMMES

At present Company do not expect to invest or incur big capital expenditures

(v) DETAILS AND STATUS OF ACQUISITION, MERGER, EXPANSION – NIL

(vi) MODERNIZATION AND DIVERSIFICATION

Management has carried out huge repairs and maintenance post acquisition in past several years. Meager modernization activities have been carried out in 2023-24. No Diversification has been done by the company in 2023-24

CHANGE IN THE NATURE OF BUSINESS

There has been no change in nature of business.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, HAVING OCCURRED SINCE THE END OF THE YEAR AND TILL THE DATE OF THE REPORT

Increase in cotton prices is major concern for the business of company. Except this there have been no material changes and commitments, which affect the financial position of the company which have occurred during the year and between the end of the financial year to which the financial statements relate and the date of this Report.

SHARE CAPITAL

The Company's Authorized Share Capital as on 31st March, 2024 stands at Rs. 25,00,00,000/- and issued & paid up capital as on 31st March, 2024 stands at Rs. 2,05,84,835/- divided into 41,16,967 fully paid up equity shares of Rs. 5/- each. During the year, under review, the Company has not issued any share(s). Further the Company has not issued any share with differential Voting Rights/Sweat Equity shares/under Stock Option Scheme (ESOS) earlier and during the year.

NCLT by its order dt. 31-07-2018 approved Reduction of Face Value of Shares to Re. 0.50 per Share from Re. 5 Per Share and further consolidation of face value of shares to Re. 5 per share. Post consolidation paid up equity shares will reduce from 4,11,69,667 shares of Rs. 5/- each to 41,16,967 equity shares of Rs. 5/- each. It also involves extinguishment of shares of previous Promoters and top 10 shareholders. However, compliance / corporate actions of the same with CDSL, NSDL and Stock Exchanges were pending at the end of the March 2024. Company's application with BSE and NSE is pending for approval. Company expects it to get its approval in near future

The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review company was not required to transfer any amount as well as any shares to the Investor Education and Protection Fund (IEPF)

LOANS, GUARANTEE & INVESTMENTS:

The Company has not advanced any loans or provided guarantees or made investments during the year under review covered under section 186 of the Companies Act 2013.

DEPOSITS:

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, or under Chapter V of the Act.

LISTING OF SHARES

Presently Company's shares are listed and traded at the BSE Limited, Mumbai (BSE) and National Stock Exchange of India, Mumbai (NSE). The Listing fees for the year 2023-24 has been paid.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Following changes happened during the financial year 2023-24

| Sr. No. | Name | Designation | Authority | Date | Nature of Change |
|---------|--|--|--------------------|------------|---------------------------|
| 1 | Mrs. Madhubala Deepak Choudhari | Additional Director | Board of Directors | 29/03/2024 | Appointment |
| 2 | Mr. Siddharth Pradip Bhiridi | Additional Director | Board of Directors | 29/03/2024 | Appointment |
| 3 | Ms. Bhakti Dnyaneshwar Kapratwar | Company Secretary and Compliance Officer | Board of Directors | 22/06/2023 | Appointment |
| 4 | Mrs. Sharmiladevi Jitendrakumar Chopra | Director | Not Applicable | 11/03/2024 | Resignation |
| 5 | Mr. Pruthveesh Ravi Shetti | Independent Director | Not Applicable | 29/03/2024 | Resignation |
| 6 | Mr. Manoj Sethia | Director | Members | 29/09/2024 | Regularized as a Director |

Mr. Pruthveesh Ravi Shetti (DIN: 08817217) Independent Director of the Company has vide his resignation letter dated 29-03-2024 resigned from the Board of the Company with immediate effect, on account of personal reason and other professional commitments. We further confirm that there is no other material reason for resignation of Mr. Pruthveesh Ravi Shetti other than those provided above.

Mrs. Sharmiladevi Jitendrakumar Chopra (DIN: 08196831), vide her letter dated March 11, 2024 has resigned as Non-Executive Director of the Company with immediate effect due to personal and unavoidable circumstances. Further, the Company has received confirmation from Mrs. Sharmiladevi Jitendrakumar Chopra that there is no material reasons for her resignation other than those mentioned above.

Mr. Jitendrakumar Goutamchand Chopra (DIN: 08196887) who retires from office by rotation and being eligible, offers himself for reappointment. You are requested to reappointment him as a Director of the Company

Further Mr. Deepak Chaganlal Choudhari (DIN: 03175105) and Mr. Jitendrakumar Goutamchand Chopra (DIN: 08196887) were appointed as a Managing Director of the Company for the period of 3 years w.e.f. August 13, 2021. You are requested to further reappoint them as a Managing Director of the company for the period of 3 years w.e.f. August 13, 2024 to August 12, 2027.

RELATED PARTY TRANSACTIONS:

The particulars of every contract or 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 arm's length transactions under third proviso thereto are disclosed in Form No.AOC-2 as Annexure 1.

DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have given declarations that they meet the criteria of Independence and have complied with the Code for Independent Directors prescribed in Schedule IV to the Act as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. Further they also had confirm that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed policy for selection and appointment of Directors, Senior Management and their remuneration in pursuant to Section 178 of Companies act 2013 and Regulation 19 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The remuneration given is as per the remuneration policy framed.

Criteria for Determining the Qualifications for appointment of Directors (including Independent Directors)

- i. Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service;
- ii. Their technical, financial, HR, Legal, or business literacy/skills i.e. knowledge about textile business;
- iii. Their administrative experience;
- iv. Other appropriate qualification/experience to meet the objectives of the Company;
- v. As per the applicable provisions of Companies Act, 2013, Rules made thereunder and as per provisions of SEBI(LODR) Regulations.2015 .

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

Positive attributes of Directors (including Independent Directors):

- a. Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;
- b. Actively update their knowledge and skills with the latest developments in the infrastructure industry, market conditions and applicable legal provisions;
- c. Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- d. To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- e. Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;

- f. To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;
- g. Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and as per provisions of SEBI(LODR) Regulations 2015 as amended from time to time.

Independence Review Procedures

- Annual Review

The director's independence for the independent director will be determined by the Board on an annual basis upon the declaration made by such Director as per the provisions of the Companies Act, 2013 read with Rules thereon and as per provisions of SEBI(LODR) Regulations.2015

- Individual Director's Independence Determinations

If a director nominee is considered for appointment to the Board between Annual General Meetings, a determination of independence, upon the recommendation of the Committee, shall be made by the Board prior to such appointment.

All determinations of independence shall be made on a case-by-case basis for each director after consideration of all the relevant facts and circumstances and the standards set forth herein. The Board reserves the right to determine that any director is not independent even if he or she satisfies the criteria set forth by the provisions of the Companies Act, 2013 read with Rules thereon and as per provisions of SEBI(LODR) Regulations.2015

- Notice of Change of Independent Status

Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his or her independence at issue.

a. Criteria for appointment of KMP/Senior Management –

- i. To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities;
- ii. To practice and encourage professionalism and transparent working environment;
- iii. To build teams and carry the team members along for achieving the goals/objectives and corporate mission;
- iv. To adhere strictly to code of conduct

b. Term –

The Term of the Directors including Managing / Whole time Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the Listing Regulations, as amended from time to time. Whereas the term of the KMP (other than the Managing / Whole time Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

c. Evaluation –

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

d. Removal –

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and /or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management.

e. Remuneration of Managing / Whole-time Director, KMP and Senior Management

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Wholetime Director will be governed by the relevant provisions of the Companies Act, 2013 and applicable Rules and Regulations and will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required. Further, the Chairman & Managing Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Wholetime Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.

f. Remuneration to Non-executive Directors (Including independent Director)

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Wholetime Director will be governed by the relevant provisions of the Companies Act, 2013 and applicable Rules and Regulations and will be determined by the Committee and recommended to the Board for approval.

PERFORMANCE EVALUATION OF THE BOARD:

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual evaluation of its own performance, also performance of the Directors individually as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and individual Directors, including the Chairman of the Company.

For evaluating the Board as a whole, views were sought from the Directors on various aspects of the Board's functioning such as degree of fulfillment of key responsibilities, Board Structure and composition, establishment, delineation of responsibilities to various committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the management.

Similarly, views from the Directors were also sought on performance of individual Directors covering various aspects such as attendance and contribution at the Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and promoting effective relationships and open communication, communicating effectively with all stakeholders and motivating and providing guidance to the Executive Director.

Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition, effectiveness of meetings, Committee dynamics and quality of relationship of the Committee with the Board and the Management.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination & Remuneration Committee also reviewed the performance of the Board, its Committees and of individual Directors.

The Chairman of the Board provided feedback to the Directors, as appropriate. Significant highlights, learning with respect to the evaluation, were discussed at the Board Meeting.

A MATRIX SETTING OUT THE SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS IS AS UNDER

| Name of the Director | Category | Skills, Expertise, Competence of the Director | | | |
|---------------------------------|---------------------------------------|---|-----------|---------------------|-------|
| | | Technical | Financial | Administrative / HR | Legal |
| Mr. Deepak Choudhari | Chairman, Promoter Executive Director | ✓ | ✓ | ✓ | |
| Mr. Jitendrakumar chopra | Promoter, Executive Director | ✓ | ✓ | ✓ | |
| Mrs. Madhubala Deepak Choudhari | Promoter, Non-Executive Director | | ✓ | ✓ | |
| Mr. Manoj Sethia | Non-Executive Independent Director | | ✓ | ✓ | ✓ |
| Mr. Dhruv Jain | Non-Executive Independent Director | | ✓ | ✓ | ✓ |
| Mr. Siddharth Pradip Bhardi | Non-Executive Independent Director | | ✓ | ✓ | |

Number of Meetings of the Board

During the year under review, board met 9 times i.e. on 30-05-2023, 22-06-2023, 14-08-2023, 04-09-2023, 07-09-2023, 10-11-2023, 10-02-2024, 14-02-2024 and 29-03-2024. Details of attendance of Directors are as below

| Name of the Director | Number of Board Meetings held | Number of Board Meetings attended |
|--|--------------------------------------|--|
| Mr. Deepak Choudhari | 9 | 9 |
| Mr. Jitendrakumar chopra | 9 | 9 |
| Mrs. Madhubala Deepak Choudhari (Appointed w.e.f. March 29, 2024) | 0 | 0 |
| Mr. Manoj Sethia | 9 | 9 |
| Mr. Dhruv Jain | 9 | 9 |
| Mr. Siddharth Pradip Bhirdi (Appointed w.e.f. March 29, 2024) | 0 | 0 |
| Mrs. Sharmiladevi Chopra (Resigned w.e.f. March 11, 2024) | 8 | 8 |
| Mr. Pruthveesh Ravi Shetti (Resigned w.e.f. March 29, 2024) | 9 | 9 |

BOARD COMMITTEES

A. Audit Committee

The Audit Committee consisted of three Non-Executive Independent Directors and one Executive Director, namely

Mr. Dhruv Jain - Chairman (Independent Director)
 Mr. Siddharth Pradip Bhirdi – Member (Independent Director) (Appointed w.e.f. 29-03-2024)
 Mr. Manoj Sethia – Member (Independent Director)
 Mr. Deepak Choudhari – Member (Managing Director)
 Mr. Pruthveesh Ravi Shetti – Member (Independent Director) (Resigned w.e.f. 29-03-2024)

The members have the requisite accounting and related financial management expertise. Statutory Auditors and Internal Auditors are invited to the meetings of Audit Committee for presenting their periodical reports.

The terms of reference / powers of the Audit Committee include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

- Approval or any subsequent modification of transactions of the listed entity with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- To review the function of the Whistle Blower Mechanism.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- To look into the payment being made to the depositors, creditors and shareholders in case of dividend declared and reasons for substantial defaults/delay if due amount has not paid as per statutory due date.

During the year, Five meetings of the Audit Committee were held on 30-05-2023, 14-08-2023, 10-11-2023, 10-02-2024 and 14-02-2024. The details of attendance of each member at the Audit Committee are given herein below:

| Name of the Director | No. of Meetings held | No. of Meetings Attended |
|-----------------------------|-----------------------------|---------------------------------|
| Mr. Dhruv Jain | 5 | 5 |
| Mr. Pruthveesh Ravi Shetti | 5 | 5 |
| Mr. Manoj Sethia | 5 | 5 |
| Mr. Deepak Choudhari | 5 | 5 |
| Mr. Siddharth Pradip Bhirdi | 0 | 0 |

B. Nomination and Remuneration Committee

Nomination and Remuneration Committee of the Board has been constituted to review/recommend the remuneration package of the Managing Director / Whole Time Director(s) / Managers based on performance and defined criteria. The Nomination & Remuneration Committee of the Board comprises of Independent/Non-Executive Directors namely

| | |
|--|--------------------------------------|
| Mr. Dhruv Jain | Chairman |
| Mr. Pruthveesh Shetti | Member (Resigned w.e.f. 29-03-2024) |
| Mr. Manoj Sethia | Member |
| Mrs. Sharmiladevi Jitendrakumar Chopra | Member (Resigned w.e.f. 11-03-2024) |
| Mrs. Madhubala Deepak Choudhari | Member (Appointed w.e.f. 29-03-2024) |
| Mr. Siddharth Pradip Bhirdi | Member (Appointed w.e.f. 29-03-2024) |

During the year under review, Two Meeting of Nomination and Remuneration committee were held on 22-06-2023 and 29-03-2024

| Name of the Director | No. of Meetings held | No. of Meetings Attended |
|--|-----------------------------|---------------------------------|
| Mr. Dhruv Jain | 2 | 2 |
| Mr. Pruthveesh Shetti | 2 | 2 |
| Mr. Manoj Sethia | 2 | 2 |
| Mrs. Sharmiladevi Jitendrakumar Chopra | 2 | 2 |
| Mrs. Madhubala Deepak Choudhari | 0 | 0 |
| Mr. Siddharth Pradip Bhiridi | 0 | 0 |

➤ Details of remuneration paid to Directors for the financial year 2023-24 are as under:

| Name of Director | Category | Sitting Fee (Rs.) | Salaries and Perquisites p.a. (Rs.) | Total (Rs.) |
|--|------------------------|--------------------------|--|--------------------|
| Mr. Deepak Choudhari | Chairman | NIL | NIL | NIL |
| Mr. Jitendrakumar Chopra | Managing Director | NIL | NIL | NIL |
| Mrs. Sharmiladevi Chopra (Resigned w.e.f. 11-03-2024) | Non executive Director | NIL | NIL | NIL |
| Mr. Pruthveesh Shetti (Resigned w.e.f. 29-03-2024) | Independent Director | NIL | NIL | NIL |
| Mr. Dhruv Jain | Independent Director | NIL | NIL | NIL |
| Mr. Manoj Sethia | Independent Director | NIL | NIL | NIL |
| Mrs. Madhubala Deepak Choudhari | Non Executive Director | NIL | NIL | NIL |
| Mr. Siddharth Pradip Bhiridi | Independent Director | NIL | NIL | NIL |

➤ **Performance evaluation criteria of Independent Director**

Pursuant to provisions of Section 178 of Companies Act 2013 and Listing regulations, the Nomination & Remuneration Committee has formulated a policy on board evaluation of individual directors. The evaluation is based on various factors which are follows:

- Participation at Board/ Committee Meetings
- Contributions at Meetings
- Knowledge and skills
- Discharging Role, Functions and Duties
- Personal Attributes

C. Stakeholders Relationship Committee:

The Company has constituted stakeholder's relationship committee comprising of three independent directors and one non-executive director.

The purpose of formation of Committee is to, *inter alia*, to approve issue of duplicate share certificates and oversee and review all matters connected with the transfer of securities. The Committee also reviews the performance of the Registrar and Transfer Agent besides supervising the mechanism of investor grievance redressal to ensure cordial investor relationship.

| | | |
|--|----------|-------------------------------|
| Mr. Siddharth Pradip Bhirdi | Chairman | (Appointed w.e.f. 29-03-2024) |
| Mr. Dhruv Jain | Member | |
| Mr. Pruthveesh Shetti | Member | (Resigned w.e.f. 29-03-2024) |
| Mr. Manoj Sethia | Member | |
| Mrs. Sharmiladevi Jitendrakumar Chopra | Member | (Resigned w.e.f. 11-03-2024) |
| Mrs. Madhubala Deepak Choudhari | Member | (Appointed w.e.f. 29-03-2024) |

During the year under review, Four Meeting of Stakeholders Relationship Committee were held on 30-05-2023, 14-08-2023, 10-11-2023 and 14-02-2024

| Name of the Director | No. of Meetings Held | No. of Meetings Attended |
|--|----------------------|--------------------------|
| Mr. Siddharth Pradip Bhirdi | 0 | 0 |
| Mr. Dhruv Jain | 4 | 4 |
| Mr. Pruthveesh Shetti | 4 | 4 |
| Mr. Manoj Sethia | 4 | 4 |
| Mrs. Sharmiladevi Jitendrakumar Chopra | 4 | 4 |
| Mrs. Madhubala Deepak Choudhari | 0 | 0 |

During the year under review one complaint was received which was resolved. No complaint was pending for resolve at the beginning and end of the year.

D. Meeting of Independent Director:-

As mandated by the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a separate meeting of Independent Directors was held on 29-09-2023 annual evaluation of the following;

- the performance of non-independent directors and the Board of directors as a whole;
- the performance of the Chairperson of the Company, considering the views of non-executive directors;
- the quality, quantity and timeliness of flow of information between the company management and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

E. CSR Committee – Details has been given in CSR report attached to the Directors report.

F. Senior management

Senior Management comprises of

Mr. Shreyans Rajendrakumar Choudhari - CFO
 Ms. Bhakti Dnyaneshwar Kapratwar – Company Secretary
 Mr. Shrikant Patil – Unit Head
 Mr. Satappa M Borwadkar – Accounts Incharge

During the year under review Ms. Bhakti Dnyaneshwar Kapratwar was appointed w.e.f. 22-06-2023 as Company Secretary and Compliance officer

1. Remuneration of directors:

- a. All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity - **NIL**
- b. Criteria of making payments to non-executive directors is available on the website of the company i.e. www.girnarspintex.com
- c. disclosures with respect to remuneration:
 - i. elements of remuneration package of individual directors;

| Name of Director /KMP | Designation | Salary | Benefits, bonuses, stock options, pension etc fixed component and performance linked incentives |
|---------------------------------|------------------------|---------------|--|
| Deepak Choudhari | Managing Director | NIL | NIL |
| Jitendrakumar Chopra | Managing Director | NIL | NIL |
| Sharmiladevi Chopra | Non-Executive Director | NIL | NIL |
| Siddhant Patil | Independent director | NIL | NIL |
| Pruthveesh Shetti | Independent director | NIL | NIL |
| Vijay Dudharkar | Independent Director | NIL | NIL |
| Dhruv Jain | Independent director | NIL | NIL |
| Manoj Sethia | Independent director | NIL | NIL |
| Mrs. Madhubala Deepak Choudhari | Non-Executive Director | NIL | NIL |
| Mr. Siddharth Pradip Bhiridi | Independent director | NIL | NIL |

- ii. **Service contracts, notice period, severance fees;** As per the prevailing rules of the company
- iii. **Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable** - The Company does not have any Employee Stock Option Scheme.

EXTRACT OF ANNUAL RETURN:

In accordance with Section 134(3)(a) and as provided under sub-section (3) of Section 92 of the Companies Act, 2013 an extract of the annual return in prescribed form MGT – 9 has been posted on the website of the company i.e. www.girnarspintex.com.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report is attached to the Directors Report as **Annexure 2**.

CORPORATE GOVERNANCE:

Pursuant to Regulation 15 (2) of LODR, 2015 the compliance with the corporate governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21,22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) [and (t)] of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable to the Company. Hence Corporate Governance Report has not been attached to the Directors Report.

AUDITORS AND AUDITORS REPORT

(a) Statutory Auditor & Audit Report

Sanjay Vhanbatte and Company, Chartered Accountants (ICAI Firm Registration No. 112996W) was inadvertently reappointed as a Statutory Auditor of the company in the 31st Annual General Meeting held on September 29, 2023. Hence Sanjay Vhanbatte and Company through their email dated, February 05, 2024 vacated the office of Auditor. In order to fill up such casual vacancy, the company has appointed Nenawati and Associates, Chartered Accountants, to conduct the audit in the Board Meeting held on February 10, 2024.

After conducting a detailed evaluation and based on the recommendation of Audit Committee, the Board approved the proposal for placing at the 32nd AGM the matter of re appointment of Nenawati and Associates, Chartered Accountants as statutory auditors of the Company for a term of 5 years from the financial year 2024-25 onwards on such terms and conditions and remuneration as may be decided by the Audit Committee. A resolution to that effect forms part of notice of the 32nd AGM sent along with this Annual Report.

(b) Cost Auditor:

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost records and its audit has been done by Mr. Nilesh Chalke, Cost Accountants, Nipani

(c) Secretarial Auditor & Audit Report:

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Company has appointed Shrenik Nagaonkar & Associates, Practicing Company Secretaries as Secretarial Auditor to carry out the secretarial audit for the financial year 2023-24.

The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith marked as **Annexure 3** to this Report.

Detailed reply to the remarks, observation by Statutory Auditor and Secretarial Auditors are given in as below

i) Reply to remarks, observation by Statutory Auditor

- a. With reference statutory auditor remark on nonpayment of disputed statutory dues we wish to inform you that the same has been waived by pursuant to NLCT order 31.07.2018 hence not payable.
- b. With reference to statutory auditor remark about cash loss Directors wish to inform you that adverse market conditions and higher raw cost has resulted into losses however Board hereby confirm that this wont affect going concern status of the company.

ii) Reply to remarks, observation by Secretarial Auditor -

- a. With reference to Secretarial Auditor remark Board hereby inform you that Reappointment of M/s. Sanjay Vhanbatte and Company was made inadvertently in the 31st Annual General Meeting held on September 29, 2023. However the Company has rectified the same by appointing M/. Nenawati and Associates, Chartered Accountants as auditor of the company. Form ADT-1 was not filed due to system error. It will be filed soon.

(d) Internal Audit

Pursuant to provisions section 138 of Companies act 2013 read with Companies (Accounts) Rules 2014, the board on recommendation of Audit Committee appointed M/s Thigale Utturkar and Associates Chartered Accountants as the Internal Auditor of the Company. The Management regularly reviews the findings of the Internal Auditor and takes effective steps to implement suggestions of the Internal Auditor.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT (CSR):

During the year 2022-23 i.e. Previous year

- i. net worth of Company does not exceed rupees five hundred crore or more, or
- ii. turnover of Company does not exceed rupees one thousand crore or more or
- iii. a net profit of Company does not exceed rupees five crore or

hence the provisions of Corporate Social Responsibility are not applicable to the company for FY 2023-24. Company has formed CSR committee which comprises of

Mr. Pruthveesh Ravi Shetti, Independent Director (Resigned w.e.f. 29-03-2024)

Mr. Siddharth Pradip Bhirdi, Independent Director (Appointed w.e.f. 29-03-2024)

Mr. Dhruv Jain, Independent Director
Mr. Deepak Chaganlal Choudhari, Managing Director of the Company

The Corporate Social Responsibility (CSR) Committee was constituted as per Section 134 of Companies Act 2013.

The purpose of the committee is formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII and recommend the amount of expenditure to be incurred on these activities and to monitor the Corporate Social Responsibility Policy of the company from time to time. The policy framed by CSR Committee has been Approved and adopted by the Board of Directors.

During the financial year 2021-22 the profit of the company exceeded Rs. 5 Five Crores hence provisions of CSR were applicable to the company for 2022-23. Company runs project of providing medical benefits to poor and needy people. As against CSR Liability of Rs. 5.61 Lakhs for FY 2022-23, company has spent Rs. 6.00 Lakhs which is excess by 0.39 Lakhs. This amount was spent for kidney transplant. Due to medical situation of patient, company couldn't spend CSR amount in 2022-23 however company has spent the same in April 2023 i.e. in FY 2023-24

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3) (c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 as at March 31, 2024 and of the profit and loss of the company for that period;
- (c) the directors had 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 fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL

The Board of Directors has laid down Internal Financial Controls within the meaning of the explanation to Section 134(5) (e) of the Companies Act, 2013. The Company has an internal financial control system commensurate with the size and scale of its operations and the same has been operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information as required under Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is given below:

A. Conservation of energy:

The Company has been taking various steps and measures to improve efficiency in use of energy and optimize conservation of the energy by increasing the efficiency of raw material inputs in power generation and by reducing/eliminating wastages and reducing consumption of power and fuel.

LED tubes fitted to save the energy and also proper power banks introduced whenever necessary. In spite, Conservation of energy and improving the efficiency of existing resources is continuing processes and form an integral part of responsibilities of departmental heads of the Company.

B. Technology absorption:

During the year under review, the Company had purchased various new machineries. The Company has also replaced spares parts of old machineries to make it functional. The resulted and helped company to start commercial production of yarn.

C. Foreign exchange earnings and Outgo:

| Particulars | Current Year | | Previous Year | |
|---------------------------|--------------|--------|---------------|--------|
| | In ` | In USD | In ` | In USD |
| Foreign Exchange Earnings | Nil | Nil | Nil | Nil |
| Foreign Exchange Outgo | Nil | Nil | Nil | Nil |

VIGIL MECHANISM

The Company has framed and implemented a vigil mechanism named as Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy are provided in the Corporate Governance Report and also hosted on the website of the Company. No frauds reported by auditors under sub-section (12) of section 143

During the year under review, the Company has an Internal Complaint Committee as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and, there were no complaint received during the year. Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

PERFORMANCE OF EMPLOYEES:

- 1) The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

| Name of Director / KMP | Designation | Remuneration of Directors/KMP for the year ended 31st March 2024 (Rs) | Ratio to median Remuneration | % Increase in remuneration for the year ended 31st March 2024 |
|---------------------------------|------------------------|---|------------------------------|---|
| Deepak Choudhari | Managing Director | NIL | NIL | NIL |
| Jitendrakumar Chopra | Managing Director | NIL | NIL | NIL |
| Sharmiladevi Chopra | Non-Executive Director | NIL | NIL | NIL |
| Siddhant Patil | Independent director | NIL | NIL | NIL |
| Pruthveesh Shetti | Independent director | NIL | NIL | NIL |
| Vijay Dudharkar | Independent Director | NIL | NIL | NIL |
| Dhruv Jain | Independent director | NIL | NIL | NIL |
| Manoj Sethia | Independent director | NIL | NIL | NIL |
| Mrs. Madhubala Deepak Choudhari | Non-Executive Director | NIL | NIL | NIL |
| Mr. Siddharth Pradip Bhirde | Independent director | NIL | NIL | NIL |
| Mrs. Bhakti Kapratwar | Company Secretary | 1,44,000 | 0.80 | NIL |
| Mr. Shreyans Choudhari | CFO | NIL | NIL | NIL |

1. Since the Directors didn't take any salary in current year % increase in remuneration is not applicable

- 2) Details of the top ten employees of the Company in terms of remuneration drawn as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

| Sr. No | Name of employee | Designation | Remuneration | nature of employment, whether contractual or otherwise | qualifications and experience of the employee | date of commencement of employment | the age of such employee | the last employment held by such employee before joining the company |
|--------|-------------------------|----------------------|--------------|--|---|------------------------------------|--------------------------|--|
| 1 | Shrikant Patil | Unit Head | 70000 | Permanent | Diploma in Textile 26yrs | 01.10.2018 | 47 | Abhishek Indu.Ltd |
| 2 | Sanjay Patil | Production Manager | 55000 | Permanent | Diploma in Textile 21 yrs | 01.07.2019 | 45 | Shetkari Mill Ichalkaranji |
| 3 | Ramgonda Patil | Chief Engg. | 53500 | Permanent | Diploma in Elect.28 yrs Experience | 17.01.2022 | 47 | Surabhi Tex. Fab. Ichal. |
| 4 | Ajay Patil | SQC Manager | 52000 | Permanent | Diploma in Textile 29 yrs | 21.12.2018 | 57 | Eurotex Indu.Ltd |
| 5 | Tatyaso Patil | Winding Supervisor | 37450 | Permanent | Mech .Electronics 33 yrs | 10.12.2018 | 55 | Eurotex Indu.Ltd |
| 6 | Annasaheb Patil | HR Manager | 40071 | Permanent | M.A.MSW 29 yrs | 11.03.2019 | 58 | Tozai Safety pvt.Ltd |
| 7 | Satappa M Borwadkar | Accounts Incharge | 35000 | Permanent | Commerce Graduate (With 10 yrs of Experience) | 18.10.2018 | 34 | Ved Textiles Pvt.Ltd (Group Companies) |
| 8 | Amit Hatkar | Maintenance Incharge | 35000 | Permanent | Diploma Tex,mfg.22 yrs | 18.05.2022 | 43 | Abhishek Indu.Ltd |
| 9 | Babasaheb Annappa Patil | Asst. Elect. Eng. | 29767 | Permanent | Diploma in Elect.20 yrs Experience | 12.12.2018 | 39 | Indira Mahila Soot. Ich. |
| 10 | Prashant Gatti | Prod. Supervisor | 20865 | Permanent | Dip.in Tex. 15 Yrs.exp. | 02.03.2019 | 36 | Dindayal Spinning |

Nobody holds any shares and none of the above is relative of any director or manager of the company

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES:

The Company does not have Subsidiary/Joint Ventures/Associate Companies.

RISK MANAGEMENT:

The Board of the Company has formed a Risk Management Committee in accordance with the provisions of the Act and Regulation 17(9) of the Listing Regulations. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Policy to manage risk is also placed on the website of the Company. During the year, risk analysis and assessment was conducted and the details of the same are covered in the Management Discussion and Analysis Report of the Company.

FAMILIARIZATION PROGRAMME:

Pursuant to Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 , the Company has formulated a programme for familiarizing the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various initiatives. Details of the Familiarization Programme of the Independent Directors are available on the website of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, your Company has complied with all the applicable secretarial standards. The same has also been confirmed by Secretarial Auditors of the Company.

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any equity shares lying in the demat suspense account/unclaimed suspense account of the Company as on 31 March 2024. Hence disclosures required under Part F of Schedule V of the Listing Regulations is not applicable

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant orders were passed by any court.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Except Mr. Deepak Choudhari and Mrs. Madhubala Choudhari who are husband and wife none of other directors are related to each other.

NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS

None of non-executive directors hold shares in the Company.

WEB LINK WHERE DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS IS DISCLOSED

Familiarisation programme for independent directors is available on the website of Company.i.e. www.girnarspintex.com.

CONFIRMATION THAT IN THE OPINION OF THE BOARD, THE INDEPENDENT DIRECTORS FULFILL THE CONDITIONS SPECIFIED IN THESE REGULATIONS AND ARE INDEPENDENT OF THE MANAGEMENT

Board hereby confirm that Independent directors fulfil the conditions specified in SEBI (LODR) 2015 and are independent of the management

ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, financial institutions business associates, consultants, customers, suppliers, contractors and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on the Company.

By Order of the Board of Directors

Date: 14-08-2024
Place: Kolhapur

Deepak Choudhari
Chairman and Managing Director
DIN - 03175105

Annexure – 1

FORM NO. AOC -2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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 arm's length transaction under third proviso thereto.

A. Details of contracts or arrangements or transactions not at Arm's length basis.: NIL

B. Details of contracts or arrangements or transactions at Arm's length basis. - Amount in Rs. Lakhs

| | | |
|---|---|---|
| Name (s) of the related party & nature of relationship | Universal Spintex, Director is Partner | Manibhadra Polycot Private Limited (Managing Director holding major stake) |
| Nature of contracts / arrangements / transaction | Purchase and Sale of services | Purchase and Sale of services |
| Duration of the contracts / arrangements / transaction | Till 31-03-2025 | Till 31-03-2025 |
| Salient terms of the contracts or arrangements or transaction including the value, if any | Sales Rs. 8752.15 Lakhs Purchase Rs. 75.43 Lakhs Rent Paid Rs. 0.18 Lakhs | Sales Rs. 217.16 Lakhs Purchase Rs. 7.38 Lakhs |
| Date of approval by the Board | 15-09-2020 | 15-09-2020 |
| Amount paid as advances, if any | NIL | NIL |

C. Details of contracts or arrangements or transactions not in the ordinary course of business: NIL

For & on behalf of the Board

Date: 14-08-2024
Place: Kolhapur

Deepak Choudhari
Chairman and Managing Director
DIN: 03175105

ANNEXURE 2

MANAGEMENT DISCUSSION AND ANALYSIS

The management of Girnar Spintex Industries Limited (formerly known as Amit Spinning Industries Limited) presents the analysis of business performance of the company for the year 2023-24 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments.

1. Industry structure and developments.

a. Global Economy

The Global economy journey has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, an energy and food crisis triggered by Russia's war on Ukraine, a considerable surge in inflation, followed by a globally synchronized monetary policy tightening. Despite gloomy predictions, the global economy remains remarkably resilient, with steady growth and inflation slowing almost as quickly as it rose. Many large emerging market economies are performing strongly, increasing their footprint on the global economy. Despite these welcome developments, numerous challenges remain, and decisive actions are needed

b. Indian Economy

India's economy is projected to grow by 6.8% in 2024, according to a report by the IMF which noted that multinationals extending their manufacturing processes into the country to diversify their supply chains will have a positive impact on Indian exports. The expansion in 2023 was driven by strong public investment outlays as well as the vitality of the services sector which benefited from robust local demand for consumer services and firm external demand for the country's business services exports. These factors are expected to continue to support growth in India in 2024.

c. Industry Scenario

The Indian spinning industry, which is a critical segment of the textile value chain, has been under pressure due to volatile raw material prices, particularly cotton. The fiscal year 2023-24 saw fluctuating cotton prices, driven by both domestic and global factors, including weather conditions affecting crop yields and trade policies influencing supply chains.

The ongoing geopolitical tensions and economic uncertainty have also impacted export demand. India's spinning mills heavily depend on exports, and reduced demand from key markets like Europe and the United States due to economic slowdowns has directly impacted and create a lot of domestic market of yarns.

2. OPPORTINUTITIES AND THREATS

The company is concerned about the various threats that it is exposed to which includes factors such as rising competition in the market, uncertain business environment including fluctuating rupee, cost of raw material and its availability, slowdown in demand & change in fashion trends, possibility of increase in interest rates, etc. Besides this the Company is also exposed to factors such as the change in government policies, duties & taxes, availability of power from the grid, availability of labour etc. The Company tries to mitigate these risks by taking quick actions and proactive initiatives and minimize the impact of these risk to the extent possible

Raw material prices & availability: The raw material prices (cotton, cotton yarn, MEG & PTA) are subject to market conditions and can vary upward & downward during the year..

Slow-down in demand/ change in fashion: The Company's performance also depends upon the demand situation. Any slowdown in demand may lead to decline in production/ sales and thus impact profitability.

Increase in Interest rates: The Company has taken term loans and working capital limits loans from the banks on floating rate basis. Any increase in interest rate would have impact on the bottom line of the Company.

Change in Government Policies: The business also has a threat of sudden change in government policies like policies relating to export & import of certain products, change in customs duty structure, change in export incentives, change in GST rates, etc

3. SEGMENTS WISE PERFORMANCE

The company operates in only one segment i.e. Spinning Mill Segment.

PRESENT SCENARIO AND OUTLOOK

Year 2023-24 was average. The Financial Performance of the company is given below

| | Rs. in Lakhs) | |
|---|---------------|----------|
| Particulars` | 2023-24 | 2022-23 |
| Revenue from Operations | 9570.46 | 7812.03 |
| Other Income | 99.15 | 24.46 |
| Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense | 180.90 | (115.43) |
| Less: Depreciation/ Amortisation/ Impairment, Finance Costs | 665.02 | 572.62 |
| Profit /loss before Exceptional items and Tax Expense | (484.12) | (688.05) |
| Add/(less): Exceptional items | 0.00 | 0.00 |
| Profit /loss before Tax Expense | (484.12) | (688.05) |
| Less: Tax Expense (Current & Deferred) | 0.00 | 0.00 |
| Profit /loss for the year | (484.12) | (688.05) |

4. RISK MANAGEMENT

The Company recognises that risk is inherent in every business activity. However, managing it with efficacy is vital in order to achieve strategic objectives and long-term sustainable growth. The major risk areas are periodically and systematically reviewed by the management and risk management committee. Some of the major risks have been entailed below:

| STRATEGIC RISK | PROBABLE IMPACT | MITIGATION STRATEGY |
|-------------------------|--|---|
| Economic Risk | Global lockdowns and Slowdown could impact demand and revenue | Cost cutting measures being implemented rigorously |
| Cost Risk | Volatility in raw material costs could impact overall cost of production | Holding sufficient inventory to protect itself from short term spikes |
| Competition Risk | Losing market share | ➤ Continuous focus on quality ➤ Providing end to end services to customers. |
| Credit Risk | Failure to make timely payments, or the credit rating or risk profile otherwise deteriorates | ➤ Strengthening credit control ➤ Effective collection strategy |
| Labour Immigration Risk | Stoppage in production Impacts quality of production | ➤ Retaining labour with facilities for stay ➤ Strategies for maintaining cordial relations |

5. HUMAN RESOURCE MANAGEMENT

The management has cordial and harmonious relations with its employees. It considers manpower as its assets and that the people had been the driving force for the growth of the company. The Company's HR policy aim to develop and train each individual to perform to his fullest capacity, achieving individual excellence and at the same time achieving the Company's Goals. As on 31.03.2024 company is having 92 employees.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's well-articulated internal control systems ensure the achievement of its operational, compliance and reporting objectives. It has adequate policies and procedures in place, for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of internal controls. They are regularly reviewed to ensure both, relevance and comprehensiveness, and compliance is ingrained into the management review process. The audit committee regularly reviews the adequacy of controls of the key processes. It makes note of the audit observations and takes corrective actions, if necessary. It maintains a constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

7. KEY FINANCIAL PARAMETERS (Rs. Lakhs)

| Ratio | 2023-24 | 2022-23 | Remark |
|-----------------------------|---------|---------|--|
| Debtors Turnover Ratio | 4.07 | 9.51 | Delay in collecting receivables is major concern which is affecting debtor's turnover ratio |
| Inventory Turnover Ratio | 3.08 | 8.52 | Increase in raw material prices and shortage of raw material is major reason affecting Inventory Turnover ratio. |
| Interest Coverage Ratio | 0.00 | -0.11 | Since company as incurred losses this ratio is in negative |
| Current Ratio | 0.37 | 0.55 | Delay in collecting receivables has reduced the current ratio. |
| Debt Equity ratio | 1.32 | 1.23 | During the year company was able to pay off borrowings marginally however losses in current year has worsen this ratio |
| Operating Profit margin (%) | 0.21 | 15.56 | Control over operating cost led to increase in operating margin. |
| Net Profit Margin (%) | -0.05 | -0.09 | Control over operating cost led to increase in net profit margin. |
| Return on Net Worth | -0.12 | -0.15 | Control over operating cost led to increase in net profit margin thereby increase in return on networkth. |

Due to increase in raw material prices and shortage of raw material, company incurred losses which has resulted into worsening of financial performance and ratios.

8. CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis relating to the Company's objectives, projections, estimates, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, raw materials cost, availability and prices of finished goods, foreign exchange market movements, changes in government

regulations, tax structure, economic and political developments within India and the countries where the Company conducts its business and other factors such as litigation and industrial relations. The Company assumes no responsibility in respect of forward-looking statements herein which may undergo changes in future based on subsequent developments, information or events.

For & on behalf of the Board

Date: 14-08-2024
Place: Kolhapur

Deepak Choudhari
Chairman and Managing Director
DIN: 03175105

ANNEXURE 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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

To,
The Members,
GIRNAR SPINTEX INDMETRIES LIMITED
(Formerly Known as Amit Spinning Indmetries Limited)
Gat No. 47 & 48, Sangwade, Hupari Kolhapur Road,
Karvir Kolhapur 416202

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GIRNAR SPINTEX INDMETRIES LIMITED (CIN L17100PN1991PLC190209) (hereinafter called 'the Company') for the financial year ended March 31, 2024. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2024 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024 according to the provisions of:
 - i. The Companies Act, 2013 and the Companies Act, 1956 ('the Act') and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings-(**Not Applicable to the Company during the Audit period**)
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act'):

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations) 2015;
- c. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014. **(Not Applicable to the Company during the Audit period)**
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not Applicable to the Company during the Audit period)**
- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client **(Not Applicable to the Company during the Audit period)**
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit period)**
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not Applicable to the Company during the Audit period)** and
- h. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015
- i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India.
- b. The Listing Agreements entered into by the Company Stock Exchanges

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

1. *Pursuant to section 139 (2) of the Companies Act 2013 No listed company, shall appoint or re-appoint an individual as auditor for more than one term of five consecutive years. However, M/s. Sanjay Vhanbatte and Company, Chartered Accountants (ICAI Firm Registration No. 112996W) was inadvertently reappointed as a Statutory Auditor of the company in the 31st Annual General Meeting held on September 29, 2023. Further M/s. Sanjay Vhanbatte and Company through their email dated, February 05, 2024 vacated the office of Auditor and company has appointed M/. Nenawati and Associates, Chartered Accountants as auditor of the company. Further, the company has not filed Form ADT-1 for the same.*

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under following specific laws applicable to the Company:

- a. Textile Committee Act, 1963
- b. Textile (Development & Regulation) Order, 2001
- c. Textile (Consumer Protection) Regulations, 1988
- d. The Insolvency and Bankruptcy Code, 2016 and related Rules and Regulations

I 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 are carried out in compliance with the provisions of the Act.

Adequate notices were given to all the directors and members to schedule the Board and Committee Meetings respectively, 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 meetings.

Decisions at the Board Meetings and committee meetings were taken unanimously.

I 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.

I further report that during the audit period there were following specific events / actions occurred which are having a major bearing on the company's affairs:

- a. Hon'ble NCLT, Principal Bench, New Delhi approved the resolution plan for Company on 31.07.2018 as submitted by Mr. Deepak Chaganlal Choudhari and Mr. Jitendra Kumar Chopra being the Resolution Applicants. After that various corporate actions like reduction face value of shares, consolidation of face value of shares, extinguishment and allotment of shares that was required to be executed has been pending for approval from BSE and NSE.

**For, Shrenik Nagaonkar & Associates
Company Secretaries**

**Shrenik Nagaonkar
Proprietor**

Place: Kolhapur

Date: 14-8-2024

**FCS No.: 7067 C P No.: 11682
UDIN: F007067F000982360**

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

**The Members,
GIRNAR SPINTEX INDMETRIES LIMITED**

Gat No. 47 & 48, Sangwade, Hupari Kolhapur Road,
Karvir Kolhapur 416202

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as are appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.

The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

**For, Shrenik Nagaonkar & Associates
Company Secretaries**

**Place: Kolhapur
Date: 14-08-2024**

**Shrenik Nagaonkar
Proprietor
FCS No.: 7067 C P No.: 11682**

GIRNAR SPINTEX INDUSTRIES LIMITED

(Formerly known as Amit Spinning Industries Limited)

Regd. & Corporate Office: Gat No. 47 & 48, Sangwade, Kolhapur Hupari Road Kolhapur 416202

Tel.: +7038094545, Email: secretarialgirnar@gmail.com, Website: www.girnarspintex.com

CIN: L17100PN1991PLC190209

**To,
The Board of Directors
Girnar Spintex Industries Limited**

Sub: CEO/CFO Certificate

We, Jitendrakumar Chopra, Managing Director and Shreyans Choudhari, CFO of the company to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2024 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditor and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee;
- (i) Significant changes in internal controls over financial reporting, during the year.
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - (iii) Instances of significant fraud of which we have become aware, if any, and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Kolhapur
Date: 14-08-2024

Jitendrakumar Chopra
Managing Director

Shreyans Choudhari
Chief Financial Officer

CERTIFICATE ON DEBARRING AND DISQUALIFICATION OF DIRECTORS OF THE COMPANY

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

To,
The Members,
GIRNAR SPINTEX INDUSTRIES LIMITED
Gat No. 47 & 48, Sangwade, Hupari Kolhapur Road,
Karvir Kolhapur 416202

I have examined the relevant books, papers, minutes books, forms and returns filed, Notices received from the Directors during the financial year ended on March 31, 2024 and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives of **GIRNAR SPINTEX INDUSTRIES LIMITED** (CIN L17100PN1991PLC190209) ("the Company") having its Registered office at Gat No. 47 & 48, Sangwade, Hupari Kolhapur Road, Karvir Kolhapur 416202 for the purpose of issue of a Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR), as amended vide notification no SEBI/LAD/NRO/GN/2018/10 dated May 9, 2018 issued by SEBI.

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

| Name of the Director | DIN |
|---------------------------------|------------|
| Mr. Deepak Choudhari | 03175105 |
| Mr. Jitendrakumar chopra | 08196887 |
| Mrs. Madhubala Deepak Choudhari | 08180531 |
| Mr. Manoj Sethia | 06560045 |
| Mr. Dhruv Jain | 09688248 |
| Mr. Siddharth Pradip Bhirdi | 10546676 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Shrenik Nagaonkar & Associates
Company Secretaries

Shrenik Nagaonkar
Proprietor
FCS No. 7067 CP No. 11682
UDIN: F007067F000982382

Place: Kolhapur
Date: 14-08-2024

INDEPENDENT AUDITOR'S REPORT

To,
**The Members of Girnar Spintex Industries Limited (Formerly
Known as Amit Spinning Industries Limited)**

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone Financial Statements of **GIRNAR SPINTEX INDUSTRIES LIMITED**, ("The Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2024, its loss and other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2024. These matters, if any, were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Financial Statements and our auditors' report thereon.

Our opinion on the standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) and the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions

- may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Financial Statements, including the disclosures, and whether the standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statement

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we further report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
 - e) On the basis of written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
 - g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in

accordance with the provisions of section 197 of the Act read with Schedule V of the Act.

- h) With respect to 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, we report as under:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note B-2 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts by which there were any material foreseeable losses.
 - (iii) The company is not liable for contribution to the Investor Education and Protection Fund.
 - (iv) Management Representation:
 - (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) of Rule 11(e) contain any material misstatement.
 - (v) The company has not paid any dividend during the year.
 - (vi) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

NENAWATI AND ASSOCIATES
Chartered Accountants
FRN NO. 002148C

Place: Kolhapur
Date: 31ST May 2024
UDIN: 24405762BKBNBE7811

CA. ARIHANT NENAWATI
Partner
M.No.405762

Annexure A of our report of even date to the members of Girnar Spintex Industries Limited (Formerly Known as Amit Spinning Industries Limited) on the accounts of the company for the year ended 31st March, 2024

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(i) In respect of its Property, Plant and Equipment:

- a. The Company's records of fixed assets are considered to be materially sufficient, however considering the fact that the company was acquired by way of Resolution Plan under CIRP, the said records need improvement in as much as the records now maintained need to have full particulars, including quantitative details and situation of property, plant and equipment.
- b. As explained to us, the property, plant and equipment are physically verified by the management during the year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets; as informed to us no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us, the records examined by us and based on the examination of the record, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties that have been taken on lease, if any, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- d. The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, Clause 3(i) (d) of the Order regarding Revaluation of Property, Plant and Equipment and intangible assets is not applicable.
- e. According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions(Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) In respect of its inventories:

- (a) The Management has at reasonable intervals conducted physical verification of inventory. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were properly dealt in the books of accounts.
 - (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion and to the best of information and knowledge, the quarterly returns/statements filed by the company with its banks are significantly in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured or has not made any investments in companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, made any investments, provided any guarantee or security for which provisions of Sec 185 and 186 of the Act is applicable

- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The cost records prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 are maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) **Statutory dues:**

(a) According to the information and explanations given to us and based on the records of the company examined by us, the company has generally been regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and any other statutory dues to the appropriate authorities. There were no undisputed amounts payable in respect of statutory dues in arrears as at 31st March 2024 for a period of more than six months from the date they became payable. As per the order of Hon. NCLT approving Resolution Plan of the Company under IBC all statutory dues pertaining to the period prior to the date of NCLT order stand resolved and no dues remain payable.

(b) **Disputed Statutory Dues:** According to the records of the Company, there are following dues of Income-tax, Sales-tax, Gram panchayat Tax and water charges remaining un-deposited as on March 31, 2024. The company disputes the liability in view of the order of NCLT dated 31.07.2018 approving Insolvency Resolution Plan of the Company.

| Name of Department | Section | Remarks | Year | Demand Amount |
|--------------------|---------------------------|--|------------------|---------------|
| TDS | 26Q | Quarter 1-2007-08 | 2007-08 | 113,120 |
| | 26Q | Quarter 4-2007-08 | 2007-08 | 79,630 |
| | 26Q | Quarter 4-2009-10 | 2009-10 | 11,200 |
| | 24Q | Quarter 4-2011-12 | 2011-12 | 30,270 |
| | 24Q | Quarter 4-2012-13 | 2012-13 | 35,240 |
| | 24Q | Quarter 4-2013-14 | 2013-14 | 225,560 |
| Income Tax | Penalty u/s 271G | Appeal Before CIT(A) | 2015-16 | 1,35,52,900 |
| VAT | | Rs.2,00,000 paid as Security deposit | 2004-05 | 12,44,000 |
| VAT | | Rs.16,94,614 being amount adjusted against liability | 2009-10 | 26,59,004 |
| VAT | Section 23(2) of MVAT Act | Ex-party assessment order has been passed | F.Y. 2012-13 | 691,194 |
| CST | Section 23(2) of MVAT Act | Ex-party assessment order has been passed | F.Y. 2012-13 | 1,305,089 |
| VAT | Appeal | Demand on assessment | FY 2012-13 | 2,86,63,867 |
| Gram Panchayat | | Demands by gram panchayat | 2014-15 TO 18-19 | 19,52,468 |

| | | | | |
|------------|--|------|------------------------|----------|
| Irrigation | | Dues | 2014-15 To 17-18 | 6,85,039 |
|------------|--|------|------------------------|----------|

Note: All above dues are claimed to be waived off as per resolution plan approved by NCLT.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) Based on representation given by the management of the company and according to the information and explanations given to us-
- a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - b) According to the information and explanations given to us, the company is not a declared willful defaulter by any bank or financial institution or other lender.
 - c) The terms loans obtained by the company during the year have been utilized for the purpose for which they were sanctioned.
 - d) On an overall examination of the financial statements of the company, we report that the Company has not used funds raised on short term basis for long term purposes.
 - e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its associates.
 - f) The company has not raised loans during the year on the pledge of securities held in its associate companies.
- (x) Funds raised by the Company and its utilization:
- a) According to the information and explanations given to us, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments), hence the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
 - b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)
- Based upon the audit procedures performed for the purpose of reporting upon the true and fair view of the financial statements, to the best of our knowledge and according to the information and explanations given to us:
- a) No fraud by the Company or any fraud on the Company has been noticed or reported during the period, nor have we been informed of any such case by the Management.
 - b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) According to the information and explanation given to us, the company has established vigil mechanism in accordance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. As informed to us, during the current year no whistle blower complaints were received through such vigil mechanism. Therefore, the provisions of clause 3 (xi) (c) of the Order are not applicable to the Company and hence not commented upon.
- (xii) According to the information and explanations given to us, the Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance

with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv)

- (a) According to the information and explanation given to us, the Company has appointed internal auditor in compliance with section 138 of the Act and applicable rules and the internal audit system is commensurate to the size and nature of its business.
- (b) Internal Audit Reports submitted by the internal auditor during the year have been considered by us .

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi)

According to the information and explanations given to us:

- a. The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.
- b. The company has not conducted any Non- Banking Financial or Housing Finance activities during the year.
- c. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d. The reporting under clause 3(xvi) (c) & (d) of the order are not applicable to the Company.

(xvii) The company has incurred cash loss of Rs. 274.93 lakhs and Rs. 495.83 lakhs in the financial year and the immediately preceding financial year respectively.

(xviii) There has not been any resignation of the statutory auditors during the year. However, the tenure of 5 years for the auditors was completed and thereby the said auditors could not continue to be the auditors of the company. T h e r e b y , the reporting under clause 3(xviii) of the order is not applicable.

(xix) In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx)

- a. In respect of other than ongoing projects, there are no unspent amounts in respect of CSR that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- b. There are no ongoing projects, requiring the company to transfer unspent Corporate Social Responsibility amount as at the end of the previous financial year, to a special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act. Accordingly, reporting under clause 3(xx)(b) of the order is not applicable.

- (xxi) The provisions of clause 3(xxi) of the order is not applicable to the Company and hence not commented upon.

NENAWATI AND ASSOCIATES

Chartered Accountants

FRN NO. 002148C

Place: Kolhapur

Date: 31ST May 2024

UDIN: 24405762BKBNBE7811

CA. ARIHANT NENAWATI

Partner

M.No.405762

Annexure B

To the Independent Auditors' Report on the Financial Statements of Girnar Spintex Industries Limited (Formerly Known as Amit Spinning Industries Limited)

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING 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 **AMIT SPINNING INDUSTRIES LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 standalone 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 payments 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 standalone 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, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, 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 March 31, 2024, 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 standalone financial statements of the Company, and these material weaknesses have affected our opinion on the financial statements of the Company and we have accordingly issued a qualified opinion on the standalone financial statements.

NENAWATI AND ASSOCIATES
Chartered Accountants
FRN NO. 002148C

Place: Kolhapur
Date: 31ST May 2024
UDIN:24405762BKBNBE7811

CA. ARIHANT NENAWATI
Partner
M.No.405762

Girnar Spintex Industries Limited

(Formerly Known As Amit Spinning Industries Ltd.)

Gat No. 47 & 48, Sangavade Village

Kolhapur - Hupri Road, Tal- Karveer,

Dist- Kolhapur, Maharashtra

Statement of Assets and Liabilities as at 31st March 2024

In ₹ (Lac)

| | | Note No | Audited 31.03.2024 | Audited 31.03.2024 |
|-----|--|---------|-----------------------|-----------------------|
| | ASSETS | | | |
| A. | Non-current assets | | | |
| | (a) Property, plant and equipment | B1 | 7,742.51 | 8,066.17 |
| | (b) Financial Assets | | | |
| | (i) Investments | B2 | 0.23 | 0.23 |
| | (ii) Loans | | | |
| | (iii) Others | B3 | 49.54 | 47.48 |
| | (c) Other non-current assets | B4 | 90.32 | 94.31 |
| | Sub total-Non current assets (A) | | 7,882.60 | 8,208.19 |
| B. | Current assets | | | |
| | (a) Inventories | B5 | 757.86 | 796.71 |
| | (b) Financial Assets | | | |
| | (i) Trade receivables | B6 | 365.47 | 811.23 |
| | (ii) Cash and Cash Equivalents | B7 | 1.74 | 23.50 |
| | (iii) Bank balances other than (ii) above | | | |
| | (iv) Loans | | | |
| | (v) Others | | | |
| | (c) Other current assets | B8 | 103.75 | 134.62 |
| | Sub total current assets (B) | | 1,228.81 | 1,766.07 |
| C. | Non-current assets classified as held for sale | | - | - |
| | Sub total current assets (C) | | - | - |
| | Total (A+B+C) | | 9,111.41 | 9,974.26 |
| | EQUITY AND LIABILITIES | | | |
| A. | Equity | | | |
| | (a) Equity Share capital | B9 | 205.85 | 205.85 |
| | (b) Other Equity | B10 | 3,329.22 | 3,858.33 |
| | (c) Amount Received for Equity Allotment | | 400.15 | 400.15 |
| | Sub total-Equity (A) | | 3,935.22 | 4,464.33 |
| B. | Liabilities | | | |
| (1) | Non-current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | B11 | 1,818.75 | 2,283.44 |
| | (ia) Lease Liabilities | | - | - |
| | (ii) Other financial liabilities | | - | - |
| | (b) Provisions | B12 | 9.49 | 4.27 |
| | Sub total-Non current liabilities (B) | | 1,828.24 | 2,287.71 |
| (2) | Current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | B13 | 2,504.33 | 2,799.32 |
| | (ia) Lease Liabilities | | | |
| | (ii) Trade Payables | | | |
| | (A) Towards micro and small enterprises | B14 | 33.93 | 1.22 |
| | (B) Towards others | B14 | 649.12 | 189.27 |
| | (iii) Other financial liabilities | B15 | 26.86 | 38.64 |
| | (b) Other current liabilities | | | |
| | (c) Provisions | B16 | 133.71 | 193.78 |
| | Sub total- Current liabilities (C) | | 3,347.95 | 3,222.23 |
| | Total (A+B+C) | | 9,111.41 | 9,974.26 |
| | NOTES TO THE FINANCIAL STATEMENTS | N1 | | |

The Notes referred to above form an integral part of the Statement of Profit and Loss

As per our report of even date

For Nenawati & Associates
Chartered Accountants

Arihant Nenawati
Partner

M. No. 405762

Place: Kolhapur
Date: May 31, 2024

For and On behalf of the Board

Jitendrakumar G Chopra
Mangaging Director

Deepak C Choudhari
Chairman & Mangaging
Director

Madhubala Choudhari
Director

Shreyansh R Choudhari
CFO

Bhakti Kapratwar
Company Secretary

Girnar Spintex Industries Limited
(Formerly Known As Amit Spinning Industries Ltd.)
Gat No. 47 & 48, Sangavade Village
Kolhapur - Hupri Road, Tal- Karveer,
Dist- Kolhapur, Maharashtra

Statement of Profit and Loss for the year ended 31-Mar-2024

In ₹ (Lac)

| Particulars | Note No. | 1-Apr-2023 to 31-Mar-2024 | 1-Apr-2022 to 31-Mar-2023 |
|---|----------|------------------------------|------------------------------|
| I Revenue from Operations | P1 | 9,570.46 | 7,812.02 |
| II Other Income | P2 | 99.15 | 24.46 |
| III TOTAL REVENUE (I + II) | | 9,669.61 | 7,836.48 |
| IV EXPENSES | | | |
| Cost of Materials Consumed | P3 | 7,505.03 | 5,886.54 |
| Purchases of Stock-in-Trade | P4 | 1.37 | 92.05 |
| Changes in Inventories | P5 | -115.42 | 403.19 |
| Employee Benefit Expenses | P6 | 198.68 | 240.49 |
| Finance Costs | P7 | 455.83 | 380.39 |
| Depreciation and Amortization Expenses | P8 | 209.19 | 192.22 |
| Other Expenses | P9 | 1,899.05 | 1,329.64 |
| TOTAL EXPENSES | | 10,153.73 | 8,524.53 |
| V Profit before Exceptional and Extraordinary Items and Tax (III-IV) | | -484.12 | -688.05 |
| VI Exceptional Items | | | |
| VII Profit before Extraordinary Items and Tax | | -484.12 | -688.05 |
| VIII Extraordinary Items | | - | - |
| IX Profit Before Tax | | -484.12 | -688.05 |
| X Tax Expense | | - | - |
| Current Tax | | - | - |
| Deferred Tax | | - | - |
| XI Profit/(Loss) for the period from Continuing Operations (IX-X) | | -484.12 | -688.05 |
| XII Profit/(Loss) from Discontinuing Operations | | - | - |
| XIII Tax Expense of Discontinuing Operations | | - | - |
| XIV Profit/(Loss) from Discontinuing Operations (after tax) (XII-XIII) | | - | - |
| XV Profit(Loss) for the Period (XI+XIV) | | -484.12 | -688.05 |
| XVI Other Comprehensive Income | | -2.36 | 14.56 |
| XVII Total Comprehensive Income | | -486.49 | -673.49 |
| XVI Earnings per Equity Share | P10 | | |
| -Basic | | 17.72 | 24.54 |
| -Diluted | | 17.72 | 24.54 |
| NOTES TO THE FINANCIAL STATEMENTS | N1 | | |

The Notes referred to above form an integral part of the Statement of Profit and Loss

As per our report of even date
For **Nenawati & Associates**
Chartered Accountants

Arihant Nenawati
Partner

M. No. 405762

Place: Kolhapur
Date: May 31, 2024

For and On behalf of the Board

Jitendrakumar G Chopra
Mangaging Director

Deepak C Choudhari
Chairman & Mangaging Director

Madhubala Choudhari
Director

Shreyansh R Choudhari
CFO

Bhakti Kapratwar
Company Secretary

Girnar Spintex Industries Limited
(Formerly known as Amit Spinning Industries Limited)

Cash Flow Statement
for the year ended 31.03.2024

In ₹ (Lac)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-------------------|-----------------|
| (A) Cash From Operating Activities | | |
| Net Loss as per Profit and Loss account | (486.49) | (673.49) |
| Add: | | |
| Extraordinary Item | - | - |
| Loss on Sale of Fixed Asset | | |
| Net Cash Before Tax and Extraordinary Items | (486.49) | (673.49) |
| Adjustment for non cash and non operating items: | | |
| Add: | | |
| Depreciation | 209.19 | 192.22 |
| Loss on Sale of Fixed Asset | - | - |
| Financial Cost | 455.83 | 380.39 |
| Provision for Doubtful Advance | - | - |
| DIC Subsidy Received | (7.73) | - |
| Interest Income | (7.56) | (4.51) |
| Profit on Sale of Fixed Asset | (1.37) | - |
| Operating Profit before Working Capital Changes | 161.87 | (105.38) |
| Increase / Decrease in Current Asset and Liabilities | | |
| Inventories | 38.85 | 239.82 |
| Trade Receivable | 445.76 | 21.27 |
| Other Current Assets | 30.88 | (46.31) |
| Trade Payables | 492.56 | (85.91) |
| Other Current Liabilities | (60.06) | 48.13 |
| Cash Generated from Operations | 1,109.86 | 71.62 |
| Less: Income Tax paid (Less refund if any) | | |
| Cash Flow before Extraordinary Items | 1,109.86 | 71.62 |
| Add: Extraordinary Items | - | - |
| Net Cash from/used in Operating activities (A) | 1,109.86 | 71.62 |
| (B) Cash Flow From Investing Activities | | |
| Add: | | |
| Proceed from Sale of Fixed Asset | 2.00 | - |
| Interest Received | 7.56 | 4.51 |
| DIC Subsidy Received | 7.73 | - |
| DIC Subsidy Received | 137.63 | - |
| Less :Purchase of Fixed Assets | (51.91) | (275.43) |
| Less :Increase in Non Current Assets | 1.93 | (40.56) |
| Net Cash From/used in Investing Activities (B) | 104.94 | (311.48) |
| (C) Cash Flow from Financing Activities | | |
| Add: | | |
| Interest Paid | (455.83) | (380.39) |
| Increase in Investments | - | - |
| Transfer to Reserves (Insolvency and Bankruptcy Reserve) | (14.50) | - |
| Transfer to Revaluation Reserve | - | - |
| Repayment of Short term Loans and Borrowings | - | - |
| Repayment of Long term Loans and Borrowings | - | - |
| Proceed of Short term Loans and Borrowings | (306.78) | 1,028.38 |
| Issue of Shares | - | - |
| Amount Received for Allotment of Shares | - | - |
| Proceed of Long term Borrowings | (464.68) | (404.28) |
| Proceeds from Long Term Provision | 5.22 | (3.70) |
| Net Cash from/used in Financing Activities (C) | (1,236.58) | 240.01 |
| Net Increase/Decrease in Cash and Cash Equivalents(A+B+C) | (21.77) | 0.16 |
| Add: Cash and cash equivalents in the beginning of the year | 23.50 | 23.35 |
| Cash and Cash Equivalents at the end of the Year | 1.74 | 23.50 |

As per our report of even date
For **Nenawati & Associates**
Chartered Accountants

Arihant Nenawati
Partner

M. No. 405762

Place: Kolhapur
Date: May 31, 2024

For and On behalf of the Board

Jitendrakumar G Chopra
Mangaging Director

Deepak C Choudhari
Chairman & Mangaging Director

Madhubala Choudhari
Director

Shreyansh R Choudhari
CFO

Bhakti Kapratwar
Company Secretary

Girnar Spintex Industries Limited
(Formerly Known As Amit Spinning Industries Ltd.)
Gat No. 47 & 48, Sangavade Village
Kolhapur - Hupri Road
Tal- Karveer, Dist- Kolhapur
Maharashtra
Financial Ratios for the year ended 31-Mar-2024

In ₹ (Lac)

| | Particulars | | 1-Apr-2023 to 31-Mar-2024 | 1-Apr-2022 to 31-Mar-2023 |
|----|--|---|------------------------------|------------------------------|
| 1 | Current Ratio | Current Assets/Current Liabilities | 0.37 | 0.55 |
| 2 | Debt-Equity Ratio | Total Debt/Shareholder's Equity | 1.32 | 1.23 |
| 3 | Debt Service Coverage Ratio | Earnings availbale for Debt Service/Debt Service | 0.00 | -0.11 |
| 4 | Return on Equity Ratio | PAT-Preference Div/Average Shareholders' Equity | -0.03 | -0.14 |
| 5 | Inventory Turnover Ratio | Sales/Average Inventory | 3.08 | 8.52 |
| 6 | Trade Receivable Turnover Ratio | Net Credit Sales/Avg.Account Receivable | 4.07 | 9.51 |
| 7 | Trade Payable Turnover Ratio | Net Credit Purchases/Avg.Account Payable | 4.20 | 26.35 |
| 8 | Net Capital Turnover Ratio | Net Sales/Working Capital | -4.52 | -5.36 |
| 9 | Net Profit Ratio | Net Profit/Net Sales | -0.05 | -0.09 |
| 10 | Return on Capital Employed | Earning Before Interest and Taxes/Capital Employed | -0.00 | -0.05 |
| 11 | Return on Investment | | NA | NA |

Girnar Spintex Industries Limited

(Formerly Known As Amit Spinning Industries Ltd.)

Gat No. 47 & 48, Sangavade Village

Kolhapur - Hupri Road, Tal- Karveer,

Dist- Kolhapur, Maharashtra

NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES AS ON 31.03.2024

NOTE - B2 Investments in Equity Instruments

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|---------------------------------------|-------------------|-------------------|
| Unquoted, Long Term | | |
| Shares Datta Nagari Patsanstha | 0.05 | 0.05 |
| Shares Rajarambapu Sahakari Bank Ltd. | 0.01 | 0.01 |
| Shares Sarswat Co-Op Bank | 0.14 | 0.14 |
| Shares Shamrao Vitthal Co-Op Bank | 0.03 | 0.03 |
| Grand Total | 0.23 | 0.23 |
| Aggregate Value of | | |
| -Quoted Investments | - | - |
| -Unquoted Investments | 0.23 | 0.23 |
| Total | 0.23 | 0.23 |
| Market value of Quoted Investments | - | - |

NOTE - B3 OTHER NON CURRENT ASSETS

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|---|-------------------|-------------------|
| Unsecured, Long Term, Considered Good | | |
| 1. SECURITY DEPOSITS | | |
| Excise / Sales Tax Depoist Agst Demand | 2.36 | 2.36 |
| Central Depository Services Limited | 5.25 | 5.25 |
| National Security Depository Limited | 2.27 | 2.38 |
| 2. BANK DEPOSITS WITH MORE THAN 12 MONTHS MATURITY | | |
| BG Margin FD | 39.66 | 37.49 |
| 3. OTHERS | | |
| Total | 49.54 | 47.48 |

B4 . Other Non Current Asset

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|---|-------------------|-------------------|
| Security Deposit Paid Electricity & Wat | 76.36 | 76.36 |
| TDS-TCS Receivable FY 20-21 | - | - |
| TDS-TCS Receivable FY 21-22 | 0.08 | 16.06 |
| TDS-TCS Receivable FY 22-23 | - | 1.89 |
| TDS-TCS Receivable FY 23-24 | 13.88 | |
| Total | 90.32 | 94.31 |

B5 . Inventories

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|------------------------------|-------------------|-------------------|
| Raw Materials and Components | 243.11 | 419.98 |
| Finished Goods | 324.95 | 123.95 |
| Work In Progress | 133.32 | 218.91 |
| Stores and Spares Parts | 56.47 | 33.88 |
| Total | 757.86 | 796.71 |

B6 . Trade Receivables

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|---|-------------------|-------------------|
| Outstanding for more than six months | | |
| a) Unsecured, Considered Good : | - | - |
| Others | | |
| a) Unsecured, Considered Good : | | |
| Hi Choice Yarn Distributors | 39.29 | |
| M/s S K Traders | 0.00 | |
| Jyotiram Havaladar TFO | 1.53 | |
| Mahesh Tex Fab | 37.26 | |
| Shyamshri India | 8.27 | |
| Manibhadra Polycot Pvt Ltd | 176.20 | 17.30 |
| Manibhadra Polycot Pvt Ltd- CT | 0.65 | 0.50 |
| Manibhadra Polycot Pvt Ltd _Cotton | 0.33 | 18.34 |
| Siddarth Emporium India Pvt Ltd | - | 0.05 |
| SSD Traders | 13.29 | 5.89 |

| | | |
|---------------------------|---------------|---------------|
| S Kumar Yarn Distributors | 16.08 | - |
| Universal Spintex | 72.57 | 769.14 |
| Total | 365.47 | 811.23 |

B7 . Cash and Bank Balances

B7.1 . Balances In Current Account

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|---|-------------------|-------------------|
| AXIS-AS-00710200056753 M | - | 18.97 |
| HDFC-AS-00030700000179 M | 0.61 | 0.61 |
| HDFC Current Account-042 | 0.50 | 0.50 |
| Kallappanna Awade Ichalkranji Janta Sah. Bank | - | - |
| B7.2 Other Bank Balances | | |
| | | - |
| Total | 1.12 | 20.09 |

B7.3 Cash and Cash Equivalents- Cash on hand

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|--------------|-------------------|-------------------|
| Cash on hand | 0.62 | 3.41 |
| Total | 0.62 | 3.41 |

B8 A . Short-Term Loans and Advances-Unsecured, considered good

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|---|-------------------|-------------------|
| Advance Recoverable in cash or in kind or for value to be considered good | 13.82 | 16.37 |
| Other Loans and Advances | - | 0.09 |
| Total | 13.82 | 16.46 |

B8 B . Other Current Assets

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|-------------------------------------|-------------------|-------------------|
| Prepaid Vehicle Insurance | 0.02 | |
| C GST | 51.13 | 84.21 |
| S GST | 29.19 | 23.05 |
| Prepaid Expenses BG Commission Paid | 2.46 | 4.57 |
| Interest Receivable MSEB | 6.02 | 4.02 |
| Prepaid Insurance | 0.64 | 0.99 |
| Prepaid Registration Fees | 0.48 | 1.32 |
| Total | 89.92 | 118.17 |

B11 . Long-Term Borrowings

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|------------------------------------|-------------------|-------------------|
| A. From Banks | | |
| Term Loan : Secured | | |
| HDFC Loan 83911774 | 307.97 | 458.26 |
| HDFC Loan 84329868 | 299.16 | 404.08 |
| HDFC Loan-GECL-WCTL- 6126287 | 12.65 | 49.28 |
| GECL WCTL- HDFC-452696274 | 246.00 | 246.00 |
| HDFC Loan 86233108- 1.32Cr | 102.65 | 171.71 |
| HDFC Term Loan 86207585- 10CR | 600.32 | 704.11 |
| B. From Others | | |
| Deposit From Directors (Unsecured) | | |
| a. Interest Free | | |
| Interest Bearing | | |
| Deepak Chaganlal Choudhari | 250.00 | 250.00 |
| b. Rate of Interest | 0.12 | 0.12 |
| Total | 1,818.75 | 2,283.44 |

B12 . Long Term Provisions

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|--|-------------------|-------------------|
| Gratuity Payable -Non Current Liability | 6.66 | 3.52 |
| Leave Encashment - Non Current Liability | 2.83 | 0.75 |
| Total | 9.49 | 4.27 |

B13 . Short-Term Borrowings

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|---|-------------------|-------------------|
| Loan Repayable on Demand | | |
| - From HDFC Bank: Secured: Cash Credit | 999.74 | 1,105.95 |
| a. Security for the Secured loans | | |
| Cash Credit from HDFC Bank Ltd., is secured by charge on factory land of the company at Gat No.47 and its Part A at Village Sangawade, Dist:Kolhapur , its plant and machinery as well stock and receivables. The loans are guaranteed by the directors in their personal capacity. | | |
| b. Rate of Interest | | |
| Secured- From banks | | |
| Current Maturities of Long Term Debt-HDFC-TL-8.00 CR | 150.75 | 150.75 |
| Current Maturities of Long Term Debts-HDFC TL-10 CR | 206.79 | 206.79 |
| Current Maturities of Long Term Debts-HDFC-GECL-WTCL | 48.67 | 137.48 |
| Current maturity Hdfc Term Loan-86207585 10 Cr | 179.36 | 179.36 |
| Current Maturity -HDFC TL- 86233108- 1.32Cr | 55.52 | 25.74 |
| Loan from Directors- Unsecured- Payable on demand | | |
| Bearing Interest @ 12% | | |
| Deepak Chaganlal Choudhari | 398.21 | 341.13 |
| Jitendrakumar G Chopra | 189.70 | 71.79 |
| Universal Spintex Loan | 275.59 | 580.33 |
| Total | 2,504.33 | 2,799.32 |

B14 . Trade Payables

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|------------------------------------|-------------------|-------------------|
| Micro, Small and Medium Enterprise | 33.93 | 1.22 |
| Others | 649.12 | 189.27 |
| Total | 683.05 | 190.49 |

B15 A . Other Financial Liabilities

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|--|-------------------|-------------------|
| Interest Accrude GECL WCTL- HDFC- 452696274 | 1.90 | 1.90 |
| Interest Accrued -GECL-WCTL-HDFC- 61 26287 | 0.47 | 1.44 |
| Interest Accrued Hdfc Term Loan-86207585 10 Cr | 5.96 | 6.27 |
| Interest Accrued- TL 86233108- 1.32Cr | 1.21 | 1.40 |
| Intrest Accrued - HDFC - 8 CR TL | 3.44 | 3.94 |
| Intrest Accrued - HDFC -TL 10CR | 3.94 | 4.74 |
| Total | 16.92 | 19.69 |

B15 B . Other Current Liabilities

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|--------------------------------|-------------------|-------------------|
| EPF Payable | - | 0.31 |
| ESIC Payable-Employer | 0.15 | 0.19 |
| ESIC Payable-Employee | 0.03 | 0.04 |
| PF Contribution-Employer | 0.65 | 0.71 |
| PF Contribution-Employee | 0.64 | 0.68 |
| Professional Tax Staff Payable | 0.11 | 0.11 |
| CSR Activity Expenses Payable | - | 5.61 |
| TCS Payable | 1.20 | 3.06 |
| TDS Payable | 7.15 | 8.24 |
| Total | 9.95 | 18.95 |

B16 . Short-Term Provisions

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | as at 31-Mar-2023 |
|------------------------------|-------------------|-------------------|
| Expenses Payable | 121.24 | 137.52 |
| Salary Payable | 7.29 | 6.41 |
| Wages Payable RP Calculation | - | 46.24 |
| Wages Payable- Workers | 5.18 | 3.61 |
| Grand Total | 133.71 | 193.78 |

Girnar Spintex Industries Limited

Notes to and forming part of Statement of Assets and Liabilities as at 31-Mar-2024

B9 . Share Capital

B9 . 1 Authorized, Issued, Subscribed and Paidup share capital

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | | as at 31-Mar-2023 | |
|----------------------------------|-------------------|-----------------|-------------------|-----------------|
| | Number | Amount | Number | Amount |
| Authorised Share Capital | | | | |
| Equity Shares of ₹ 5.00 each | 500 | 2,500.00 | 500 | 2,500.00 |
| Total | 500.00 | 2,500.00 | 500.00 | 2,500.00 |
| Issued Share Capital | | | | |
| Equity Shares of ₹ 5.00 each | 41.17 | 205.85 | 41.17 | 205.85 |
| Total | 41.17 | 205.85 | 41.17 | 205.85 |
| Subscribed and fully paid | | | | |
| Equity Shares of ₹ 5.00 each | 41.17 | 205.85 | 41.17 | 205.85 |
| Total | 41.17 | 205.85 | 41.17 | 205.85 |
| Total | 41.17 | 205.85 | 41.17 | 205.85 |

Note No : B9 - 2 Reconciliation of share capital

In ₹ (Lac)

| Particulars | as at 31-Mar-2024 | | as at 31-Mar-2023 | |
|--|-------------------|--------|-------------------|--------|
| | Number of Shares | Amount | Number of Shares | Amount |
| Equity Shares (Face Value ₹ 5.00) | | | | |
| Shares outstanding at the beginning of the year | 41.17 | 205.85 | 41.17 | 205.85 |
| Shares Extinguished During the Year | 0.00 | - | 0.00 | - |
| Reduction in Face value from Rs.5 to Rs.0.50 Each | | - | | - |
| Balance Shares of Rs.0.50 Each | 0.00 | - | 0.00 | - |
| Consolidation of Rs.0.50 Shares to Rs.5 Shares | 0.00 | - | 0.00 | - |
| Shares Issued during the year of Rs.5 Each | 0.00 | - | 0.00 | - |
| Shares bought back during the year | 0.00 | - | 0.00 | - |
| Shares outstanding at the end of the year of Rs.5 Each | 41.17 | 205.85 | 41.17 | 205.85 |

Note No : B9 - 3 Promoters Share Holding

| Shares held by the promoters at the end of the Year | | | | % Change During the Year |
|---|--------------------|--------------|-------------------|--------------------------|
| Sr. No. | Promoter Name | No of Shares | % of Total Shares | |
| 1 | Jitendra G Chopra | 14.52 | 35.28 % | NIL |
| 2 | Deepak C Choudhari | 14.52 | 35.28 % | NIL |
| 3 | | | | |
| Total | | 29.05 | 70.56 % | - |

Rights, perferences and restrictions attached to Equity Shares

1. The Company has one class of equity shares having a per value of Rs. 5 per share (Previous Year Rs.5.00 per share). Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets if the company after distributed of all preferential amounts, in proportion to their shareholding.

2. Shares of the company are ordinarily transferable provided :

- Instrument of transfer is in form prescribed under the act & duly stamped and executed by / on behalf of transferor and transferee.
- Transferee consenting or replying affirmatively within specified period of his receipt of notice under Section 56 (1) of Companies Act, 2013 issued by the Company in respect of application of transfer of registration of shares made by the transferor.
- Transferee is not of unsound mind.
- Company does not have any lien in shares under application of transfer.

3. In terms of NCLT Order, the company extinguished 2,90,49,678 shares, further reduced the face value from Rs. 5 per share to Rs. 0.50 per share and there after consolidated the shares to face value of Rs.5 each as shown above resulting in reduction of share capital 18,52,63,501 /-. Effect of this is given in the accounts during the year audit.

Note No : B9 - 3 Shareholders holding more than 5% of Share

| Particulars | as at 31-Mar-2024 | | as at 31-Mar-2023 | |
|----------------------------|-------------------|--------------|-------------------|--------------|
| | Number of Shares | % of Holding | Number of Shares | % of Holding |
| Spentex Industries Limited | - | - | - | 0.00 % |
| Smita Bharat Shah | - | - | - | 0.00 % |
| Aparna Bharat Shah | - | - | - | 0.00 % |
| Jitendra G Chopra | 14.52 | 35.28 % | 14.52 | 35.28 % |
| Deepak C Choudhari | 14.52 | 35.28 % | 14.52 | 35.28 % |

Note : B10 Reserve & Surplus

| 0 | as at 31-Mar-2024 | | as at 31-Mar-2023 | |
|--|-------------------|-----------------|-------------------|-----------------|
| 1. State Capital Incentive | | | | |
| As per Last Balance Sheet | - | | - | |
| Add :- Additions during the year | - | | - | |
| Less :- Deductions during the year | - | | - | |
| Closing Balance | | - | | - |
| 2. Share Premium | | | | |
| As per Last Balance Sheet | 13.13 | | 13.13 | |
| Add :- Additions during the year | - | | - | |
| Less :- Transfer to Insolvency and Brankrutcy Reserve consequent to extinguishment of shares | - | | - | |
| Closing Balance | | 13.13 | | 13.13 |
| 3. Insolvency and Brankruptcy Reserve | | | | |
| As per Last Balance Sheet | 14,859.84 | | 14,859.84 | |
| Add :- Additions during the year | - | | - | |
| Less :- Deductions during the year | -14.50 | | - | |
| Closing Balance | | 14,845.35 | | 14,859.84 |
| 4.Revaluation Reserve | | | | |
| As per Last Balance Sheet | 4,667.33 | | 4,695.45 | |
| Add :- Additions during the year | - | | - | |
| Less :- Deductions during the year | 28.12 | | 28.12 | |
| Closing Balance | | 4,639.20 | | 4,667.33 |
| 5. Surplus (Deficit) in Profit & Loss Account | | | | |
| Opening Balance | -15,696.53 | | -15,008.48 | |
| Add :- Profit (Loss) for the Year | -484.12 | | -688.05 | |
| Add :- Transfer from Revaluation Reserve | - | | - | |
| Less :- Transfer to General Reserve | - | | - | |
| Closing Balance | | -16,180.65 | | -15,696.53 |
| 6. Other Comprehensive Income | | | | |
| Opening Balance | 14.56 | | - | |
| Add :- Additions during the year | -2.36 | | 14.56 | |
| Less :- Deductions during the year | - | | - | |
| Less :- Transfer to General Reserve | - | | - | |
| Closing Balance | | 12.20 | | 14.56 |
| Total in | | 3,329.22 | | 3,858.33 |

Girnar Spintex Industries Limited

(Formerly Known As Amit Spinning Industries Ltd.)
Gat No. 47 & 48, Sangavade Village
Kolhapur - Hupri Road, Tal- Karveer,
Dist- Kolhapur, Maharashtra

Notes to and forming part of Statement of Profit and Loss for the year ended 31-Mar-2024

P1 . Revenue from Operations In ₹ (Lac)

| Particulars | 1-Apr-2023 to 31-Mar-2024 | 1-Apr-2022 to 31-Mar-2023 |
|--------------|---------------------------|---------------------------|
| Cotton Sales | - | 62.42 |
| Fabric Sales | 3.52 | 15.29 |
| Waste Sale | 573.59 | 445.04 |
| PSF Sales | - | - |
| Yarn Sales | 9,471.88 | 7,679.87 |
| | 10,048.99 | 8,202.62 |
| Less: GST | 478.52 | 390.60 |
| Total | 9,570.46 | 7,812.02 |

P2 . Other income In ₹ (Lac)

| Particulars | 1-Apr-2023 to 31-Mar-2024 | 1-Apr-2022 to 31-Mar-2023 |
|-------------------------------|---------------------------|---------------------------|
| Brokerage Received | 81.97 | - |
| Cotton Testing Service Sales | 0.20 | 0.44 |
| Dividend Received | - | 0.00 |
| DIC Subsidy Received | 7.73 | - |
| Interest on Fixed Deposit | 2.41 | 0.78 |
| Interest from others | 5.15 | 3.72 |
| Profit on Sale of Asset | 1.37 | - |
| Creditors Written Off | - | 18.94 |
| Interest on IT Refund | 0.31 | 0.44 |
| IGST Input- Indirect Expenses | - | 0.14 |
| Rounding Off | - | 0.00 |
| Total | 99.15 | 24.46 |

P3 . Cost of Materials Consumed In ₹ (Lac)

| Particulars | 1-Apr-2023 to 31-Mar-2024 | 1-Apr-2022 to 31-Mar-2023 |
|---|---------------------------|---------------------------|
| Purchase of Raw Materials | 7,328.16 | 6,063.74 |
| Opening Balance of Raw Materials | 419.98 | 242.78 |
| Less : Closing Balance of Raw Materials | -243.11 | -419.98 |
| Total | 7,505.03 | 5,886.54 |

P4 . Purchases of Stock-in-Trade In ₹ (Lac)

| Particulars | 1-Apr-2023 to 31-Mar-2024 | 1-Apr-2022 to 31-Mar-2023 |
|--------------------------------|---------------------------|---------------------------|
| Hank Yarn | 1.37 | 4.98 |
| Yarn Purchase | - | 86.95 |
| Transportation - Yarn Purchase | - | 0.12 |
| PSF Purchase | - | - |
| Total | 1.37 | 92.05 |

P5 . Changes in Inventories In ₹ (Lac)

| Particulars | 1-Apr-2023 to 31-Mar-2024 | 1-Apr-2022 to 31-Mar-2023 |
|----------------------------|---------------------------|---------------------------|
| Opening Inventories | | |
| Finished Goods | 123.95 | 596.92 |
| Work in Progress | 218.91 | 149.13 |
| | 342.86 | 746.04 |
| Closing Inventories | | |
| Finished Goods | 324.95 | 123.95 |
| Work in Progress | 133.32 | 218.91 |
| | 458.27 | 342.86 |
| Total | -115.42 | 403.19 |

P6 . Employee Benefit Expenses

In ₹ (Lac)

| Particulars | 1-Apr-2023 to 31-Mar-2024 | 1-Apr-2022 to 31-Mar-2023 |
|---------------------------|---------------------------|---------------------------|
| Salaries and Wages | 89.05 | 79.30 |
| Wages RP | -46.55 | - |
| Wages to Workers | 88.25 | 87.89 |
| Ex-Gratia | 12.05 | 21.11 |
| Staff Welfare Expenses | 51.02 | 40.95 |
| Gratuity Expenses | 4.47 | 7.37 |
| Leave Encashment Expenses | 0.38 | 3.87 |
| Total | 198.68 | 240.49 |

P7 . Finance Costs

In ₹ (Lac)

| P7- A . Interest Expense | | |
|-------------------------------------|---------------------------|---------------------------|
| Particulars | 1-Apr-2023 to 31-Mar-2024 | 1-Apr-2022 to 31-Mar-2023 |
| Interest on Bank Term Loan | 223.71 | 231.22 |
| Interest to Bank CC | 85.20 | 62.95 |
| Interest to Others | 143.54 | 80.75 |
| Total | 452.45 | 374.91 |
| P7- B . Other Borrowing Cost | | |
| Particulars | 1-Apr-2023 to 31-Mar-2024 | 1-Apr-2022 to 31-Mar-2023 |
| Bank Loan Charges | 3.38 | 5.48 |
| Total | 3.38 | 5.48 |
| Grand Total Finance Cost | 455.83 | 380.39 |

P8 . Depreciation and Amortization Expenses

In ₹ (Lac)

| Particulars | 1-Apr-2023 to 31-Mar-2024 | 1-Apr-2022 to 31-Mar-2023 |
|-------------------------------|---------------------------|---------------------------|
| Depreciation and Amortization | 209.19 | 192.22 |
| Total | 209.19 | 192.22 |

P9 . Other Expenses

In ₹ (Lac)

| Particulars | 1-Apr-2023 to 31-Mar-2024 | 1-Apr-2022 to 31-Mar-2023 |
|--|---------------------------|---------------------------|
| Payment to Auditors | | |
| Cost Audit Fees | 0.60 | 0.90 |
| Statutory Audit Fees | 1.88 | 1.10 |
| Internal Audit Fees | 2.50 | 2.50 |
| Legal & Professional Expenses | 11.25 | 13.16 |
| Legal Fees RCM | 0.57 | |
| Legal & Professional - Other Expenses | 0.30 | |
| Consumption of stores and spare parts | | |
| Purchases of Stores and Spare parts | 194.20 | 143.78 |
| Opening Balance of Stores and Spare parts | 33.88 | 47.71 |
| Less : Closing Balance of Stores and spare parts | -56.47 | -33.88 |
| Power and fuel | | |
| Fuel Expenses | 1.83 | 1.72 |
| Power Charges | 1,221.25 | 780.38 |
| Repairs to Buildings | 13.25 | 3.97 |
| Repairs to Machinery | | |
| Repairs & Machinery @ 12% | - | 0.04 |
| Repairs Service- Machinery @18% | 11.00 | 14.62 |
| Insurance Exp | | |
| Domestic Marine Cargo Police | 1.56 | |
| Vehicle Insurance | 0.06 | |
| Insurance Expenses (Corporate) | 8.29 | 9.80 |
| Rates and taxes (excluding taxes on income) | | |
| Grampanchayat Tax | 1.65 | 7.12 |
| Miscellaneous expenses | | |
| Advertisement Expenses | 0.59 | 0.63 |
| Bank Charges | 0.01 | 0.11 |
| CSR Activity Expenses | 0.39 | 5.61 |
| Commission Paid | 0.21 | 0.19 |

| | | |
|--------------------------------------|-----------------|-----------------|
| Consultancy Charges | 22.45 | 16.85 |
| Conveyance Local Employee | 1.77 | 2.32 |
| Courier Charges | 0.18 | 0.21 |
| Freight Charges | 0.08 | 0.12 |
| Fees for Appeal-ROC- E Filing | 0.42 | 0.26 |
| Food & Beverages in Office for Staff | 13.59 | 11.04 |
| Garden Maintenance | 9.92 | 3.70 |
| Godown Rent | 0.18 | 0.18 |
| Interest on TDS | 0.00 | 0.01 |
| Rounding Off | 0.00 | |
| Labour Charges | | |
| Late Fees | 0.00 | 0.09 |
| Loading Unloading Expenses | 337.32 | 231.88 |
| Lodging for Guest | 0.17 | 0.07 |
| Loss on Sale of Assets | - | - |
| MPCB Application Fees | | |
| Office Expenses | 0.38 | 0.36 |
| Packing & Forwarding | 0.56 | 1.80 |
| Packing & Forwarding @ 28% | - | - |
| Director Sitting Fees | - | 0.20 |
| Printing & Stationery | 0.36 | 0.31 |
| Professional Tax Company | - | 0.05 |
| Tax Payment Assessment Order | - | 0.06 |
| Repair & Maint - Others | 0.48 | 0.97 |
| Security Service Charges | 29.81 | 32.45 |
| Vehicle Repairs | 0.18 | 0.39 |
| Telephone Charges | - | - |
| Transport Charges | 24.97 | 17.62 |
| Travel - Others | 0.02 | 0.82 |
| Weigh Bridge License Renewal fees | - | - |
| Water Expenses | 4.20 | 4.20 |
| Registration Fees | 0.84 | 0.84 |
| PF Damages Paid | - | - |
| LEI Registration Charges | 0.03 | 0.03 |
| Job Work Yarn Doubling | 2.28 | 0.91 |
| Job Work Charges - Weaving | - | 1.68 |
| Job Work Charges - Sizing | - | 0.63 |
| Bad and Doubtful debts | - | 0.06 |
| Internet & Information Chrages | 0.06 | 0.06 |
| Total | 1,899.05 | 1,329.64 |

P10 . Other comprehensive income

In ₹ (Lac)

| Particulars | 1-Apr-2023 to 31-Mar-2024 | 1-Apr-2022 to 31-Mar-2023 |
|---|---------------------------|---------------------------|
| Actuarial (loss)/ gain on remeasurement of defined benefit plan | -2.36 | 14.56 |
| | - | - |
| | - | - |
| | - | - |
| | - | - |
| Total | -2.36 | 14.56 |

P11 . Earnings per equity share

In ₹ (Lac)

| | Earning Per Share | Earning Per Share |
|---|-------------------|-------------------|
| Net Profit After Tax | 486.49 | 673.49 |
| Weighted average number of Equity Shares outstanding | 27.45 | 137.23 |
| Basic Earning Per Share (Face Value of Rs. 5 each) | 17.72 | 4.91 |
| Add: Weighted number of potential equity shares on account of Employee Stock Options | - | - |
| Weighted average number of Equity Shares outstanding (inclusive dilutive ESOP shares outstanding) | - | - |
| Diluted Earning Per Shares (Face Value of Rs. 5 each) | 17.72 | 4.91 |

Girnar Spintex Industries Limited

(Formerly Known As Amit Spinning Industries Ltd.)

Gat No. 47 & 48, Sangavade Village

Kolhapur - Hupri Road, Tal- Karveer,

Dist- Kolhapur, Maharashtra

Property, Plant and Equipment

NOTE No- B1

| Particulars Block of Asset / Asset Group | Gross Block | | | | Depreciation | | | | Net Block | | |
|---|------------------------|---------------------|-----------------------|------------------------|-----------------------|-----------------------|--------------------|---------------------------|------------------------|------------------------|------------------------|
| | 01-04-2023 | Additions | Sale/Adj. | 31-03-2024 | 01-04-2023 | For the Year | Sale/Adj. | Residual Value Adjustment | 31-03-2024 | 31-03-2024 | 31-03-2023 |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| NON-DEPRECIABLE ASSETS | | | | | | | | | | | |
| Land | 39,02,40,000.00 | | - | 39,02,40,000.00 | - | - | - | - | - | 39,02,40,000.00 | 39,02,40,000.00 |
| TANGIBLE ASSETS | | | | | | | | | | | |
| BUILDING / SHED | 21,92,823.33 | 83,880.00 | - | 22,76,703.33 | 1,53,870.74 | 74,373.28 | - | - | 2,28,244.01 | 20,48,459.32 | 20,38,952.59 |
| FACTORY BUILDING | 13,43,65,162.23 | - | - | 13,43,65,162.23 | 1,45,78,091.79 | 42,54,896.80 | - | - | 1,88,32,988.60 | 11,55,32,173.63 | 11,97,87,070.44 |
| OFFICE AND FACTORY BUILDING | 3,91,44,339.16 | - | - | 3,91,44,339.16 | 28,05,342.86 | 7,36,518.34 | - | - | 35,41,861.20 | 3,56,02,477.96 | 3,63,38,996.30 |
| Total Block | 17,57,02,324.72 | 83,880.00 | - | 17,57,86,204.72 | 1,75,37,305.39 | 50,65,788.42 | - | - | 2,26,03,093.80 | 15,31,83,110.92 | 15,81,65,019.33 |
| FURNITURE AND FITTINGS | | | | | | | | | | | |
| FURNITURE | 45,26,012.56 | 2,83,784.32 | - | 48,09,796.88 | 42,02,278.52 | 7,638.58 | - | - | 42,09,917.10 | 5,99,879.78 | 3,23,734.04 |
| MOTOR VEHICLES | | | | | | | | | | | |
| VEHICLE | 23,22,172.00 | - | - | 23,22,172.00 | 18,73,431.86 | 95,000.00 | - | - | 19,68,431.86 | 3,53,740.14 | 4,48,740.14 |
| PLANT AND MACHINERY | | | | | | | | | | | |
| PLANT & MACHINERY-CONTINEOUS | 31,29,06,774.54 | 46,97,605.25 | 1,37,51,317.52 | 30,38,53,062.27 | 5,85,21,541.17 | 1,81,06,279.76 | 1,37,451.97 | - | 7,64,90,368.96 | 22,73,62,693.31 | 25,43,85,233.37 |
| PLANT AND MACHINERY-EQUIPMENT | 38,63,180.93 | 1,26,004.24 | 2,11,874.48 | 37,77,310.69 | 8,08,606.09 | 4,57,022.95 | - | - | 12,65,629.04 | 25,11,681.65 | 30,54,574.84 |
| Total Block | 31,67,69,955.47 | 48,23,609.49 | 1,39,63,192.00 | 30,76,30,372.96 | 5,93,30,147.26 | 1,85,63,302.71 | 1,37,451.97 | - | 7,77,55,998.01 | 22,98,74,374.95 | 25,74,39,808.21 |
| Total (Tangible Assets) | 49,93,20,464.75 | 51,91,273.81 | 1,39,63,192.00 | 49,05,48,546.56 | 8,29,43,163.03 | 2,37,31,729.71 | 1,37,451.97 | - | 10,65,37,440.78 | 38,40,11,105.78 | 41,63,77,301.72 |
| Grand Total | 88,95,60,464.75 | 51,91,273.81 | 1,39,63,192.00 | 88,07,88,546.56 | 8,29,43,163.03 | 2,37,31,729.71 | 1,37,451.97 | - | 10,65,37,440.78 | 77,42,51,105.78 | 80,66,17,301.72 |

N-1 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1. A. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for preparation of accounts

The accounts have been prepared in accordance with IND AS and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule- III- Division II (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, other pronouncements of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable. Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in revised Schedule - III to the Companies Act, 2013.

1.2 Use of Estimates

IND AS enjoins management to make estimates and assumptions related to financial statements that affect reported amount of assets, liabilities, revenue, expenses and contingent liabilities pertaining to the year. Actual result may differ from such estimates. Any revision in accounting estimates is recognized prospectively in the period of change and material revision, including its impact on financial statements, is reported in the notes to accounts in the year of incorporation of revision.

1.3 Recognition of Income and Expenses

- i. Revenue from sale contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company typically controls the goods or services before transferring them to the customer. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods transported.
- ii. Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- iii. Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

1.4 Property, Plants and Equipment

These tangible assets are held for use in production, supply of goods or services or for administrative purposes. These are recognized and carried under cost model i.e. cost less accumulated depreciation and impairment loss, if any which is akin to recognition criteria under erstwhile GAAP.

- i. Cost includes freight, duties, taxes and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. Such Costs also include Borrowing Cost if the recognition criteria are met.
- ii. When a major inspection/repair occurs, its cost is recognized in the carrying amount of the plant and equipment as a replacement if there cognition criteria are satisfied. Any remaining carrying amount of the cost of previous inspection/repair is derecognized.
- iii. Depreciation has been provided on straight line method in terms of expected life span of assets as referred to in Schedule II of the Companies Act, 2013.
- iv. Components relevant to fixed assets, where significant are separately depreciated on straight line basis in terms of their life span assessed by technical evaluation in

specific context.

- v. On sales of fixed assets any profit earned/loss sustained towards excess/shortfall of sale value Vis-a- vis carrying cost of assets is accounted for in statement of profit and loss.
- vi. The company has revalued its assets the effect of which has been given in F Y 2019-20 on the basis of valuation report by a registered valuer. In addition, in respect of plant and equipment, the company has re-estimated the remaining useful life of each of the asset in this category as at the year end and depreciation for the whole year has been computed taking into account the revalued figures and such re-estimated useful life.

1.5 Impairment of Non-Financial Assets

- i. The Company assesses at each reporting date as to whether there is any indication that any Property Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.
- ii. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.
- iii. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.6 Financial Instruments

i. Financial Assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent Measurement

For purpose of subsequent measurement, financial assets are classified in two broad categories:

- Financial Assets at fair value
- Financial Assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss, or recognized in other comprehensive income.

A financial asset that meets the following two conditions is measured at amortized cost.

- Business Model Test: The objective of company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash Flow Characteristics Test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI: -

- Business Model Test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash Flow Characteristics Test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit and loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.

Impairment of Financial Assets

The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:

- 12 months expected credit losses, or
- Lifetime expected credit losses

Depending upon whether there has been a significant increase in credit risk since initial recognition.

However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowances based on lifetime ECLs at each reporting date, right from its initial recognition.

ii. Financial Liabilities

All financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified as measured at amortized cost or Fair Value Through Profit and Loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gains or losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit and loss.

1.7 Fair Value Measurement

The company measures financial instruments at fair value at each balance sheet date.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identified assets or liabilities
- Level 2 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.8 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost includes purchase price, duties, transport & handling costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition.

The cost in respect of raw materials, store and spares and packing material is determined under the weighted average cost method.

Inventories of work in process and finished goods have been valued at weighted average cost for the year. Such weighted average cost has been arrived taking the operation of the plant at normal capacity.

Waste is valued at estimated net realizable value.

1.9 Employee Benefits

i. Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Long term/Post Separation employee benefit plan

➤ Defined Contribution Plan:

The company's contributions to recognized Provident Fund and Labour Welfare Fund are charged to profit and loss account on accrual basis.

➤ **Defined Benefit Plan:**

The Company has accounted for the long term employee benefits in the form of gratuity and leave encashment on the basis of valuation report of the actuary. Till the year ending 31.03.2021 expenditure on defined benefits plans was accounted for actual payment basis, the liability being not significant on accrual basis.

1.10 Income Tax and Deferred Tax

The liability of company on account of Income Tax is computed considering the provisions of the Income Tax Act, 1961.

Deferred tax is provided using balance sheet approach on temporary differences at the reporting date as difference between the tax base and the carrying amount of assets and liabilities. Deferred tax is recognized subject to the probability that taxable profit will be available against which the temporary differences can be reversed.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.11 Provisions, Contingent Liability and Contingent Assets

Disputed liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax, Excise etc.) pending in appeal or court for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts.

However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, if any, is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability. No contingent asset is recognized by the company.

1.12 Foreign Currency Translation

The company's financial statements are presented in INR, which is also the company's functional currency.

- i. Transactions in foreign currencies, if any, are recognized at rate of overseas currency ruling on the date of transactions. Gain/Loss arising on account of rise or fall in overseas currencies vis-à-vis functional currency between the date and that of payment is charged to Statement of Profit and Loss.
- ii. Monetary Assets in foreign currencies, if any, are translated into functional currency at the exchange rate ruling at the Reporting Date and the resultant gain or loss is accounted for in the Statement of Profit and Loss.
- iii. Non-Monetary items which are carried at historical cost denominated in a foreign currency, if any, are reported using the exchange rate at the date of transaction.
- iv. Impact of exchange fluctuation, if any, is separately disclosed in the notes to accounts.

1.13 Earnings Per Share

Basic Earnings per share is calculated by dividing:

- the net profit for the period attributable to equity shareholders
- by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share:
- the net profit for the period attributed to equity shareholders
- and the weighted average number of shares outstanding during the period
- is adjusted for the effects of all dilutive potential equity shares.

1.14 Borrowing Costs

Borrowing cost, if any, that are directly attributable to the acquisition, construction, or production of a *qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale.

Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences, if any, to the extent regarded as an adjustment to the borrowing costs. All other borrowing costs are recognized as expense in the period in which they are incurred.

* A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

1.15 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short- term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(B) NOTES FORMING PART OF THE ACCOUNTS

1. The Company has prepared cash flow projections and also, assessed the recoverability of receivables, contract assets, factored assumptions used in annual impairment using the various internal and external information up to the date of approval of these financial statements. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets and does not anticipate any impairment to these financial and non-financial assets. The Company will continue to closely monitor any material changes to future economic conditions.
2. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of the business, the provision for all known liabilities is adequate and no in excess of the amount considered reasonably necessary.
3. **Contingent Liabilities not provided for** :

Contingent Liabilities not provided for in respect of -

- a. **Guarantee provided by/on behalf of the company: NIL**
- b. **Claims against company not acknowledged as debts:**

| S. No | Descriptions | As at March 31, 2024 | As at March 31, 2023 |
|-------|--|-----------------------|-----------------------|
| 1 | Demands From Maharashtra Sales Tax Authorities under appeal for FY 2004-05 not provided for. | 1,244,000.00 | 1,244,000.00 |
| 2 | Demands From Maharashtra Sales Tax Authorities under appeal for FY 2009-10 not provided for | 2,659,004.00 | 2,659,004.00 |
| 3 | Demands From Maharashtra Sales Tax Authorities under appeal for FY 2012-13 not provided for. | 19,96,283.00 | 19,96,283.00 |
| 4 | Disputed Demands of Gram panchayat Tax 2014-15 to 2017-18 | 1,952,468.00 | 1,952,468.00 |
| 5 | Disputed Demand of Irrigation Department 2014-15 to 2017-18 | 685,039.00 | 685,039.00 |
| 6 | Disputed TDS demands for late filing of returns | 7,06,660.00 | 7,06,660.00 |
| 7 | Demands From Maharashtra Sales Tax Authorities under appeal for FY 2012-13 not provided for. | 2,86,63,867.00 | 2,86,63,867.00 |
| | Total | 3,79,07,321.00 | 3,79,07,321.00 |

The company has undergone the process of IBC, consequently the above demand/default shall not be liable to pay as per resolution plan approved by NCLT.

4. Disclosure required by Ind AS 19 - Employee Benefits

| Particulars | Current Year | | Previous Year | |
|--|---|---|---|---|
| | Gratuity (Unfunded) | Compensated Absences(Unfunded) | Gratuity (Unfunded) | Compensated Absences (Unfunded) |
| Components of Employer Expense | - | - | - | - |
| Current service cost | 4,21,751.00 | 31,466.00 | 6,88,729.00 | 3,77,006.00 |
| Expected return on Plan assets | - | - | - | - |
| Total expense recognized in the Statement of Profit & Loss Account | 4,21,751.00 | 31,466.00 | 6,88,729.00 | 3,77,006.00 |
| Change in Defined Benefit Obligation (DBO) during the year | | | | |
| Obligation at period beginning | 3,54,163.00 | 1,12,889.00 | 6,59,052.00 | 1,39,485.00 |
| Current service cost | 6,88,729.00 | 31,466.00 | 6,88,729.00 | 3,77,006.00 |
| Interest Cost | 24,963.00 | 6,642.00 | 48,250.00 | 10,212.00 |
| Actuarial (gain)/ Loss | (55,516.00) | 2,91,653.00 | (10,41,868.00) | (4,13,814.00) |
| Obligation at the Year end | 7,45,361.00 | 4,42,650.00 | 3,54,163.00 | 1,12,889.00 |
| Change in Plan Assets | | | | |
| Plan assets at period beginning, at fair value Expected return on Plan assets | - | - | - | - |
| Actuarial (gain)/ Loss | - | - | - | - |
| Contributions | - | - | - | - |
| Benefits paid | - | - | - | - |
| Plan assets at the year end, at fair value Reconciliation of Present Value of the Obligation and Fair value of plan assets | | | | |
| Fair value of Plan assets at the end of the year | - | - | - | - |
| Present value of the defined benefit | - | - | - | - |
| Obligation at the end of the year | - | - | - | - |
| Liability/ (Asset) Recognized in the Balance Sheet | 7,45,361.00 | 4,42,650.00 | 3,54,163.00 | 1,12,889.00 |
| Comprising of: | | | | |
| Current Liabilities | 79,355.00 | 1,60,026.00 | 2,159.00 | 37,889.00 |
| Assumptions used to determine the benefit obligation | | | | |
| Discount Rate | 7.07% | 7.07% | 7.07% | 7.07% |
| Estimate rate of return on Plan Assets | Scheme is not funded EORA is not applicable | Scheme is not funded EORA is not applicable | Scheme is not funded EORA is not applicable | Scheme is not funded EORA is not applicable |
| Expected rate of Increase in salary | 7 % | 7% | 7% | 7% |
| Withdrawal rate (18 to 58 Years) | - | - | - | - |
| The above details are provided based on the actuarial valuation carried out by the company for the year ended 31.03.2023 and 31.03.2024. | | | | |

5. Disclosure in accordance with section 22 of Micro, Small and Medium Enterprise Development Act, 2006 :

| Sr. No | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------|--|----------------------|----------------------|
| 1 | Principal amount remaining and paid and interest due thereon | 33,92,692.80 | 1,21,686.00 |
| 2 | Interest paid in terms of section 16 | Nil | Nil |
| 3 | Interest due and payable for the period of delay in payment | Nil | Nil |
| 4 | Interest accrued and remaining unpaid | Nil | Nil |
| 5 | Interest due and payable even in succeeding years | Nil | Nil |

* As certified by the management based on the available information.

6. Auditor's Remuneration

| SR NO. | Particulars | 31.03.2024 | 31.03.2023 |
|--------|------------------------------|-----------------|-----------------|
| 1 | Statutory Audit Fees | 2,50,000 | 2,50,000 |
| 2 | Tax Audit Fees | - | - |
| 3 | Income Tax Matters | - | - |
| 4 | IND AS Compliance Fees | 40,000 | 40,000 |
| 4 | Internal Audit Fees | 2,50,000 | 2,50,000 |
| | Total (Excluding Tax) | 5,40,000 | 5,40,000 |

(Excluding GST Payable there on)

7. DEFERRED TAX

In view of the uncertainty attached with the future profitability of the Company and lack of any convincing evidence that sufficient future taxable income would be available, company has decided not to recognize any Deferred Tax Asset in respect of the timing differences outstanding at the beginning of the year as well as those arisen during the year.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Deferred tax liability recognized due to timing difference due to : | 4,34,04,729 | 4,41,17,728 |
| Depreciation and other differences in block of fixed assets | | |
| <i>Total Deferred Tax liabilities</i> | 4,34,04,729 | 4,41,17,728 |
| Deferred tax assets recognized due to timing difference due to : | | |
| Tax impact of provision for doubtful debts and other provisions | - | - |
| Tax impact of disallowances under section 43B of the Income Tax Act, 1961 | 4,04,804 | 3,73,878 |
| Realization of tax impact of unabsorbed depreciation | 14,61,26,687 | 14,09,01,005 |
| Realization of tax impact of carried forward business losses | 1,92,29,507 | 1,23,62,031 |
| <i>Total Deferred Tax Assets:</i> | <i>16,57,60,999</i> | <i>15,36,36,914</i> |
| Net Deferred Tax Assets / (Deferred Tax Liability) | 12,23,56,270 | 10,95,19,186 |
| (Credit)/ Charge to profit and loss account | - | - |

8. Figures of the previous year have been regrouped rearranged and recast wherever necessary, to make them comparable with the figures of the current year.
9. Expenditure in Foreign Currency – NIL (Previous year Rs. NIL/-)
10. Disclosure in accordance with AS 18” Related Party Disclosures”

FOR THE YEAR ENDING 31.03.2024

| | Associates | Key Management Personnel | Relative of Key Management Personnel | TOTAL |
|--|-----------------|--------------------------|--------------------------------------|-----------------|
| FINANCE | | | | |
| Equity Contribution Outstanding asat the year end. | NIL | NIL | NIL | NIL |
| Expenditure on Services | NIL | NIL | NIL | NIL |
| Interest paid | 54,66,982.00 | 88,87,484.00 | NIL | 1,43,54,466.00 |
| RENT PAID | 18,000.00 | NIL | NIL | 18,000.00 |
| Purchase of Raw Material | 82,81,356.11 | NIL | NIL | 82,81,356.11 |
| Sale of Raw Material/Semi/Finish Products | 89,69,17,997.08 | NIL | NIL | 89,69,17,997.08 |
| Transportation Charges | NIL | NIL | NIL | NIL |
| Cotton Testing Charges | 12,900.00 | NIL | NIL | 12,900.00 |
| Job Work Charges | NIL | NIL | NIL | NIL |
| Deposits/Loan Received from Directors | 2,74,95,000.00 | 2,48,60,000.00 | NIL | 5,23,55,000.00 |
| Refund During the Year (NET) | NIL | 7,82,49,847.00 | NIL | 7,82,49,847.00 |
| Outstanding Balance | 2,75,58,933.00 | 7,82,49,847.00 | NIL | 10,58,08,780.00 |
| Amount Received for Equity Allotment | NIL | 5,45,39,910.00 | NIL | 5,45,39,910.00 |

FOR THE YEAR ENDING 31.03.2023

| | Associates | Key Management Personnel | Relative of Key Management Personnel | TOTAL |
|--|-----------------|--------------------------|--------------------------------------|-----------------|
| FINANCE | | | | |
| Equity Contribution Outstanding asat the year end. | NIL | NIL | NIL | NIL |
| Expenditure on Services | NIL | NIL | NIL | NIL |
| Interest paid | NIL | 79,26,577.00 | NIL | 79,26,577.00 |
| RENT PAID | NIL | 18,000.00 | NIL | 18,000.00 |
| Purchase of Raw Material | 1,80,03,884.00 | 1,35,91,468.00 | NIL | 3,15,95,352.00 |
| Sale of Raw Material/Semi/Finish Products | 54,50,80,277.00 | NIL | NIL | 54,50,80,277.00 |
| Transportation Charges | 2,31,116.00 | 54,000.00 | NIL | 2,85,116.00 |
| Cotton Testing Charges | 42,600.00 | NIL | NIL | 42,600.00 |
| Job Work Charges | 63,228.00 | NIL | NIL | 63,228.00 |
| Deposits/Loan Received from Directors | NIL | 8,14,40,412.00 | NIL | 8,14,40,412.00 |
| Refund During the Year (NET) | NIL | 3,91,79,454.00 | NIL | 3,91,79,454.00 |
| Outstanding Balance | NIL | 12,43,25,752.00 | NIL | 12,43,25,752.00 |
| Amount Received for Equity Allotment | NIL | 5,45,39,910.00 | NIL | 5,45,39,910.00 |

Key Management Personnel : Mr. Deepak Chaganlal Choudhari(Manibhadra Polycot)
Mr. Jitendrakumar Goutamchand Chopra(Universal Cottex)
Mr. Shreyansh Rajendra Choudhari.

Associates : Manibhadra Polycot Pvt Ltd
Universal Spintex

11. Segment Information

The company has identified only one reportable segment viz. spinning mill. Segment has been identified and reported considering nature of products and services, the differing risks and returns and the internal business reporting system.

12. The company does not hold any crypto currency or any other digital virtual asset.
13. The issue of 'disclosure or otherwise of any undisclosed income in the hands of the company' is not applicable to the company.
14. Loans obtained by the company from the banks have been utilized by the company for the purpose for which they were obtained.
15. Title deeds of the immovable properties are held by the company in its own name.
16. The company has not granted any loans to any related parties during the year.
17. No proceedings have been initiated against the company under the Prohibition of Benami Transactions (Prohibition) Amendment Act, 2016.
18. The company has not been declared willful defaulter by any of the banks/financial institutions.
19. The company has no transactions with companies struck off either under section 248 of the Companies Act, 2013 or under section 560 of the Companies Act, 1956.
20. The provisions of section 135 relating to CSR are applicable to the company in F Y 2022-23 and the same are fulfilled accordingly.
21. All charges of the banks have been duly registered with the Registrar of Companies.

Jitendrakumar G Chopra
Managing Director
DIN – 08196887

Deepak C Choudhari
Chairman & Managing Director
DIN - 03175105

Kolhapur
May 31, 2024