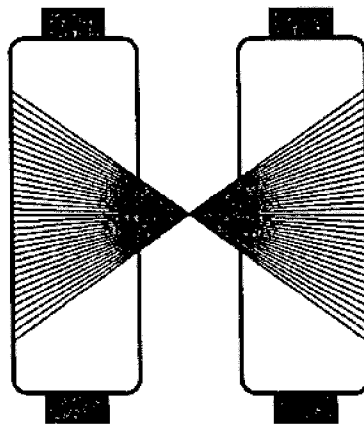




32nd

ANNUAL REPORT

2023-2024



HSML



HISAR SPINNING MILLS LIMITED



HISAR SPINNING MILLS LIMITED

BOARD OF DIRECTORS

Mr. Mithlesh Kumar Gupta
Chairman & Independent Director
DIN: 07692870

Mr. Anurag Gupta
Managing Director
DIN: 00192888

Mrs. Sapna Kansal
Executive Director
DIN: 06892410

Mr. Nikhil Goel
Non Executive Non Independent Director
DIN: 01741446

Mr. Sandeep Suri
Independent Director
DIN: 07693480

Mr. Sudesh Kumar Garg
Independent Director
DIN: 07692820

AUDIT COMMITTEE

Mr. Mithlesh Kumar Gupta
Chairman

Mr. Sudesh Kumar Garg
Member

Mr. Anurag Gupta
Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Sudesh Kumar Garg
Chairman

Mr. Mithlesh Kumar Gupta
Member

Mr. Nikhil Goel
Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Nikhil Goel
Chairman

Mr. Mithlesh Kumar Gupta
Member

Mrs. Sapna Kansal
Member

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Nikita Singla

CHIEF FINANCIAL OFFICER

Mr. Sharad Goel

AUDITORS

M/s Jain & Anil Sood
Chartered Accountants
S.C.O. 12, Basement, Feroze Gandhi Market,
Ludhiana - 141001

BANKERS

Punjab National Bank
Main Branch, Hisar 125001

REGD. OFFICE & WORKS

9th KM Stone, Hisar Bhiwani Road, V.P.O Dabra (Hisar), Haryana -125005

THIRTY SECOND ANNUAL GENERAL MEETING

September 30, 2024 i.e Monday at 11.00 Hrs at the Registered Office of the Company at 9th KM Stone, Hisar Bhiwani Road, V.P.O Dabra (Hisar), Haryana -125005

HISAR SPINNING MILLS LIMITED

NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the Shareholders of the company will be held on Monday, the 30th day of September, 2024 at 11:00 Hrs. at the Registered Office of the Company at 9th, KM Stone, Hisar Bhiwani Road, VPO Dabra, Hisar to transact the following business-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance sheet as at March 31, 2024 and the Profit & Loss Account for the year ended on that date together with the Reports of Auditors' and Directors' thereon.
2. To appoint a director in place of Mrs. Sapna Kansal (DIN 06892410), Director who retires by rotation and is eligible for re-appointment.

SPECIAL BUSINESS

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

Resolved that pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V prescribed under the Act and also subject to the approval of such other authorities as may be required, Mr. Anurag Gupta, Managing Director (DIN No. 00192888), be and is hereby re-appointed as the Managing Director of the company for a tenure of 3 years commencing w.e.f. December 29, 2024 at a remuneration of Rs. 2,25000/-, per month, as stated below:

Salary : Rs. 1,35,000/- per month

Perquisites

Category-A

HRA : Rs. 67,500/- per month.

Special Allowance : Rs. 22,500/- per month

Category-B

Car - He shall be provided with the company's car with driver for performing his official duties. Use of Company's car for his private purpose shall be billed by company to his account.

For and on behalf of the Board

Place: Chandigarh

Date: 06.09.2024

Regd. Office:

9th, KM Stone, Hisar Bhiwani Road, VPO Dabra, Hisar

Sd/-

(Anurag Gupta)

Managing Director

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. The instrument of proxy, in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Limited Companies or societies etc. must be supported by appropriate resolutions/authority, as applicable.

HISAR SPINNING MILLS LIMITED

3. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) shall send certified true copy of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Company, to attend the AGM.

4. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the register of Members and Share Transfer Books of the Company shall remain closed from Thursday, September 26, 2024 to Monday, September 30, 2024 (both days inclusive).

5. In case of joint holders attending the Meeting, the joint holder who is higher in order of names under a given Folio/DPID-Client (in respect of dematerialized shares) will be entitled to vote.

6. Members/Proxies are requested to bring their copy of this Notice along with dully filled admission slip in accordance with their specimen signature(s) registered with the Company, for attending the meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.

7. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details in respect of director(s) seeking reappointment at the AGM, forms an integral part of the notice. Requisite declarations/consent have been received from the Director(s) seeking reappointment as per provisions of Companies Act, 2013 including rules framed there under. Further, a brief resume of each director(s) proposed to be appointed/re-appointed at this AGM, nature of their expertise in specific function areas, name of companies in which they hold directorship and membership /chairmanships of Board Committees, shareholding and relationship between directors inter se as stipulated under Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standard-2 on General Meetings are provided as an Annexure to this notice.

8. Members holding shares in physical form are requested to notify their e-mail id & change in address, if any, to the Company at its Registered Office or to the Registrar & Transfer Agents - M/s Indus Portfolio Private Limited, G-65, Bali Nagar, New Delhi-110015. Further, they are requested to convert their shares into dematerialized form in their own interest and convenience.

9. Members holding shares in electronic form are requested to notify change in their e-mail id & address, if any, to their Depository Participant.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Registrar & Share Transfer Agent of the Company.

11. Electronic copy of the Notice of general meeting of the company is being sent to all the members whose email ids are registered with the company/Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies are being sent by the permitted mode.

12. Members desiring any information, as regards accounts & operations, are requested to write to the Company at its Registered Office at least ten days before the date of Annual General Meeting so as to enable to keep the information ready.

13. SEBI vide Notification no. SEBI/LAD/-NRO/GN/2018/24, dated 08th June, 2018 and further amendment vide notification no. SEBI/LAD/-NRO/GN/2018/49, dated 30th November, 2018, have prescribed that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the equity shares of the Company promptly.

14. As a measure of economy, copies of Annual Report shall not be distributed at the venue of the AGM. Members are therefore requested to bring their own copies of the Annual Report to the meeting.

15. The route map showing directions to reach the venue of the AGM is annexed.

HISAR SPINNING MILLS LIMITED

16. M/s Indus Shareshree Private Limited (formerly Indus Portfolio Private Limited), G-65, Bali Nagar, New Delhi-110015 are Registrars & Share Transfer Agents of the Company. The Shareholders can contact them for dematerialization, transmissions, communications for change of address, issue of duplicate shares, etc. directly.

17. Voting through electronic means:-

I. Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and the provisions of Listing Agreement with Stock Exchanges, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening Annual General Meeting to be held on Monday, September 30, 2024 at 11:00 Hrs. at the registered office of the company at 9th, KM Stone, Hisar Bhiwani Road, VPO Dabra, Hisar. The Company has engaged the services of CDSL to provide the e-voting facility.

II. The facility for voting through Polling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Polling Paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period shall commence on Friday, September 27, 2024 at 9:00 A.M. (IST) and shall end on Sunday, September 29, 2024 at 5:00 P.M. (IST) During this period, members' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2024, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by M/s Indus Portfolio Private Limited for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for Remote e-voting are as hereunder:

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post September 07, 2022.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL.	<ul style="list-style-type: none">Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.
	<ul style="list-style-type: none">After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. DSL. Click on e-Voting service provider name to cast your vote.If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration
	<ul style="list-style-type: none">Alternatively, the user can directly access e-Voting page by

HISAR SPINNING MILLS LIMITED

	<p>providing demat Account Number and PAN No. from a link in 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 provided links for the respective ESP where the E Voting is in progress.</p>
<p>Individual Shareholders (holding securities in demat mode) & login through their depository participants</p>	<ul style="list-style-type: none"> • You can also login using the login credentials of your demat account through your Depository Participant registered with CDSL for e-voting facility.
	<ul style="list-style-type: none"> • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period & voting during the meeting.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of CDSL at helpdesk.evoting@cdslindia.com and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in demat mode with CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

★ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

★ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

★ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. CDSL, they may contact the helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

- Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 23, 2024, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com

- The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the

HISAR SPINNING MILLS LIMITED

Company as on the cut-off date i.e. September 23, 2024.

- Mr. Sanjiv Kumar Goel, Practicing Company Secretary (Membership No. FCS-2107) has been appointed as the Scrutinizer to Scrutinize the remote e-voting process including polling papers in fair and transparent manner.

- The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman. Thereafter, the Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.

- The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. www.hisar spinning mills.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

HISAR SPINNING MILLS LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 2

A brief profile of Mrs. Sapna Kansal, Director / Executive Director:

Mrs. Sapna Kansal was appointed as an additional director of the company w.e.f. June 20, 2014 and then a regular director in the annual general meeting held in 2014. Thereafter, she had been getting re-appointed as a director in the annual general meetings held in 2016, 2018, 2020 and 2022.

Further, she was appointed as a Whole Time Director of the Company pursuant to the provisions of Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V prescribed under the Act and Articles of Association of the Company and also subject to the approval of such other authorities as may be required, for a period of five years w.e.f. December 14, 2017. She was re-appointed as Whole Time Director of the Company for a further period of three years w.e.f. December 14, 2022, on the terms & conditions contained in the resolution.

Age: 51 years as on 31.03.2022.

Qualification: Graduate

Experience: Around 18 years experience in family business and 7 years as Whole Time Director of the company. Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid: As an ordinary director she shall not draw any remuneration from the company. However, as a Whole Time director she had been drawing remuneration w.e.f. December 14, 2022 on the terms & conditions recommended by the board of directors in the Board Meeting held on September 06, 2022 and approved by the shareholders in the annual general meeting held on September 30, 2022.

Remuneration last drawn by such person: Rs. 2,25,000/- p.m. from April 01, 2021.

Date of first appointment on the Board: 20.06.2014

Shareholding in the company: 63,100 shares.

Relationship with other Directors, Manager and other Key Managerial Personnel of the company: No relationship with other directors. However, spouse of Mr. Naveen Kansal, Chief Executive Officer.

Number of Meetings of the Board attended during the year: 5

Other Directorships: Nil

Membership/ Chairmanship of Committees of other Boards: Nil

Nature of interest of Directors: None of the Directors except Mrs. Sapna Kansal herself, is interested in the proposed resolution.

Item No. 3

A brief profile of Mr. Anurag Gupta, Managing Director:

Mr. Anurag Gupta was appointed as Managing Director of the Company pursuant to the provisions of Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V prescribed under the Act and Articles of Association of the Company and also subject to the approval of such other authorities as may be required, for a period of five years w.e.f. December 29, 2016. His remuneration was subsequently enhanced w.e.f. December 14, 2017 on the terms & conditions approved in the Annual General Meeting held on September 29, 2018. His remuneration was further enhanced w.e.f. April 01, 2021 on the terms & conditions contained in the proposed resolution. He was re-appointed as managing director of the company for a further period of three years w.e.f. December 29, 2021. Further, since his term shall be coming to an end on December 28, 2024, the board of directors recommend his re-appointment for a further period of three years w.e.f. December 29, 2024. The proposed resolution is to re-appoint him for a further period of three years w.e.f. December 29, 2024 and payment of remuneration provided in the notice above.

Age: 54 years as on 31.03.2024

HISAR SPINNING MILLS LIMITED

Qualification: Bachelor of Engineering.

Experience: Has been associated as director of the company. He has wide experience of manufacture of yarn & financing activities.

Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid: Appointed as Managing Director, for five years w.e.f. December 29, 2016 at a remuneration of Rs. 75,000/- per month enhanced to Rs. 1,25,000/- per month w.e.f. December 14, 2017. Further enhanced to Rs. 2,25,000/- per month w.e.f. April 01, 2021. Re-appointment for a further period of three years w.e.f. December 29, 2024 and payment of remuneration @ Rs. 2,25,000/- per month.

Remuneration last drawn by such person: Rs. 2,25,000/- p.m. from April 01, 2021.

Date of first appointment on the Board: 28.02.2000.

Shareholding in the company: 184250 Equity Shares.

Relationship with other Directors, Manager and other Key Managerial Personnel of the company: No relationship.

Number of Meetings of the Board attended during the year: 5

Other Directorships: One

Membership/ Chairmanship of Committees of other Boards: One

Nature of interest of Directors: None of the Directors except Mr. Anurag Gupta himself, is interested in the proposed resolution.

For and on behalf of the Board

Place: Chandigarh
Date: 06.09.2024
Regd. Office:
9th, KM Stone, Hisar Bhiwani Road, VPO Dabra, Hisar

Sd/-
(Anurag Gupta)
Managing Director

HISAR SPINNING MILLS LIMITED

Form no. MGT-11

Proxy Form

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

CIN : **L17112HR1992PLC031621**
Name of the Company : **Hisar Spinning Mills Limited**
Registered office : **9th, KM Stone, Hisar Bhiwani Road, VPO Dabra, Hisar**

I/ We, being the member (s) of Shares of the above named company, hereby appoint

Name:
Address:
Email ID:
Signature:....., or failing him
Name:
Address:
Email ID:
Signature:....., or failing him
Name:
Address:
Email ID:
Signature:.....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the Company, to be held on Monday, September 30, 2024 at 11:00 Hrs. at 9th, KM Stone, Hisar Bhiwani Road, VPO Dabra, Hisar and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions
1	Consider and adopt the Audited Financial Statements, Reports of the Board of Directors and Auditors
2	Re- appointment of Mrs. Sapna Kansal, retiring by rotation at the AGM.
3	Re-appointment of Mr. Anurag Gupta as Managing Director

Signed this day of September, 2024

Signature of Shareholder:

Signature of Proxy Holder (s):

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

HISAR SPINNING MILLS LIMITED

HISAR SPINNING MILLS LIMITED

Registered Office: 9th, KM Stone, Hisar Bhiwani
Road, VPO Dabra, Hisar-125005
Tel/Fex:-91-1662-297005
E-mail: hsm12000@rediffmail.com
Website: www.hisar spinningmills.com
CIN: L17112HR1992PLC031621

ATTENDANCE SLIP

Attendance Slip for 32nd Annual General Meeting
(To be handed over at the Registration Counter)

Folio No. : _____ DP ID : _____
No. of share(s) held : _____ Client ID : _____

Full Name of the member / proxy attending the meeting

(First Name) (Second Name) (Surname)

I/We hereby record my/our presence at the 32nd Annual General Meeting of the company at 9th, KM Stone, Hisar Bhiwani Road, VPO Dabra, Hisar on Monday, September 30, 2024 at 11:00 Hrs.

Signature of the Member/Proxy present

Note: The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued. Hence, persons attending the Meeting are requested to bring their copies of the Annual Report with them.

PLEASE CUT HERE AND BRING THE ABOVE ATTANDACE SLIP AT THE MEETING.

Registered Office: 9th, KM Stone, Hisar Bhiwani
Road, VPO Dabra, Hisar-125005
Tel: 01662-260397, Tel/Fex:-91-1662-297005
Website: www.hisar spinningmills.com
CIN: L17112HR1992PLC031621

Dear Sir,

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the company is pleased to provide remote e-voting facility to the members to cast their votes electronically on all the resolutions set forth in the Notice convening the 32nd Annual General Meeting to be held on Monday, September 30, 2024 at 11:00 Hrs. The company has engaged the Central Depository Services Limited (CDSL) to provide the remote e-voting facility:

HISAR SPINNING MILLS LIMITED

Your electronic voting particulars are set out below:

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Event Number)	User ID	Password
230821012		

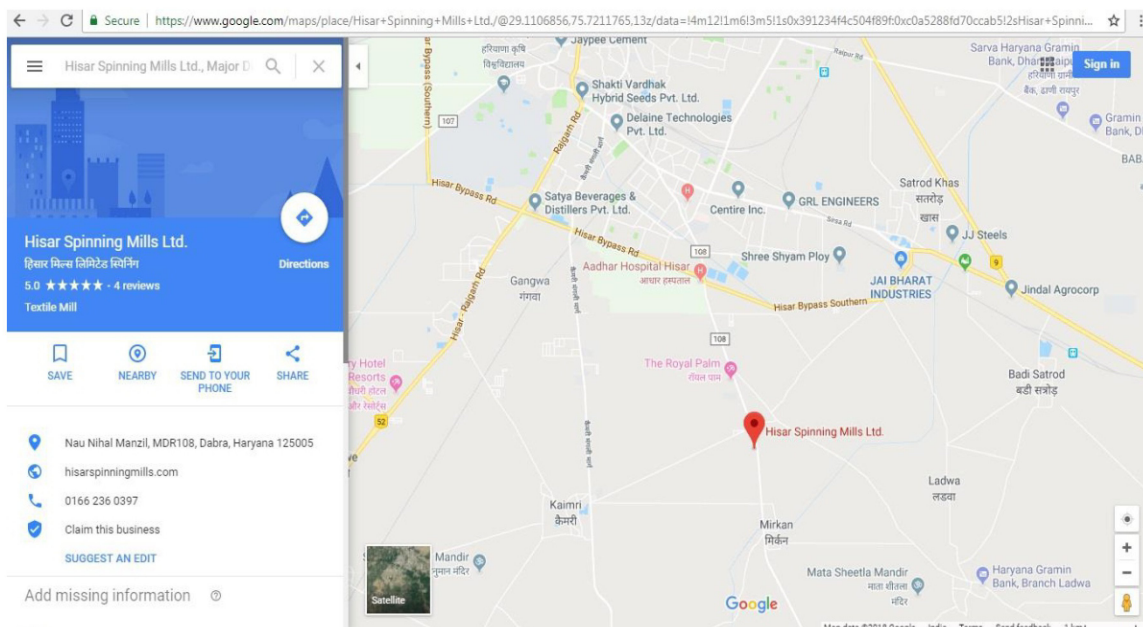
The remote e-voting facility will be available during the voting period as indicate herein below:

Commencement of remote e-voting period	End of remote e-voting period
From 9.00 A.M. IST on Friday, September 27, 2024	Till 5.00 P.M. IST on Sunday, September 29, 2024

Notes:

1. Please read the instructions printed overleaf before exercising your vote.
2. These details and instructions form an integral part of the Notice for the 32nd Annual General Meeting to be held on September 30, 2024.
3. The voting rights of the members shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on cut-off date of Monday, September 23, 2024, being the record date for the purpose of voting.

ROUTE MAP TO HISAR SPINNING MILLS LIMITED.



HISAR SPINNING MILLS LIMITED

Director's Report

Dear Shareholders,

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

(Rs. in Lakhs)

Financial Highlights	Year ended 31.03.2024	Year ended 31.03.2023
Total income	4204.36	4680.02
Profit before Financial Cost, Depreciation and Tax	473.14	703.78
Finance cost	23.67	30.69
Profit before Depreciation and Tax	449.47	672.79
Depreciation	168.74	249.18
Profit before tax	280.73	423.61
Less : Tax Expenses		
-Current tax	81.22	109.11
- Adjustment of tax relating to earlier periods	2.58	0
-Deferred tax	-4.98	-16.63
Profit for the year	201.91	331.13
Other Comprehensive Income		
Items that will not be reclassified to profit or loss:		
Remeasurements of the defined benefit plans	0.61	2.51
Income tax relating to items that will not be reclassified to profit or loss	-0.15	-0.63
Total Other Comprehensive Income/ (-) Expense	0.46	1.88
Total Comprehensive Income for the year	202.37	333.01
Earnings per equity share: (Nominal value of equity share – Rs. 10/-)		
Basic (Rs.)	5.41	8.87
Diluted (Rs.)	5.41	8.87

OPERATIONAL & PERFORMANCE REVIEW

During the year under review, the gross receipts of your Company were Rs. 4204.36 Lakhs as against gross receipts of Rs. 4680.02 Lakhs during the previous year and profit (after tax) was Rs. 201.91 Lakhs for the year as against net profit (after tax) of Rs. 331.13 Lakhs during previous year.

DEPOSITS

The Company has not accepted or renewed any deposit from the public during the year under review pursuant to the provisions of Companies Act, 2013 and rules made there under.

TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profits for FY 2023-24 in the Retained Earnings.

DIVIDEND

With a view to conserve resources of the company, your Directors do not recommend any dividend for the year under

HISAR SPINNING MILLS LIMITED

review.

CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business of the company.

STATEMENT ON SUBSIDIARIES/ ASSOCIATE AND JOINT VENTURE COMPANIES

Your company does not have any subsidiary / associate / joint ventures within the meaning of Companies Act, 2013 and Accounting Standards.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of Company, Mrs. Sapna Kansal, (DIN: 06892410) Director, shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

As on March 31, 2024 following were the Key Managerial Personnel of Company:

- Mr. Anurag Gupta Managing Director
- Mrs. Sapna Kansal Executive Director
- Mr. Naveen Kansal Chief Executive Officer
- Mr. Sharad Goel Chief Financial Officer
- Mrs. Nikita Singla Company Secretary and Compliance Officer

Mr. Anurag Gupta was re-appointed as Managing Director for three years w.e.f. December 29, 2021 and his term shall come to an end on December 28, 2024. Your directors have recommended his re-appointment for a further period of three years w.e.f. December 29, 2024.

Mrs. Sapna Kansal has been re-appointed as whole time director, for three years w.e.f. December 14, 2022 and she shall hold office, in that capacity, till December 13, 2025.

STATUTORY AUDITORS

At the 30th Annual General Meeting of Company held on September 30, 2022, M/s M/s Jain & Anil Sood, Chartered Accountants, were appointed as Statutory Auditors of the Company, for a period of five years i.e. from the conclusion of 30th Annual General Meeting of Company till the conclusion of 35th Annual General Meeting of Company to be held in the year 2027, in accordance with the provisions of section 139 of Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014.

AUDITOR'S REPORT

Observations, if any, made in the Auditor's Report are self explanatory and do not call any explanation.

SECRETARIAL AUDIT

Mr. Sanjiv Kumar Goel, Practicing Company Secretary has been appointed by the Board to conduct Secretarial Audit under provisions of section 204 of the Companies Act 2013. The Secretarial Audit report is annexed with the Director's Report as **Annexure – 1**. There is no qualification in secretarial audit report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Energy conservation continues to be an area of major emphasis in your Company. Efforts are made to optimize the energy cost while carrying out manufacturing operations. As required by the provisions of section 134 of the Companies Act, 2013, the relevant information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in the **Annexure- 2** forming part of this report.

STATUTORY DISCLOSURES

None of the Directors of the Company are disqualified under the provisions of section 164 of the Companies Act 2013.

HISAR SPINNING MILLS LIMITED

The Directors have made the requisite disclosures, as required under the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("hereinafter referred to as Listing Regulations").

CORPORATE GOVERNANCE

The paid up capital of the company was less than Rs. 10 crores and net worth less than Rs. 25 crores as on March 31, 2024. The company is exempted from complying with the provisions of reporting corporate governance report in accordance with regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed that:

- (a) in the preparation of annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed and that there are no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequately and operating effectively.

FRAUDS REPORTED BY AUDITORS u/s 143(12)

Your company has complied with all the provisions of Section 143 of the Companies Act, 2013. Hence, there are no frauds reported by the Auditors other than those which are reportable to the Central Government. Further, no fraud has been reported to the Central Government.

EXTRACT OF ANNUAL RETURN

The requirement of attaching extract of the Annual Return in Form MGT-9 has been dispensed with by the Companies (Amendment) Act, 2017 effective from July 31, 2018. As per requirements, annual return (Form MGT-7) for the year 2022-23 has been placed on the website of the company, at www.hisar spinningmills.com. Annual Return (Form MGT-7) for the year 2023-24 shall also be placed on the company's website in due course.

NUMBER OF BOARD MEETINGS

During the financial year 2023-24, five Board meetings were held. The meetings were held on May 30, 2023, August 14, 2023, September 06, 2023, November 07, 2023 and February 14, 2024. The other relevant details of Board meetings and the attendance of the Directors etc. is given under Corporate Governance Report annexed with Director's Report.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act 2013 and under Listing Regulations, stating that they meet the criteria of independence as provided in sub-section (6).

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS UNDER SECTION 186

No loans, guarantees or investments under Section 186 of the Companies Act, 2013 have been given by the Company.

HISAR SPINNING MILLS LIMITED

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were in the ordinary course of business and were at arm's length basis. No Materially significant related party transactions have been entered by the Company with Promoters, Directors or Key Managerial Personnel etc. that had potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on yearly basis for the transactions which are of a foreseen and repetitive nature. The detail of transactions entered into pursuant to the omnibus approval so granted is placed before the Audit Committee and the Board of Directors on a quarterly basis. None of the Directors has any pecuniary relationships or transactions vis-a-vis the company. The details of the same are given in Form AOC-2 and is annexed herewith.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The said policy is uploaded on the Company's website www.hisar spinningmills.com.

The following is a summary of sexual harassment complaints received and disposed off during the year 2023-24:

- a) No. of Complaints received in the year: NIL
- b) No. of complaints disposed off during the year: NIL
- c) No. of cases pending for more than 90 days: NIL
- d) No. of workshops or awareness program against sexual harassment carried out: 1
- e) Nature of action taken by the employer: NA

MAINTENANCE OF COST RECORDS

The maintenance of cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013, have been made and maintained.

MATERIAL CHANGES FROM END OF FINANCIAL YEAR TILL DATE OF REPORT

There are no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report other than those disclosed in the financial statements.

RISK MANAGEMENT POLICY

Pursuant to section 134 (3) (n) of the Companies Act, 2013, the company regularly maintains a proper check in normal course of its business regarding Risk Management.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's risk management systems and programs comprises of various processes, structures and guidelines which assist the Company to identify, assess, monitor and manage its risks, including any material changes to its risk profile. To achieve this, the Company has clearly defined the responsibility and authority of the Company's Management to oversee and manage the Risk Management Programs.

However, in accordance with regulation 21 of SEBI (LODR) Regulations, 2015 (as amended), the provisions of this regulation are not applicable to the company.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

HISAR SPINNING MILLS LIMITED

POLICY ON DIRECTOR'S APPOINTMENT & REMUNERATION AND OTHER PRESCRIBED MATTERS

The current policy is to have an appropriate mix of executive and non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of March 31, 2024, the Board had six members, two of whom are executive directors, one is a non executive director and three non executive independent directors. One of the executive directors of the Board is a woman director.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on the website of the company, at www.hisar spinningmills.com.

We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY

Your Company maintains an adequate and effective Internal Control system commensurate with its size and complexity. Internal control systems provide, among other things, a reasonable assurance that transactions are executed with Management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of your Company are adequately safeguarded against significant misuse or loss.

During the year under review, the Company continued to implement their suggestions and recommendations to improve the internal financial control environment. Their scope of work inter-alia includes review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. In addition to statutory audit, the financial controls of the Company at various locations are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board. The Audit Committee actively reviews the adequacy and effectiveness of internal control system and suggests further strengthening the same, wherever required.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, there is no material order(s) passed by the regulators or courts or tribunal impacting the going concern status and company's operation in future.

DISCLOSURE REGARDING COMPANIES (SHARE CAPITAL AND DEBENTURE) RULES 2014

The paid up listed equity share capital of the Company as at 31st March 2024 was Rs. 3,73,50,000/- comprising of 37,35,000 equity shares of Rs. 10/- each. As required under Companies (Share Capital and Debenture) Rules 2014, during the year under review, the Company has not issued equity shares with differential voting rights, sweat equity shares, preference shares and employee stock options and also not made any provision for purchase of its own shares by employees or by trustees.

DISCLOSURE REGARDING VOTING RIGHT NOT EXERCISED DIRECTLY BY THE EMPLOYEES

During the year under review, there is NIL disclosure as required under provisions of section 67(3) of Companies Act 2013.

AUDIT COMMITTEE

Audit Committee constituted by the Company functions in accordance with the terms of reference as set out under the provisions of Clause 49 of Listing Agreement read with provisions of Section 177 of Companies Act, 2013 & rules made thereunder and additional responsibilities assigned to it by Board of Directors of the Company. The Committee reviews the internal audit reports and findings of internal auditors along with the comments of management. The functions of the Audit Committee among others include approving and implementing the audit procedures, effective supervision of financial reporting system, Whistle Blower Mechanism, internal control and procedures, recommending appointment of Statutory Auditors, Cost Auditors to Board and also ensuring compliances with regulatory guidelines. The Board has constituted the Audit Committee comprises of following:

HISAR SPINNING MILLS LIMITED

S.NO.	NAME	DESIGNATION
1	Mr. Mithlesh Kumar Gupta, Non-executive and Independent Director	Chairman
2	Mr. Anurag Gupta, Managing Director	Member
3	Mr. Sudesh Kumar Garg, Non-executive and Independent Director	Member

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a vigil mechanism named "Whistle Blower Policy/Vigil Mechanism" to deal with instance of fraud and mismanagement, if any. The Company has adopted revised Whistle Blower Policy w.e.f. 1st April, 2019. The details of the Policy are explained in the Corporate Governance Report and also available at company's website www.hisarspinningmills.com.

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS

During the year under review, the Board adopted a formal mechanism for evaluating its performance and as well as that of its committees, individual Directors, including the Chairman of the Board in compliance with the Companies Act 2013 and Listing Regulations. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board, its committee & members, their experience & competencies, performance of specific duties & obligations, governance and also in accordance with Performance Evaluation Policy of Company. Broadly the performance of Non-Independent/Executive/Whole Time Director(s) was evaluated on the basis of their own performance, expertise, intelligence, their qualitative & quantitative contribution towards operational achievements, organizational performance etc. The performance of Non-Executive Independent Directors were evaluated on the basis of their constructive participations in Board/Committee/General meetings, their informed & balanced decision-making, ability to monitor financial controls & systems, & certain allied parameters. The performance evaluation of various Board Committees constituted under Companies Act & Listing Agreement was made on the basis of their respective terms of reference, discharge of functions, governance etc.

Disclosure of information's as required under rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of Rs. 102 Lakhs per year to be disclosed in the Report of Board of Directors are not applicable to the Company as none of the employees was in receipt of remuneration in excess of Rs. 102 Lakhs during the financial year 2023-24.

Having regard to the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished free of cost.

The Nomination and Remuneration Committee of the Company has affirmed that the remuneration is as per the remuneration policy of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis report, as required by Listing Regulations, forms part of the Annual Report.

CODE OF CONDUCTS

The company has adopted the following code of Conducts/ policies w.e.f April 1, 2019:

1. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons as per the SEBI (Prohibition of Insider Trading (Amendment)) Regulations, 2018.
2. Code of Practices and Procedures for fair Disclosure of Unpublished Price Sensitive Information.
3. Policy and Procedure for Enquiry in case of leak/ suspected leak of Unpublished Price Sensitive Information.

ACKNOWLEDGEMENT

HISAR SPINNING MILLS LIMITED

Your Directors wish to convey their appreciation to all of the Company's employees for their enormous efforts as well as their collective contribution to the Company's performance. The Directors would also like to thank shareholders, customers, dealers, suppliers, Financial Institutions, bankers, Government and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

By order of the Board of Directors

Sd/-

Place: Chandigarh
Dated: September 06, 2024

(Mithlesh Kumar Gupta)
Chairman
DIN - 07692870

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship:	NIL
(b) Nature of contracts/arrangements/transactions:	NIL
(c) Duration of the contracts/arrangements/transactions:	NIL
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	NIL
(e) Justification for entering into such contracts or arrangements or transactions:	NIL
(f) date(s) of approval by the Board:	NIL
(g) Amount paid as advances, if any:	NIL
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship:	Mr. Naveen Kansal – Husband of Mrs. Sapna Kansal, Whole Time Director.	Usha Yarns Limited – Common Managing Director and two relatives of Executive Directors are Directors in Usha Yarns Limited and common promoter shareholders
(b) Nature of contracts/arrangements/ transactions:	Employment	Purchase, sale & supply of goods
(c) Duration of the contracts/arrangements/ transactions:	Permanent employment	Annual
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	General terms of employment as applicable on other employees.	Purchase, sale & supply of goods at market value
(e) Date(s) of approval by the Board, if any:	29.12.2016	Omnibus Approval on 14.02.2024
(f) Amount paid as advances, if any:	Nil	Nil

By order of the Board of Directors

Sd/-

Place: Chandigarh
Dated: September 06, 2024

(Mithlesh Kumar Gupta)
Chairman
DIN - 07692870

HISAR SPINNING MILLS LIMITED

Additional Disclosures as required under SEBI (LODR) Regulations, 2015

Annual Report

In accordance with Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, para C, D & E of Schedule V prescribed under the regulations is not applicable to the company and therefore requisite information under the said paras is not furnished in the report.

Disclosure of Accounting Treatment in preparation of Financial Statements

The Company has followed all relevant Accounting Standards referred to in Section 133 of Companies Act 2013 & rules made there under and laid down by Institute of Chartered Accountants of India, while preparing Financial Statements.

Disclosures by Senior Management & Key Managerial Personnel

Senior Management and Key Managerial Personnel have made disclosure to the Board relating to all material, financial and other transactions stating that they did not have any personal interest that could result in a conflict with the interest of the Company at large. The material, financial and commercial transactions where Key Managerial Personnel have personal interest forms part of the disclosure on related parties referred to in Notes to Annual Accounts.

Performance evaluation of Board of Directors

During the year, the Board adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors, including the Chairman of the Board. For Board and its Committees, the exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. The Performance evaluation of Non-Independent directors including the Chairman was carried out by Independent Directors in their separate meeting. The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees. The necessary details regarding criteria of performance evaluation is mentioned under Director's Report. The Performance Evaluation Policy of Board of Directors is available on Company's website viz. www.hisarspinningmills.com.

Since the Directors were satisfied with the evaluation results, there were no observations in the board evaluation carried out for the year, hence no action was proposed. The previous year's observations in the board evaluation were nil and hence no action was warranted.

Familiarization Programme / Induction for Independent Directors

At the Board Meetings, apart from the regular agenda items, it is ensured that the Board members are provided a deep and thorough insight into the business model of the Company and updates either by way of presentation of business units or otherwise. The Board members get an open forum for discussion and share their experience. At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which *inter alia* explains the role, function, duties, responsibilities expected of him/her as a Director of the Company and expected time commitments. As required under Listing Regulations, Company has conducted a familiarization programme for its independent directors under which the necessary information was provided to familiarize them with the nature, activities, products of the Company and also about their roles, rights, responsibilities in the Company. The details of familiarization programme imparted to Independent Directors is provided on the website of the Company at www.hisarspinningmills.com.

Skills/ Expertise/ Competence of the Board of Directors

Core skills /expertise/ competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board along with the Directors who possess such skills / expertise/ competencies is as follows:

HISAR SPINNING MILLS LIMITED

Names of Directors/ Skills	Creative eye	Leadership	Technical knowledge of the product	Managing Staff	Marketing
Mr. Anurag Gupta	10	10	10	10	10
Mr. Mithlesh Kumar Gupta	8	8	7	8	8
Mr. Sandeep Suri	8	6	7	8	8
Mr. Sudesh Kumar Garg	8	6	7	8	8
Mr. Nikhil Goel	9	9	9	9	10
Mrs. Sapna Kansal	10	10	10	10	10

The above points are allotted to the directors out of 10 basis points.

Confirmation of Independence of Independent Directors

The Board of Directors has confirmed that in their opinion, the independent directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

Resignation of Independent Director(s)

No Independent Director resigned from the Board of the Company during the year under review.

Board Diversity Policy

The Nomination and Remuneration Committee have formulated Board Diversity Policy in accordance with the Listing Regulations. Under the said policy, it is recognized that a Board composed of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company. In order to ensure that the Company's boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall while selecting the Board Members consider a number of factors, including but not limited to age, culture, functional skills, industry/professional experience, financial literate and integrity etc.. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

General Shareholder information

Compliance Officer : Mrs. Nikita Singla
E-mail ID's : hsm12000@rediffmail.com

OTHER DISCLOSURES

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

No physical shares are lying as undelivered / unclaimed. Disclosure regarding demat suspense account or unclaimed suspense account is given here under:

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: 2 and 1900.
- Aggregate number of shareholders who approached listed entity for transfer of shares from suspense account during the year. 1
- Number of shareholders to whom shares were transferred from suspense account during the year. 1
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 3 and 2200.
- The voting rights on the aforementioned shares shall remain frozen till the rightful owner of such shares claims the shares.

HISAR SPINNING MILLS LIMITED

MD AND CFO CERTIFICATION

**To
The Board of Directors
Hisar Spinning Mills Limited**

- (a) We have reviewed the financial statements and the cash flow statement of Hisar Spinning Mills Limited for the year ended March 31, 2024 and to the best of our knowledge and belief, we state that;
- (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 present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation 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 internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) That there are no significant changes in internal control over financial reporting during the year;
- (ii) That there are no instances of significant fraud of which we have become aware.

Yours sincerely,

**Sd/-
(Anurag Gupta)
Managing Director**

**Sd/-
(Sharad Goel)
Chief Financial Officer**

**Place: Chandigarh
Date: September 06, 2024**

HISAR SPINNING MILLS LIMITED

ANNEXURE '1' TO THE DIRECTORS' REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

To,

The Members,
Hisar Spinning Mills Limited
9th KM Stone, Hisar Bhiwani Road,
V.P.O Dabra (Hisar), Haryana -125005

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hisar Spinning Mills Limited** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing my opinion thereon.

Based on my verification of the Hisar Spinning Mills Limited's books, papers, minutes 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 March 31, 2024 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 Hisar Spinning Mills Limited for the financial year ended on March 31, 2024 according to the provisions of

- i) The companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulations) Act, 1956 (SCRA) and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye Laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a)The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - (b)The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c)The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (d)The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - (e)The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - (f)The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g)The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (h)The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

2. I have relied on the representation made by the company and its officers for systems and mechanism put in place by the company for compliances under the applicable Act, Laws and Regulations to the Company.

3. I have also examined compliance with applicable clauses of the followings:

HISAR SPINNING MILLS LIMITED

- i) Secretarial Standards issued by The Institute of Company Secretaries of India, effective from July 01, 2015.
- ii) The erstwhile Listing Agreement entered into by the company with Bombay Stock Exchange Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 notified w.e.f. December 01, 2015.

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

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 were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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, suits, rules, regulations and guidelines.

Place: Chandigarh
Date: July 12, 2024

Sd/-

Sanjiv Kumar Goel
Practicing Company Secretary
FCS No. 2107
C P No. 1248
UDIN No.: F002107F000727579

HISAR SPINNING MILLS LIMITED

Annexure '2' to Directors' Report

Information as per section 217(1)(e) read with companies (Disclosure of Particulars in the Report of Directors) Rules 1988 and forming part of the Director's Report for the period ended 31st March, 2024.

I. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

The Company has been giving high priority to conservation of energy by close monitoring of energy consuming equipments. All efforts are made for installing energy saving devices wherever required.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

New equipments, whenever required, are purchased from time to time.

c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The measures taken to conserve energy resulted in more production. However, there was no savings in consumption due to increased production and increase in rates of power.

d) Total energy consumption and energy consumption per unit of production as per Form-A of the annexure to the rules in respect of industries specified in the schedule thereto:

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
A) Power and Fuel consumption		
a) Purchased Unit (KW)	6275825	6210675
Total Amount (Rs. In Lakhs)	494.98	461.63
Rate/Unit (Rs)	7.89	7.43
b) Through Diesel Generator		
Units(KW)	458900	516885
Total Amount (Rs. In Lakhs)	161.35	184.12
Rate/Unit (Rs/KW)	35.16	35.62

B) Consumption Per Unit Of Production	1868 Units	1803 Units
Steam Coal	Nil	Nil
Furnace Oil	Nil	Nil
Others/Internal Generators	Nil	Nil
Cotton Yarn Production In MT	3606.144	3731.443
Total Units Consumed	6734725	6727560

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure to the Rules.

1) Research & Development (R & D)

a) Specific area in which R & D carried by the Company: Nil

b) Benefits derived as a result of the above R & D: Nil

HISAR SPINNING MILLS LIMITED

c) Future plan of Action: Nil

d) Expenditure on R & D (Rs. In Lakhs)

Capital	NIL
Revenue	NIL
Total	<u>NIL</u>

Total R & D expenditure as a percentage of Total Turnover = NIL

2) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a) Efforts, in brief, made towards technology absorption, adaptation and innovation: Nil

b) Benefits derived as a result of the above efforts e. g. product improvement, cost reduction, product development, import substitution etc: Nil

c) In case of imported technology (imported during the last 5 year reckoned from the beginning of the financial year) -- Nil

3) FOREIGN EXCHANGE EARNINGS AND OUTGO

I. Activities relating to export, initiatives taken to increase export, development of new export markets for products and services and export plans: Nil

Value of imports calculated on C.I.F. basis:

(Rs. In Lakhs)

Particulars	For the Year ended 31.03.2024
Stores & Spares parts	30.31
Capital Goods	NIL
Total	30.31

Expenditure in foreign currency during the financial year on account:

(Rs. In Lakhs)

Particulars	For the Year ended 31.03.2024
Commission on sales	NIL
Total	NIL

Earnings in foreign exchange:

Export of goods calculated on FOB basis

(Rs. In Lakhs)

Particulars	For the Year ended 31.03.2024
Manufactured Goods	271.86
Total	271.86

By order of the Board of Directors

Sd/-

Place: Chandigarh
Dated: September 06, 2024

(Mithlesh Kumar Gupta)
Chairman
DIN - 07692870

HISAR SPINNING MILLS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economy

Global

The global economy expanded by 3.2% in the CY 2023, demonstrating remarkable resilience in the face of continuing economic adversities like geopolitical challenges, demand slowdown and fluctuations in commodity prices which has led to inflationary pressures in both advanced and emerging markets. Global growth is estimated to remain stable at 3.2% throughout CY 2024 and CY 2025. However, geopolitical risks remain high, particularly in light of the continuing conflict in the Middle East and political tensions in Europe. Going forward, declining inflation and greater government spending is anticipated to alleviate fiscal pressures and expected to attract investments for future growth.

India

India's economy is one of the fastest-growing major economies in the world. In FY 2024, India registered a GDP growth rate of 8.2%. This growth was accompanied by a fall in the inflation rate and improved disposable income which resulted in increased private consumption and sustained demand for goods and services in the country. The Reserve Bank of India's (RBI) proactive monetary policies contributed to strengthening the financial landscape of the country. The Indian economy is expected to continue its upward trend. This could attract more investment in manufacturing as the government's schemes to boost targeted manufacturing industries could see a better response from investors with an improved infrastructure base.

Textile Industry

Global

In 2023, the global textile market's growth was significantly hampered by various factors, notably the Russia-Ukraine conflict. This conflict prompted many hurdles to the textile industry such as escalating energy and raw material costs. As a result, the industry grappled with a multitude of challenges, including weakening demand, inflation, high energy prices, rising labor costs, and increased competition from low-cost countries. The weak demand continued to in the near future with order intake remaining subdued. Weak demand persisted as the primary concern.

India

Empowered with the abundant availabilities of raw material, India also has a large pool of manpower which is advantageous since textile and apparel is a labour-intensive sector. The Indian Textile and apparel manufacturing is second largest in the world that spans the entire value chain from fibre to finished goods. All these factors promoted India as one of the leading manufactures and a sourcing hub. The enthusiasm in the textile industry on account of the latest FTAs is expected to move beyond enhanced market access and trade.

There appears to be plenty of opportunities for the Indian yarn arising globally as the majority of Companies and Customers are looking for market diversification and explicitly, India is the most favoured destination. The Country has the potential to grab the emerging demands and markets by making investments in sustainability, circularity and traceability, supported by the concluded / yet to be concluded FTAs.

Yarn

The majority of cotton yarn produced across the globe is used to manufacture apparels. Currently, consumers and brands are promoting sustainable fashion like never before, and clothing made using cotton yarn is an excellent choice for sustainability. High cotton yarn price was compounded by a rise in cotton prices. Challenges such as the Russia – Ukraine war have further contributed to the price rise due to this India's yarn exports, witnessed a reversal of the declining trend in the financial year 2023-24. However, the prices of cotton are returning to normalization as the supply chain is getting back on track. This in turn is expected to normalize the industry in the next few quarters.

HISAR SPINNING MILLS LIMITED

FUTURE OUTLOOK OF THE COMPANY

Blended yarn products are the most preferred in the textile industry due to its unique features like lower price and availability at almost uniform price throughout the year. The future of the Company looks promising. Empowered by the significant advantages in availability of raw material and labour. We are capitalizing the opportunity to increase its share in textiles trade with a quantum leap, rather than the incremental gains that it achieved in the past.

We are focused on promoting technology upgradation, skill development to manufacture good quality product. These initiatives are likely to create a positive environment for future growth. We are equipped with the hi-tech integrated facilities, enthused work force, progressive business model and empowered by loyal customer base and drive for enhancing value for all stakeholders, We remains optimistic about healthy growth and prosperity in the coming years also.

THE COMPANY

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

A strong internal control is pervasive in the Company. The Company has a well established framework of internal control in all areas of its operations, including suitable monitoring procedures, competent and qualified personnel. The Internal Audit department also assesses the opportunities for improvement in business processes, systems and controls, provides recommendations, designed to add value to the Company. In addition to statutory audit, the financial controls of the Company at various locations are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board. The Audit Committee actively reviews the adequacy and effectiveness of internal control system and suggests furthering strengthening the same, if so required. The Committee meets to review the progress of the internal audit initiatives, significant audit observations, planning and implementation of follow up action required. The Company conducts its business with integrity and high standard of ethical behavior and in compliance with the applicable laws and regulations that govern its business.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACES

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Management of the Company has also constituted an Internal Complaints Committee at its workplaces to consider and redress the complaints of Sexual Harassment. During the year under review, the Company has not received any complaint on sexual harassment.

RISKS & CONCERNS

Business risks exist for every Company having national and international exposure. Your Company also faces some such risks, the key ones are unfavorable raw material price, financial & liquidity & unexpected changes in regulatory framework. To ensure long-term success, it is therefore essential that risks be effectively identified, analyzed and then mitigated by means of appropriate control measures.

We have a comprehensive risk management system/policy in place, which enables us to assess, mitigate and to monitor the different risks exposed to the industry in which the Company operates and to take the appropriate action, where ever required.

HEALTH AND SAFETY MEASURES

The Company has health and workplace safety programs in place and has established policies and procedures aimed at ensuring compliance with applicable laws/legislative requirements. The Company believes that the health and safety of the workers and the persons residing in the vicinity of its plants is fundamental to the business. Commitment to the identification and elimination or control of the workplace hazards for protection of all is utmost importance.

HISAR SPINNING MILLS LIMITED

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The permanent employee strength of Company as on March 31, 2024 was Ninety Four. The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people. The Company has been adopting methods and practices for Human Resources development. With utmost respect to human values, the Company continues to develop its human resources, through appropriate trainings, workshops, motivation/leadership techniques and employee welfare activities at regular intervals.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Particulars	FY 2023-24	FY 2022-23 *	Explanation for Significant Change
Debtors Turnover (times)	12.05	13.83	
Inventory Turnover (times)	3.88	4.27	
Interest Coverage Ratio (times)	17.16	20.23	
Current Ratio	7.25	4.56	Current ratio has improved due to increase in current assets and reduction in current liabilities during the current year as compared to the previous year.
Debt Equity Ratio	0.14	0.15	
Operating Profit Margin (%)	7.23%	9.72%	'Earnings before interest and tax has reduced during the current year, resulting in decrease in Operating profit ratio.
Net Profit Margin (%)	4.85%	7.29%	'Net profits after taxes has reduced during the current year, resulting in decrease in net profit ratio.
Return on Net Worth (%)	9.07%	16.36%	'Net profits after taxes has reduced during the current year, resulting in decrease in return on Net Worth.

* The above key financial ratios have been re-aligned with Schedule III to the Companies Act, 2013

Detailed explanation:

Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results. : NA

CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and yarn prices in the domestic and overseas markets, changes in government regulations, tax laws and economic developments.

By order of the Board of Directors

Sd/-

Place: Chandigarh
Dated: September 06, 2024

(Mithlesh Kumar Gupta)
Chairman
DIN - 07692870

HISAR SPINNING MILLS LIMITED

JAIN & ANIL SOOD
CHARTERED ACCOUNTANTS

S.C.O 12, Basament,
Feroze Gandhi Market,
LUDHIANA - 141001
Tel. : (O) 2773027, 4361749

INDEPENDENT AUDITOR'S REPORT

To the Members of Hisar Spinning Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Hisar Spinning Mills Limited** ("the Company"), which comprise the Balance Sheet as at **31st March, 2024**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, its **profit** including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

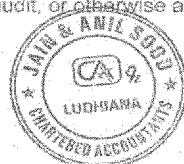
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31st March, 2024. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Company's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



HISAR SPINNING MILLS LIMITED

When we read the Company's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Company's Board of Directors and those charged with governance and describe actions applicable under the applicable laws and regulations.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. 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 with reference to the financial statements in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



HISAR SPINNING MILLS LIMITED

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 31st March, 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.



HISAR SPINNING MILLS LIMITED

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, based on our audit, we 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g).
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g);
 - (g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act.

- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March, 2024 on its financial position in its financial statements - Refer note no. 36 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



HISAR SPINNING MILLS LIMITED

- iv. (a) The management has represented that, to the best of its knowledge and belief as disclosed in the Note no. 43(i) to the financial statements, 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, 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 as disclosed in the note no. 43(j) to the financial statements, 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the year.
- vi. The Company has used accounting software for maintaining its books of account for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility that has been enabled by the Company with effect from 01st April, 2023 at 13:52 hours IST. Based on our examination, which included test checks, this feature of recording audit trail (edit log) facility has operated throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

Further, the Company maintains stock records for raw materials, finished goods and saleable waste; cost records as prescribed under Section 148(1) of the Act; and records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Capital work-in-progress manually. Accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable to the Company in respect of such books of account.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 01st April, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

Place of Signature: Chandigarh
Date: 30.05.2024

for JAIN & ANIL SOOD
Chartered Accountants
Firm's Registration No. 010505N



RKJ
(RAJESH KUMAR JAIN)
Partner
Membership No. 088447

UDIN: 24088447BKEJYG7452

HISAR SPINNING MILLS LIMITED

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Hisar Spinning Mills Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Capital work-in-progress.
- (B) The Company has not held any intangible asset during the period under review. Accordingly, the reporting under clause 3(i)(a)(B) of the Order is not applicable.
- (b) The Property, Plant and Equipment have been physically verified during the year by the Management in accordance with a regular programme of verification which in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties disclosed in the financial statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment during the year.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods-in-transit, the goods have been received subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.
- (b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, the reporting under clause 3(ii) (b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year except for that the Company has granted interest free unsecured loans or advances in the nature of loans to employees during the year, in respect of which:
- (a) The Company has provided loans or advances in the nature of loans to employees and details of which are given below:

Particulars	Amount (₹ in Lakhs)
A. Aggregate amount of loans or advances in the nature of loans granted during the year to Employees:	2.30
B. Balance outstanding as at balance sheet date with Employees:	0.00

- (b) The terms and conditions of the grant of all the above-mentioned loans or advances in the nature of loans to employees during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.



HISAR SPINNING MILLS LIMITED

- (c) In respect of loans or advances in the nature of loans granted to employees, the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation. There are no interest bearing loans given by the Company.
- (d) In respect of loans or advances in the nature of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the reporting under clause 3(iii) (f) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Act. Accordingly, the reporting under clause 3(iv) of the Order is not 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, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is generally regular in depositing, with the appropriate authorities, undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it, though there has been a slight delay in a few cases. Based on audit procedures performed by us, no undisputed amounts payable in respect of such statutory dues were outstanding, as at 31st March, 2024, for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as at 31st March, 2024 on account of any dispute are given below:

Name of the Statute	Nature of the Dues	Amount (₹) in Lakhs) (Gross)	Amount Paid/ adjusted under Protest (₹ in Lakhs)	Period to which the amount relates (Assessment Year)	Forum where dispute is pending
Haryana Value Added Tax Act,	Value added tax	3.98	3.98	2012-2013	Before the Joint Excise and Taxation Commissioner (Appeals), Haryana

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.



HISAR SPINNING MILLS LIMITED

- (ix) (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture (as defined in the Act) during the period under review. Accordingly, the reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have any subsidiary, associate or joint venture (as defined in the Act) during the period under review. Accordingly, the reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company. Accordingly, the reporting under clause 3(xii) of the Order is not applicable.
- (xiii) The Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, provisions of Section 192 of the Act are not applicable to the Company.



HISAR SPINNING MILLS LIMITED

- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, and 1934. Accordingly, the reporting under clauses 3(xvi)(a) and (b) of the Order are not applicable.
(b)
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company does not form part of any Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of Section 135 of the Act are not applicable to the Company during the year under review. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

Place of Signature: Chandigarh
Date: 30.05.2024

for JAIN & ANIL SOOD
Chartered Accountants
Firm's Registration No. 010505N



RJ
(RAJESH KUMAR JAIN)
Partner
Membership No. 088447

UDIN: 24088447BKEJYG7452

HISAR SPINNING MILLS LIMITED

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls with reference to the financial statements under Clause (i) of sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to the financial statements of Hisar Spinning Mills Limited ('the Company') as of 31st March, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting (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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the financial statements.



HISAR SPINNING MILLS LIMITED

Meaning of Internal Financial Controls with reference to the financial statements

A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements to future periods are subject to the risk that the internal financial controls with reference to the financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31st March, 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 issued by the Institute of Chartered Accountants of India.

for JAIN & ANIL SOOD
Chartered Accountants
Firm's Registration No. 010505N



RK
(RAJESH KUMAR JAIN)
Partner
Membership No. 088447

Place of Signature: Chandigarh
Date: 30.05.2024

UDIN: 24088447BKEJY97452

HISAR SPINNING MILLS LIMITED

Balance Sheet as at 31st March, 2024

		₹ in lakhs		
Particulars	Note No.	As at 31st March, 2024		As at 31st March, 2023
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	3	544.17		706.64
(b) Financial Assets				
(i) Other financial assets	4	107.15		37.15
(c) Deferred tax assets (net)	5	69.13		64.15
(d) Other non-current assets	6	<u>106.41</u>	826.86	<u>3.71</u>
				811.65
Current assets				
(a) Inventories	7	1102.96		1042.09
(b) Financial Assets				
(i) Trade receivables	8	274.74		416.51
(ii) Cash and cash equivalents	9	171.72		26.42
(iii) Bank balances other than (ii) above	10	0.00		0.00
(iv) Other financial assets	11	38.48		28.03
(c) Current Tax Assets (Net)	12	2.13		9.00
(d) Other current assets	13	269.42		281.09
(e) Assets classified as held for sale	14	<u>0.00</u>	1859.45	<u>1.25</u>
				1804.39
Total Assets			<u>2686.31</u>	<u>2616.04</u>
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	15	373.50		373.50
(b) Other Equity	16	<u>1852.87</u>	2226.37	<u>1650.50</u>
				2024.00
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	203.17		185.75
(ii) Other financial liabilities	18	0.00		1.41
(b) Other non-current liabilities	19	<u>0.15</u>	203.32	<u>9.43</u>
				196.59
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	105.55		108.62
(ii) Trade Payables:-	21			
(A) total outstanding dues of micro enterprises and small enterprises; and		2.54		90.31
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		54.84		105.99
(iii) Other financial liabilities	22	67.92		65.03
(b) Other current liabilities	23	19.74		22.11
(c) Provisions	24	<u>6.03</u>	256.62	<u>3.39</u>
				395.45
Total Equity and Liabilities			<u>2686.31</u>	<u>2616.04</u>

See accompanying notes to the financial statements 1 - 43

In terms of our report of even date attached for JAIN & ANIL SOOD Chartered Accountants Firm's Registration No. 010505N

For and on behalf of the Board of Directors

(RAJESH KUMAR JAIN)
Partner
Membership No. 088447

(ANURAG GUPTA)
Managing Director
DIN-00192888

(NIKHIL GOEL)
Director
DIN-01741446

Place: Chandigarh
Date: 30th May, 2024

(SHARAD GOEL)
Chief Financial Officer

(NIKITA SINGLA)
Company Secretary

(NAVEEN KANSAL)
Chief Executive Officer

HISAR SPINNING MILLS LIMITED

Statement of Profit and Loss for the year ended 31st March, 2024

Particulars	Note No.	₹ in lakhs	
		Year ended 31st March, 2024	Year ended 31st March, 2023
I Revenue From operations	25	4198.16	4669.15
II Other Income	26	6.20	10.87
III Total Income (I+II)		4204.36	4680.02
IV Expenses			
Cost of materials consumed	27	2531.15	2486.31
Changes in inventories of finished goods and work-in-progress	28	-149.69	31.66
Employee benefits expense	29	333.84	301.36
Finance costs	30	23.67	30.99
Depreciation expense	31	168.74	249.18
Other expenses	32	1015.92	1156.91
Total expenses (IV)		3923.63	4256.41
V Profit before tax (III-IV)		280.73	423.61
VI Tax expense:	33		
(1) Current tax		81.22	109.11
(2) Current tax relating to earlier years		2.58	0.00
(3) Deferred tax		-4.98	-16.63
VII Profit for the year (V-VI)		201.91	331.13
VIII Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss:			
(i) Remeasurements of the defined benefit plans		0.61	2.51
(ii) Income tax relating to items that will not be reclassified to profit or loss		-0.15	-0.63
Total Other Comprehensive Income for the year, net of tax (VIII)		0.46	1.88
IX Total Comprehensive Income for the year (VII+VIII)		202.37	333.01
Earnings per equity share (amount in ₹) (Nominal value of equity share - ₹ 10/-)	34		
(1) Basic		5.41	8.87
(2) Diluted		5.41	8.87

See accompanying notes to the financial statements 1 - 43

In terms of our report of even date attached for JAIN & ANIL SOOD Chartered Accountants Firm's Registration No. 010505N

For and on behalf of the Board of Directors

(RAJESH KUMAR JAIN)
Partner
Membership No. 088447

(ANURAG GUPTA)
Managing Director
DIN-00192888

(NIKHIL GOEL)
Director
DIN-01741446

Place: Chandigarh
Date: 30th May, 2024

(SHARAD GOEL)
Chief Financial Officer

(NIKITA SINGLA)
Company Secretary

(NAVEEN KANSAL)
Chief Executive Officer

HISAR SPINNING MILLS LIMITED

Statement of Changes in Equity for the year ended 31st March, 2024

A. Equity Share Capital Particulars	₹ in lakhs			
	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	3735000	373.50	3735000	373.50
Changes during the year	-	-	-	-
Balance at the end of the year	3735000	373.50	3735000	373.50

B. Other Equity Particulars	₹ in lakhs			
	Equity component of compound financial instruments	Reserve and Surplus		Total
		Capital Redemption Reserve	Retained Earnings	
Balance as at 1st April, 2023	17.55	65.00	1567.95	1650.50
Profit for the year			201.91	201.91
Total Other comprehensive income for the year, net of tax			0.46	0.46
Total comprehensive income for the year			202.37	202.37
Balance as at 31st March, 2024	17.55	65.00	1770.32	1852.87
Balance as at 1st April, 2022	17.55	65.00	1234.94	1317.49
Profit for the year			331.13	331.13
Total Other comprehensive income for the year, net of tax			1.88	1.88
Total comprehensive income for the year			333.01	333.01
Balance as at 31st March, 2023	17.55	65.00	1567.95	1650.50

Note:

A description of the purposes of each Reserve within Equity has been disclosed in Note No. 16.

See accompanying notes to the financial statements 1 - 43

In terms of our report of even date attached for JAIN & ANIL SOOD Chartered Accountants Firm's Registration No. 010505N

For and on behalf of the Board of Directors

(RAJESH KUMAR JAIN)
Partner
Membership No. 088447

(ANURAG GUPTA)
Managing Director
DIN-00192888

(NIKHIL GOEL)
Director
DIN-01741446

Place: Chandigarh
Date: 30th May, 2024

(SHARAD GOEL)
Chief Financial Officer

(NIKITA SINGLA)
Company Secretary

(NAVEEN KANSAL)
Chief Executive Officer

HISAR SPINNING MILLS LIMITED

Statement of Cash Flows for the year ended 31st March, 2024

Particulars	₹ in lakhs	
	Year ended 31st March, 2024	Year ended 31st March, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	280.73	423.61
Adjustments for:		
Depreciation expense	168.74	249.18
Net loss/ (-) gain on disposal of property, plant and equipment	-0.05	-0.21
Government grant relating to EPCG Scheme	-9.27	-86.77
Government grant relating to property, plant and equipment	-0.01	-0.03
Provision for interest written back	-1.41	-1.16
Interest income	-2.21	-1.69
Finance costs	23.67	30.99
Operating profit before working capital changes	460.19	613.92
Changes in working capital:		
<u>Adjustments for decrease/ (-) increase in operating assets:-</u>		
Inventories	-60.87	44.92
Trade receivables	141.77	-176.22
Other financial assets (current)	-10.33	14.43
Other financial assets (non-current)	0.00	-7.21
Other assets (current)	11.67	-78.48
Other assets (non-current)	-102.70	32.74
<u>Adjustments for increase/ (-) decrease in operating liabilities:-</u>		
Trade payables	-138.92	-155.65
Other financial liabilities (current)	4.63	-4.44
Other financial liabilities (non-current)	-1.41	-1.16
Other liabilities (current)	-2.37	-36.89
Provisions (current)	3.25	-7.44
Cash generated from operations	304.91	238.52
Income taxes paid (net of refund)	-77.08	-107.03
Net cash flows from/ (-) used in operating activities	227.83	131.49
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work-in-progress)	-6.27	-34.64
Proceeds from disposal of property, plant and equipment	1.30	3.90
(-) Increase/ decrease in deposits with more than twelve months maturity (pledged with banks towards margin against bank guarantees)	5.08	20.79
(-) Increase/ decrease in fixed deposit with SIDBI (pledged with SIDBI as collateral security against term loan from SIDBI)	-75.00	0.00
Interest received	2.01	2.28
Net cash flows from/ (-) used in investing activities	-72.88	-7.67

HISAR SPINNING MILLS LIMITED

Particulars	₹ in lakhs	
	Year ended 31st March, 2024	Year ended 31st March, 2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings (non-current)	105.85	0.00
Repayment of borrowings (non-current)	-93.08	-76.83
Proceeds from borrowings (current) (net)	0.00	-96.16
Finance costs paid	-22.42	-26.99
Net cash flows from/ (-) used in financing activities	-9.65	-199.98
Net increase/ (-) decrease in cash and cash equivalents	145.30	-76.16
Cash and cash equivalents at the beginning of the year	26.42	102.58
Cash and cash equivalents at the end of the year	171.72	26.42
<u>Components of cash and cash equivalents at the end of the year</u>		
Balances with Banks		
- in current accounts/ debit balance in cash credit account	168.21	22.86
Cash on hand	3.51	3.56
	171.72	26.42

Note:

1. The Statement of Cash Flows has been prepared in accordance with 'Indirect Method' as set out in Indian Accounting Standard (Ind AS) - 7 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

HISAR SPINNING MILLS LIMITED

2. Changes in liability arising from financing activities:

Particulars	₹ in lakhs	
	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening balance of borrowings		
<u>Borrowings (non-current)</u>		
- Term Loans (including current maturities)	294.37	367.79
Borrowings (current)	0.00	96.16
Cash Flows		
<u>Proceeds from borrowings (non-current)</u>		
- Term Loans	105.85	0.00
<u>Repayment of borrowings (non-current)</u>		
- Term Loans	93.08	76.83
Increase/ (-) decrease in borrowings (current)	0.00	-96.16
Effective rate of interest adjustment	1.58	3.41
Closing balance of borrowings		
<u>Borrowings (non-current)</u>		
- Term Loans (including current maturities)	308.72	294.37
Borrowings (current)	0.00	0.00

See accompanying notes to the financial statements (Note 1 - 43)

In terms of our report of even date attached
for JAIN & ANIL SOOD
Chartered Accountants
Firm's Registration No. 010505N

For and on behalf of the Board of Directors

(RAJESH KUMAR JAIN)
Partner
Membership No. 088447

(ANURAG GUPTA)
Managing Director
DIN-00192888

(NIKHIL GOEL)
Director
DIN-01741446

Place: Chandigarh
Date: 30th May, 2024

(SHARAD GOEL)
Chief Financial Officer

(NIKITA SINGLA)
Company Secretary

(NAVEEN KANSAL)
Chief Executive Officer

HISAR SPINNING MILLS LIMITED

Notes to financial statements for the year ended 31st March, 2024

1. Corporate Information

Hisar Spinning Mills Limited ("the Company") is a Public Limited Company domiciled in India with its registered office situated at Village & Post Dabra, Hisar -125005, Haryana. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the Bombay Stock Exchange (BSE) Limited in India. Corporate identification number of the Company is L17112HR1992PLC031621 and the Company is engaged in the business of manufacturing and sale of cotton yarn blended (textile product).

The financial statements were authorised for issue by the Company's Board of Directors on 30th May, 2024.

2. Material Accounting Policies

The material accounting policy information applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated below:

(a) Basis of preparation of financial statements

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

(b) Basis of measurement of financial statements

The financial statements have been prepared on the historical cost basis, except for the following items:

- Defined benefit liabilities/ (assets) are measured at fair value of plan assets less present value of defined benefit obligation.
- Certain financial assets and liabilities (including derivative instruments) are measured at fair value.
- Other financial assets and liabilities are measured at amortised cost.

(c) Functional and Presentation Currency

The financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Lakhs up to 2 decimal points, unless otherwise indicated.

(d) Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

HISAR SPINNING MILLS LIMITED

(e) Current versus non-current classification

All 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 Division II of Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended to be sold or consumed in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

HISAR SPINNING MILLS LIMITED

(f) Property, plant and equipment

All items of Property, Plant and Equipment are stated at cost less accumulated depreciation (other than freehold land) and accumulated impairment loss, if any. The cost of an item of Property, Plant and Equipment comprises:

- its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates,
- any attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

The Company has elected to continue with the carrying value of all its Property, Plant and Equipment recognised as on 1st April, 2016 measured as per the previous Generally Accepted Accounting Principles (GAAP) and use that carrying value as its deemed cost as on transition date.

Advances paid towards the acquisition of property, plant and equipment outstanding at end of each reporting date is classified as 'capital advances' under the note of "Other non-current assets" and the cost of assets not put to use before such date are disclosed under "Capital work-in-progress".

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in net profit in the Statement of Profit and Loss when incurred.

The Company identifies and determines cost of each component / part of property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the property, plant and equipment and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment and are recognised in the statement of profit and loss when the property, plant and equipment is derecognised.

Depreciation on property, plant and equipment is provided on diminishing balance method (written down value method) in the manner and over the useful life of the assets prescribed under Part 'C' of Schedule II to the Act *except* for certain items of plant and equipment having gross carrying amount of ₹ 19.60 Lakhs (previous year ₹ 19.60 Lakhs) and of building having gross carrying amount of ₹ 4.21 Lakhs (previous year ₹ 4.21 Lakhs) where the management estimates the life as 3 and 5 years respectively based on internal assessment and independent technical evaluation carried out by external valuers. The management believes that the useful life of 3 and 5 years respectively for the said assets best represent the period over which the management expects to consume future economic benefits embodied in these assets through its use. Hence the useful life of these assets is different from the useful life as prescribed under Part 'C' of Schedule II to the Act.

HISAR SPINNING MILLS LIMITED

On the basis of internal assessment and independent technical evaluation carried out by external valuers, the residual value of certain items of plant and equipment having gross carrying amount of ₹ 17.58 lakhs (previous year ₹ 17.58 lakhs) has been considered as ₹ 5.27 lakhs (previous year ₹ 5.27 lakhs) and of building having gross carrying amount of ₹ 4.21 lakhs (previous year ₹ 4.21 lakhs) has been considered as ₹ 0.63 lakhs (previous year ₹ 0.63 lakhs).

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

(g) Non-current assets classified as held for sale

The Company classifies non current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

(h) Impairment of assets

i. Financial assets (other than those carried at fair value)

The Company recognises loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Statement of Profit and Loss.

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ii. Non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods (if any), the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Inventories

Inventories (other than saleable waste) have been valued at lower of cost and net realisable value. However, raw materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition; where the costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the Company from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The cost in respect of different classifications of inventories is computed as under:

- in case of raw materials, stock-in-trade, stores and spare-parts etc. at first-in-first-out (FIFO) cost method plus direct expenses.
- in case of work-in-progress at raw material cost (determined on FIFO cost method) plus appropriate portion of conversion cost and other overheads incurred depending upon the stage of completion.
- in case of finished goods at raw material cost (determined on FIFO cost method) plus conversion cost, packing cost and other overheads incurred to bring the goods up to their present location and condition.

Saleable waste has been valued at estimated net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

Provision for obsolete/ old inventories is made, wherever required.

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(j) Trade receivables

Trade receivables are amounts due from customers for goods sold performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115 for pricing adjustments embedded in the contract.

(k) Foreign currency transactions

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The foreign currency monetary items are translated using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in the Statement of Profit and Loss in the period in which they arise.

(l) Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

For certain group of employees, employee benefit in the form of Provident fund, Employees State Insurance Contribution and Labour Welfare fund are defined contribution plans. The Company has no obligation, other than the contribution payable to the respective fund. The Company recognises contribution payable to these funds/ schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

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Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities with Life Insurance Corporation of India (LIC) through a trust formed by the Company for the purpose. LIC administrative contributions and contributions are invested in the schemes as permitted by the laws of India.

The Company recognises the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

iv. Compensated absences

Based on the leave rules of the Company, employees are not permitted to accumulate leave. Any unavailed privileged leave to the extent encashable is paid to the employees and charged to the Statement of Profit and Loss for the year.

(m) Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

i. Revenue from sale of goods

Revenue is measured at the transaction price of the consideration received or receivable. Revenue from sale of goods is recognised as and when the Company satisfies performance obligations by transferring control of the promised goods to its customers as per terms of contract. Amounts disclosed as revenue are net of returns, trade discounts, goods and services tax and amount collected on behalf of third parties.

ii. Revenue from other than sale of goods

- Export incentives and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions and the incentives/ subsidies will be received.
- Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

(n) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expense in the period in which they are incurred.

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(o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants that compensate the Company for expenses incurred are recognised in the Statement of Profit and Loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to Statement of Profit and Loss on a diminishing balance basis over the expected lives of the related assets to match them with the costs for which they are intended to compensate and presented within other income. In case of the Government grant received is to compensate the import cost of assets subject to an export obligation as primary condition, Government grants are included in liabilities as deferred income and are credited to statement of profit and loss according to fulfilment of associated export obligation and presented within other operating revenues.

(p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial asset or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

i. Non - Derivatives Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

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A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

A financial asset is measured at fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

A financial asset is measured at fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in Statement of Profit and Loss.

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ii. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

iii. Derivative financial instruments

The Company uses derivative financial instruments, e.g. foreign currency foreign exchange forward contracts to hedge its foreign currency risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

(q) Measurement of fair values

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less from the date of acquisition, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purposes of the Cash flow statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

(s) Earnings per share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(t) Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future obligation at pre-tax rate that reflects current market assessments of the time value of money risks specific to liability. They are not discounted where they are assessed as current in nature. Provisions are not made for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Contingent assets are not recognised in the financial statements but disclosed, where an inflow of economic benefit is probable.

Commitments are items that are not reported as liabilities as on reporting date. Capital commitments are disclosed when there is a projected capital expenditure to spend on long-term assets over a period of time. Other commitments are disclosed when there is an undertaking to fulfil quantified exports in future years.

Provisions, contingent liabilities and contingent assets and commitments are reviewed at the end of each reporting date.

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(u) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimates of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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(v) Segment reporting

The Company is primarily in the business of manufacturing and sale of cotton yarn blended (textile product). The Board of Directors of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is only one reportable segment for the Company.

(w) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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3. Property, Plant and Equipment

Description of assets	Gross carrying amount		Accumulated Depreciation		Net carrying amount		
	Balance as at 1st April, 2023	Disposals/ Additions during the year	Balance as at 1st April, 2023	Depreciation for the year	Balance as at 31st March, 2024	Eliminated on disposals/ adjustments	Balance as at 31st March, 2024
Freehold Land	13.88	0.00	13.88	0.00	0.00	0.00	13.88
Buildings	337.74	0.00	337.74	14.02	188.78	0.00	134.94
Plant and Equipment	2333.61	5.15	2338.76	152.09	1799.61	0.00	387.06
Furniture and Fixtures	7.90	0.82	8.72	0.59	5.85	0.00	2.28
Vehicles	53.70	0.00	53.70	0.85	48.94	0.00	3.91
Office equipment	19.44	0.30	19.74	1.19	16.45	0.00	2.10
Total	2766.27	6.27	2772.54	168.74	2059.63	0.00	544.17

Description of assets	Gross carrying amount		Accumulated Depreciation		Net carrying amount		
	Balance as at 1st April, 2022	Disposals/ Additions during the year	Balance as at 1st April, 2022	Depreciation for the year	Balance as at 31st March, 2023	Eliminated on disposals/ adjustments	Balance as at 31st March, 2023
Freehold Land	13.88	0.00	13.88	0.00	0.00	0.00	13.88
Buildings	337.74	0.00	337.74	15.96	172.82	0.00	148.96
Plant and Equipment	2287.65	45.96	2333.61	230.08	1569.53	0.00	534.00
Furniture and Fixtures	7.12	0.78	7.90	0.49	5.36	0.00	2.05
Vehicles	53.70	0.00	53.70	1.23	47.71	0.00	4.76
Office equipment	18.33	1.11	19.44	1.42	15.03	0.00	2.99
Total	2718.42	47.85	2766.27	249.18	1810.45	0.00	706.64

Notes on Property, Plant and Equipment:

- Refer Note No. 17 and Note No. 20 for details of pledge and securities of property, plant and equipment.
- Borrowing costs capitalised during the year ₹ Nil lakhs (previous year ended 31st March, 2023 ₹ Nil lakhs).
- During the year ended 31st March, 2024 and 31st March, 2023, no impairment indicators existed for any of its assets or Cash Generating Unit (CGU) and accordingly no provision for impairment has been recognised.
- Refer Note no. 2 (f) for option used by the Company to use carrying value of previous GAAP as deemed cost as on 1st April, 2016.
- The title deeds of all the immovable properties held by the Company are in the name of the Company.
- The Company has not revalued its property, plant and equipment during the year ended 31st March, 2024 and 31st March, 2023.

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Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
4. Other financial assets (non-current)*		
Financial assets at amortised cost		
(unsecured considered good, unless otherwise stated)		
Security deposits	29.95	29.95
Deposits with banks having more than twelve months maturity (pledged with banks towards margin against bank guarantees) [refer Note no. 10]	2.12	7.20
Fixed deposit with SIDBI (pledged with SIDBI as collateral security against term loan from SIDBI) [refer Note no. 10]#	75.00	0.00
Interest accrued on fixed deposit with SIDBI	0.08	0.00
Total	107.15	37.15
* Refer Note no. 38		
# The Company has pledged Fixed deposit of ₹ 75.00 lakhs with SIDBI as collateral security against term loan availed by the Company from SIDBI. The said fixed deposit of ₹ 75.00 lakhs has maturity date of 12 months from date of issue of fixed deposit which is subject to further renewal along with interest accrued thereon till the squaring up of term loan from SIDBI.		
5. Deferred tax assets (net)		
Deferred tax assets		
Property, plant and equipment	69.13	63.80
Government grants	0.00	0.35
Total deferred tax assets	69.13	64.15
Deferred tax liabilities	0.00	0.00
Deferred tax assets (net) (refer Note no. 33)	69.13	64.15
Note:		
The Company is confident that the deferred tax assets carried at the end of the year is fully recoverable and there will be sufficient future taxable profits to adjust deferred tax assets arising on account of property, plant and equipment and government grants.		
6. Other non-current assets		
Non Financial assets at amortised cost		
(unsecured considered good, unless otherwise stated)		
Capital advances	104.38	0.00
Advances other than capital advances		
Prepaid expenses	2.03	3.71
Total	106.41	3.71

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Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
7. Inventories		
(valued at lower of cost and net realisable value, unless otherwise stated)		
Raw materials	379.35	461.55
Work-in-progress	207.67	164.41
Finished goods	460.26	350.96
Stores and spares	54.87	61.49
Saleable waste (valued at net realisable value)	0.81	3.68
Total	1102.96	1042.09

Goods-in-transit included in above inventories are as under:

Raw materials	0.00	0.00
Finished goods	0.00	0.00
Store and spares	0.33	0.00

Note:

1. Refer Note No. 20 for charge created on inventories to secure short-term borrowings.
2. The method of valuation of inventories has been stated in Note no. 2 (i).
3. Cost of inventories recognised as an expense includes ₹ Nil lakhs (previous year ended 31st March, 2023 ₹ Nil lakhs) in respect of write-downs of inventory to net realisable value.

8. Trade receivables

Trade receivables - unsecured, considered good	274.74	416.51
Total	274.74	416.51

Note:

1. Refer Note No. 20 for charge created on trade receivables to secure short-term borrowings.
2. No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner or a director or a member.
3. Trade receivables are non interest bearing and are generally on terms of 7 to 120 days of credit period.
4. The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note no. 38.

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Trade Receivables aging schedule:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 6 months	6 months -1 year	1 -2 years	2-3 years	
As at 31st March, 2024							
(A) Undisputed Trade receivables							
(i) Considered good	0.00	262.12	12.62	0.00	0.00	0.00	274.74
(ii) Which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit impaired	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(B) Disputed Trade receivables							
(i) Considered good	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit impaired	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	262.12	12.62	0.00	0.00	0.00	274.74

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 6 months	6 months -1 year	1 -2 years	2-3 years	
As at 31st March, 2023							
(A) Undisputed Trade receivables							
(i) Considered good	0.00	325.94	90.57	0.00	0.00	0.00	416.51
(ii) Which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit impaired	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(B) Disputed Trade receivables							
(i) Considered good	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit impaired	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	325.94	90.57	0.00	0.00	0.00	416.51

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Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
9. Cash and cash equivalents*		
Balances with Banks		
- in current accounts/ debit balance in cash credit account	168.21	22.86
Cash on hand	3.51	3.56
Total	171.72	26.42
* Refer Note no. 38		
10. Bank balances other than cash and cash equivalents*		
Other bank balances		
Deposits with banks having more than twelve months maturity (pledged with banks towards margin against bank guarantees)	2.12	7.20
Fixed deposit with SIDBI (pledged with SIDBI as collateral security against term loan from SIDBI)	75.00	0.00
	77.12	7.20
Less: Amounts disclosed as other financial assets (non-current) [refer Note no. 4]	77.12	7.20
Total	0.00	0.00
* Refer Note no. 38		
11. Other financial assets (current)*		
Financial assets at amortised cost (unsecured considered good, unless otherwise stated)		
Interest receivable	2.01	1.89
Interest subsidy receivable	6.84	6.84
Duty drawback receivable on export	0.00	0.00
RoDTEP receivable on export	29.63	19.30
Total	38.48	28.03
* Refer Note no. 38		
12. Current Tax Assets (Net)		
Advance income tax (net of provision for current tax)	2.13	9.00
Total	2.13	9.00

HISAR SPINNING MILLS LIMITED

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
13. Other current assets		
(unsecured considered good, unless otherwise stated)		
Advances to suppliers of goods and services	42.79	2.85
Other advances	1.39	1.50
Balances with Indirect Tax Authorities (taxes and duties recoverable/ refundable)	217.81	269.33
Taxes and duties deposited under protest	3.98	3.98
Prepaid expenses	3.45	3.43
Total	269.42	281.09
14. Assets classified as held for sale		
Property, plant and equipment held for sale	0.00	1.25
Total	0.00	1.25

Note:

1. During the year, the Company has sold property, plant and equipment held for sale with carrying amount of ₹ 1.25 lakhs (previous year ₹ 3.69 lakhs) for ₹ 1.30 lakhs (previous year ₹ 3.90 lakhs). The resultant gain of ₹ 0.05 lakhs (previous year ₹ 0.21 lakhs) has been disclosed in statement of profit and loss under Other Income.

HISAR SPINNING MILLS LIMITED

Particulars	₹ in lakhs			
	As at 31st March, 2024		As at 31st March, 2023	
15. Equity Share capital				
	Number of shares	Amount	Number of shares	Amount
Authorised share capital:				
Equity shares of ₹ 10/- each	8000000	800.00	8000000	800.00
Preference shares of ₹ 10/- each	2000000	200.00	2000000	200.00
Total		1000.00		1000.00
Issued share capital:				
Equity shares of ₹ 10/- each	3735000	373.50	3735000	373.50
Total	3735000	373.50	3735000	373.50
Subscribed and fully paid up share capital:				
Equity shares of ₹ 10/- each	3735000	373.50	3735000	373.50
Total	3735000	373.50	3735000	373.50

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Equity shares of ₹ 10/- each:

Particulars	Number of shares	Amount	Number of shares	Amount
Number of shares and amount at the beginning of the year	3735000	373.50	3735000	373.50
Change in number of shares and amount during the year	-	-	-	-
Number of shares and amount at the end of the year	3735000	373.50	3735000	373.50

(b) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

Equity shares: The Company has one class of equity shares having a par value of ₹ 10/- per share. Upon a show of hands every member holding equity shares and entitled to vote and present in person shall have one vote; and upon a poll the voting right of every member holding equity shares and entitled to vote and present in person or by proxy shall be in the same proportion as the capital paid on the equity share or shares (whether fully paid or partly paid up) held by him bears to the total paid up equity capital of the Company. The dividend, if any, proposed by the Board shall be subject to the approval of the shareholders except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate:

There are no holding or ultimate holding company of the Company.

(d) Shareholders holding more than 5% shares of the Company:

Equity shares of ₹ 10/- each:

Name of the shareholder	Number of shares	%age	Number of shares	%age
Sharad Goel	205000	5.49%	148100	3.97%

HISAR SPINNING MILLS LIMITED

(e) The Company has not issued any equity shares as bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding 31st March, 2024.

(f) Details of shares held by promoters at the end of the year:

Equity shares of ₹ 10/- each

Promoter Name	As at 31st March, 2024			As at 31st March, 2023		
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year
Anurag Gupta	184250	4.93%	0.00%	184250	4.93%	0.00%
Anuj Gupta	181683	4.86%	0.00%	181683	4.86%	0.00%
Mohan Lal Kansal	163867	4.39%	0.00%	163867	4.39%	0.00%
Nikhil Goel	160400	4.30%	0.00%	160400	4.30%	0.00%
Sharad Goel	205000	5.49%	1.52%	148100	3.97%	0.00%
Ankit Goel	146190	3.91%	0.00%	146190	3.91%	0.00%
Gopal Krishan Gupta	115000	3.08%	0.00%	115000	3.08%	0.00%
Gulab Singh Goel	97600	2.61%	0.00%	97600	2.61%	0.00%
Usha Rani Gupta	75000	2.01%	0.00%	75000	2.01%	0.00%
Sapna Kansal	63100	1.69%	0.00%	63100	1.69%	0.00%
Sharda Kansal	60000	1.61%	0.00%	60000	1.61%	0.00%
Sunita Goel	0	0.00%	-1.52%	56900	1.52%	0.00%
Shashi Bhushan Gupta	54650	1.46%	0.00%	54650	1.46%	0.00%
Ashwani Kumar	52950	1.42%	0.00%	52950	1.42%	0.00%
Davinder Kumar Goel	45000	1.21%	0.00%	45000	1.21%	0.00%
Hari Kishan Goyal	40400	1.08%	0.00%	40400	1.08%	0.00%
G S Goel HUF	27940	0.75%	0.00%	27940	0.75%	0.00%
Sharat G Goel	26540	0.71%	0.00%	26540	0.71%	-0.03%
Gopal Anuj HUF	25000	0.67%	0.00%	25000	0.67%	0.00%
Gopal Anurag HUF	25000	0.67%	0.00%	25000	0.67%	0.00%
Arun Goel	25000	0.67%	0.00%	25000	0.67%	0.00%
Naveen Kansal	22200	0.59%	0.00%	22200	0.59%	0.00%
Tarun Goel	19100	0.51%	0.00%	19100	0.51%	0.00%
Manju Goel	15100	0.40%	0.00%	15100	0.40%	0.00%
Shruti Goel	11000	0.30%	0.00%	11000	0.30%	0.00%
Bindu Goel	10000	0.27%	0.00%	10000	0.27%	0.00%
Ritesh Goel	9300	0.25%	0.00%	9300	0.25%	0.00%
Shilpa Garg	8700	0.23%	0.00%	8700	0.23%	0.00%
Anju Gupta	7700	0.21%	0.00%	7700	0.21%	0.00%
Megha Goel	7200	0.19%	0.00%	7200	0.19%	0.00%
Total	1884870	50.46%	0.00%	1884870	50.46%	-0.03%

HISAR SPINNING MILLS LIMITED

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
16. Other Equity		
(a) Equity component of compound financial instruments		
Balance at the beginning of the year	17.55	17.55
Additions/ deductions during the year	0.00	0.00
Balance at the end of the year	17.55	17.55
(b) Capital redemption reserve		
Balance at the beginning of the year	65.00	65.00
Additions/ deductions during the year	0.00	0.00
Balance at the end of the year	65.00	65.00
(c) Retained earnings		
Balance at the beginning of the year	1567.95	1234.94
Profit for the year	201.91	331.13
Total Other comprehensive income for the year, net of tax	0.46	1.88
Total comprehensive income for the year	202.37	333.01
Balance at the end of the year	1770.32	1567.95
Total	1852.87	1650.50

Nature and purpose of reserves/ other equity:

(a) Equity component of redeemable preference shares: Under previous GAAP, 5% redeemable non-cumulative preference shares of ₹ 65.00 Lakhs were classified as part of total equity. However, under Ind AS the non-cumulative redeemable preference shares are compound financial instruments, where the liability component outstanding at the date of transition is bifurcated by first valuing the debt component with the residual being equity. The liability component is determined as the present value of the eventual redemption amount of ₹ 65.00 Lakhs of preference shares, discounted at the rate at which the Company could issue a similar instrument with a similar credit standing but without the feature of discretionary dividends during its life. At the transition date i.e., 01.04.2016, 5% redeemable non-cumulative preference shares of ₹ 65.00 Lakhs were bifurcated into liability component amounting to ₹ 21.95 Lakhs and the residual ₹ 43.05 Lakhs being equity. The preference shares of ₹ 65.00 Lakhs were redeemed at a pre-mature date during the financial year 2018-19. At the time of pre-mature redemption of 5% redeemable non-cumulative preference shares of ₹ 65.00 Lakhs during the financial year 2018-19, an amount of ₹ 25.50 Lakhs were allocated from equity component of compound financial instrument and residual ₹ 39.50 Lakhs from the liability component by taking the fair value of compound financial instrument at the time of its redemption. After allocation of ₹ 25.50 Lakhs from equity component of compound financial instrument at the time of its redemption, balance amount of ₹ 17.55 Lakhs is outstanding as on the Balance Sheet date.

(b) Capital redemption reserve: Capital redemption reserve has been created pursuant to the provisions of Section 55 of the Companies Act, 2013 on account of redemption of preference shares out of the profits of the Company.

(c) Retained earnings: Retained earnings are the profit that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

Remeasurements of the defined benefit plans which are the part of retained earnings represents the following as per Ind AS 19, Employee Benefits:

- (i) actuarial gains and losses;
- (ii) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- (ii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

HISAR SPINNING MILLS LIMITED

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
17. Borrowings (non-current)*		
Secured - at amortised cost		
Term loan from bank#	0.00	0.00
Term loans from financial institution#	203.17	185.75
Total	203.17	185.75

(a) Nature of security and guarantee by directors or others:

Term loan from bank:

Term loan from Punjab National Bank is secured by:

A. Primary Security:

(i) Hypothecation of machinery, other assets and equipments purchased with the bank loan.

B. Collateral Security:

(i) First charge on all the existing (except assets financed by SIDBI) and future block assets of the Company.

(ii) Extension of first pari passu charge with SIDBI by way of equitable mortgage of factory land measuring 34 kanals and 14 marlas and building constructed thereon (20993.5 sq. yards) located at 9th KM Stone, Hisar Bhiwani Road, VPO Dabra, Hisar, Haryana.

Term loan from Punjab National Bank is further covered by irrevocable and unconditional personal guarantee of the directors of the Company namely Sh. Anurag Gupta, Smt. Sapna Kansal and Sh. Nikhil Goel.

Term loans from financial institution:

Term loans from financial institution i.e., Small Industries Development Bank of India (SIDBI) are secured by:

A. Primary Security:

(i) First charge by way of hypothecation in favour of SIDBI on all the movables of the borrower including plant and machinery, equipment, miscellaneous fixed assets, machinery spares, tools and accessories etc. acquired/ to be acquired under the project.

B. Collateral Security:

(i) First charge by way of hypothecation in favour of SIDBI of the entire movables of the borrower including plant, equipment, machinery, machinery spares, miscellaneous fixed assets, tools, accessories, furniture, fixtures, computers etc. which have already been charged to SIDBI for earlier assistances.

(ii) Extension of first pari passu charge with Punjab National Bank by way of equitable mortgage of factory land measuring 34 kanals and 14 marlas and building constructed thereon (20993.5 sq. yards) located at 9th KM Stone, Hisar Bhiwani Road, VPO Dabra, Hisar, Haryana.

(iii) Term loan from financial institution with sanctioned amount of ₹ 445.00 Lakhs is further guaranteed under Partial Risk Sharing Facility for Energy Efficiency for not less than 75% of term loan.

(iv) Term loan from financial institution with sanctioned amount of ₹ 300.00 Lakhs is further secured by pledge of fixed deposit of ₹ 75.00 lakhs held with SIDBI.

Term loans from financial institution are further covered by irrevocable and unconditional personal guarantee of the director of the Company namely Sh. Anurag Gupta (Managing Director of the Company), Smt. Sapna Kansal, Sh. Nikhil Goel and Chief Executive Officer of the Company namely Sh. Naveen Kansal.

HISAR SPINNING MILLS LIMITED

(b) Terms of repayment:

Term loan from bank:

Term loan of ₹ 54.51 Lakhs from Punjab National Bank was repayable in 60 monthly instalments of ₹ 0.91 Lakh each commencing with effect from April 2019 and has been squared off during the financial year 2023-24. Rate of interest was 9.45% p.a. as at 31st March, 2023.

Year wise repayment schedule	₹ in lakhs	
	2022-23	2023-24
Term loan from bank	10.90	9.76

Term loans from financial institution:

Term loan with sanctioned amount of ₹ 445.00 Lakhs (disbursed ₹ 353.75 Lakhs) is repayable in 54 monthly instalments as per original sanctioned amount comprising of first 53 monthly instalments of ₹ 8.24 Lakhs each and last instalment of ₹ 8.23 Lakhs commencing after a moratorium of 6 months from the date of first disbursement of the loan during February 2022. As the availment in the term loan account is ₹ 353.75 Lakhs only, the said term loan is repayable in first 45 monthly instalments of ₹ 8.24 Lakhs each and last instalment of ₹ 2.95 Lakhs with effect from August 2022. Further, the repayment schedule has been revised as first 13 monthly instalments of ₹ 8.24 Lakhs each, next 40 instalment of ₹ 6.02 Lakh each and last instalment of ₹ 5.98 Lakhs with effect from September 2023. Rate of interest @ 8.35% p.a. as at 31st March, 2024 and @ 8.35% p.a. as at 31st March, 2023.

Year wise repayment schedule	₹ in lakhs		
	2022-23	2023-24	2024-25
Term loans from financial institution	65.93	83.32	72.19
	72.19	60.12	

Term loan with sanctioned amount of ₹ 300.00 Lakhs (availed ₹ 107.35 Lakhs upto 31st March, 2024) is repayable in 54 monthly instalments as per original sanctioned amount comprising of first 53 monthly instalments of ₹ 5.56 Lakhs each and last instalment of ₹ 5.32 Lakhs commencing after a moratorium of 6 months from the date of first disbursement of the loan during March 2024. Rate of interest @ 7.70 % p.a. as at 31st March, 2024.

Year wise repayment schedule	₹ in lakhs		
	2024-25	2025-26	2026-27
Term loans from financial institution	33.36	66.72	66.72
	66.72	66.48	

(c) The Company has not defaulted in repayment of borrowings and interest thereon during the reporting years. Further, there have been no breach of covenants mentioned in the loan agreements during the reporting years.

(#) For the current maturities of long-term borrowings, refer Note no. 20 Borrowings (current).

* Refer Note no. 38

HISAR SPINNING MILLS LIMITED

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
18. Other financial liabilities (non-current)*		
Financial liabilities at amortised cost		
Other interest accrued but not due	0.00	1.41
Total	0.00	1.41
* Refer Note no. 38		
19. Other non-current liabilities		
Deferred revenue - Government grant (refer note below)	0.15	9.43
Total	0.15	9.43
Note:		
Under the Export Promotion Capital Goods (EPCG) Scheme, the Company received Government grant for the purchase of certain items of property, plant and equipment and stores and spare parts. As per the EPCG scheme the Company has an obligation to export up to 6 times of grant amount. As and when the Company fulfils the export obligation, proportionate grant is released to the Statement of Profit and Loss (refer Note no. 36).		
Government grant relating to EPCG Scheme		
<u>Opening Government grant relating to EPCG Scheme</u>		
Current liability	0.00	0.00
Non-Current liability	9.27	89.49
Sub-total (a)	9.27	89.49
Released to the Statement of Profit and Loss	17.90	97.04
Sub-total (b)	17.90	97.04
Received during the year (c)	8.63	16.81
Closing Government grant relating to EPCG Scheme (a-b+c)	0.00	9.27
<u>Bifurcation of closing Government grant relating to EPCG Scheme</u>		
Current liability	0.00	0.00
Non-Current liability	0.00	9.27
Total	0.00	9.27
Other Government grants - non-current	0.15	0.16
Total deferred revenue - Government grant	0.15	9.43

HISAR SPINNING MILLS LIMITED

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
20. Borrowings (current)*		
Secured - at amortised cost		
Loans repayable on demand from bank		
Working capital borrowings	0.00	0.00
Current maturities of long-term borrowings		
Current maturities of long-term borrowings (refer Note no. 17)	105.55	108.62
Total	105.55	108.62

Note:

Nature of security and guarantee by directors or others:

Loans repayable on demand from banks (working capital borrowings) having sanctioned amount of ₹ 300.00 Lakhs (previous year ₹ 300.00 Lakhs) is secured by:

A. Primary Security:

(i) Hypothecation of stock (raw materials, work in progress, finished goods) and book debts of the Company.

(ii) Hypothecation of other chargeable current assets (both present and future) of the Company.

B. Collateral Security:

(i) First charge ranking pari passu with Small Industries Development Bank of India (SIDBI) by way of equitable mortgage of factory land measuring 34 kanals and 14 marlas and building constructed thereon measuring 20993.50 sq. yards located at 9th KM Stone, Hisar Bhiwani Road, VPO Dabra, Hisar, Haryana owned by the Company.

Loans repayable on demand from banks (working capital borrowings) are further covered by irrevocable and unconditional personal guarantee of the directors of the Company namely Sh. Anurag Gupta, Smt. Sapna Kansal and Sh. Nikhil Goel.

* Refer Note no. 38

21. Trade payables*

(a) total outstanding dues of micro enterprises and small enterprises (refer Note no. 35)	2.54	90.31
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	54.84	105.99
Total	57.38	196.30

* Refer Note no. 38

HISAR SPINNING MILLS LIMITED

Trade Payables ageing schedule:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment*			Total
			Less than 1 year			
			1-2 years	2-3 years	More than 3 years	
As at 31st March, 2024						
(A) Undisputed Trade payables						
(i) Micro Enterprises and Small Enterprises	0.00	2.54	0.00	0.00	0.00	2.54
(ii) Creditors other than micro enterprises and small enterprises	0.00	47.44	7.03	0.37	0.00	54.84
(B) Disputed Trade payables						
(i) Micro Enterprises and Small Enterprises	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Creditors other than micro enterprises and small enterprises	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	49.98	7.03	0.37	0.00	57.38

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment*			Total
			Less than 1 year			
			1-2 years	2-3 years	More than 3 years	
As at 31st March, 2023						
(A) Undisputed Trade payables						
(i) Micro enterprises and Small Enterprises	0.00	90.31	0.00	0.00	0.00	90.31
(ii) Creditors other than micro enterprises and small enterprises	0.00	99.57	6.42	0.00	0.00	105.99
(B) Disputed Trade payables						
(i) Micro enterprises and Small Enterprises	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Creditors other than micro enterprises and small enterprises	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	189.88	6.42	0.00	0.00	196.30

*In case, if the due date of payment is neither agreed in writing nor oral, then the disclosure has been made from the date of transaction.

HISAR SPINNING MILLS LIMITED

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
22. Other financial liabilities (current)*		
Financial liabilities at amortised cost		
Interest accrued but not due on borrowings	1.12	1.45
Employees liabilities	22.38	20.12
Accrued expenses	44.42	43.46
Total	67.92	65.03
* Refer Note no. 38		
23. Other current liabilities		
Advances from customers	13.37	15.53
Statutory remittances	6.36	6.53
Deferred revenue - Government grant	0.01	0.01
Other liabilities	0.00	0.04
Total	19.74	22.11
Note:		
(a) Advances from customers is recognised when payment is received before the related performance is satisfied.		
(b) Statutory remittances includes contribution to provident fund and employee state insurance corporation, tax deducted at source, tax collected at source, goods and services tax etc.		
24. Provisions (current)		
Provision for employee benefits - gratuity (refer Note no. 39)	6.03	3.39
Total	6.03	3.39

HISAR SPINNING MILLS LIMITED

Particulars	₹ in lakhs	
	Year ended 31st March, 2024	Year ended 31st March, 2023
25. Revenue From operations		
Sale of products		
Manufactured goods	4129.97	4513.87
Total sale of products (a)	4129.97	4513.87
Other operating revenues		
Sale of waste	33.92	24.61
Sale of scrap	1.09	3.04
Government grants relating to EPCG Scheme (refer Note No. 19)	17.90	97.04
Export benefits (see note below)	15.28	30.59
Total Other operating revenues (b)	68.19	155.28
Total Revenue From operations (a) + (b)	4198.16	4669.15

Note:

1. Ind AS 115 'Revenue from Contracts with customers' outlines a single comprehensive control based model for revenue recognition. The Company had not applied any significant judgements in applying the revenue recognition criteria. The disclosure requirements as per Ind AS 115 given below:-

Analysis of the Company's revenue from its products and sale of waste/ scrap:

Sale of products		
Sale of manufactured goods	4129.97	4513.87
Other operating revenues		
Sale of waste	33.92	24.61
Sale of scrap	1.09	3.04
Total revenue from contracts with customers	4164.98	4541.52

Geographic information

India	3879.96	3855.42
Outside India	285.02	686.10
Total revenue from contracts with customers	4164.98	4541.52

The following is analysis on the Companies revenue disaggregates on the basis of timing of revenue recognition:

Goods transferred at a point in time	4164.98	4541.52
Over the period	0.00	0.00
Total revenue from contracts with customers	4164.98	4541.52

Major Product lines for manufactured goods

Cotton yarn blended	4129.97	4513.87
	4129.97	4513.87

2. Export benefits are in the nature of Government grants covering following benefits:

Duty drawback benefits	4.95	9.26
RoDTEP benefits	10.33	21.33

HISAR SPINNING MILLS LIMITED

Particulars	₹ in lakhs	
	Year ended 31st March, 2024	Year ended 31st March, 2023
26. Other Income		
Interest income		
- on bank deposits (at amortised cost)	0.11	0.66
- on other financial assets (at amortised cost)	2.10	1.03
Other non-operating income (net of expenses directly attributable to such income)		
Net gain on foreign currency transactions and translation	2.52	7.59
Government grant relating to property, plant and equipment	0.01	0.03
Provision for interest written back (see note below)	1.41	1.16
Net gain on disposal of property, plant and equipment	0.05	0.21
Miscellaneous income	0.00	0.19
Total	6.20	10.87

Note:

Provision towards interest on expected unfulfillment of export obligation amounting to ₹ 1.41 lakhs (previous year ended 31st March, 2023 - ₹ 1.16 lakhs) has been written back.

HISAR SPINNING MILLS LIMITED

Particulars	₹ in lakhs	
	Year ended 31st March, 2024	Year ended 31st March, 2023
27. Cost of materials consumed		
<u>Cost of raw materials consumed</u>		
Opening stock of raw materials	461.55	467.26
Add: Purchases of raw materials	2448.95	2480.60
	<u>2910.50</u>	<u>2947.86</u>
Less :		
Closing stock of raw materials	379.35	461.55
Cost of materials consumed - Total (refer note below)	<u>2531.15</u>	<u>2486.31</u>
Note:		
Cost of materials consumed comprises:		
Textile waste	1239.64	970.87
Polyester staple fiber	631.10	775.71
Cotton waste	660.41	739.73
Others	0.00	0.00
Total	<u>2531.15</u>	<u>2486.31</u>
28. Changes in inventories of finished goods and work-in-progress		
Closing inventories		
Finished goods	460.26	350.96
Saleable waste	0.81	3.68
Work-in-progress	207.67	164.41
	<u>668.74</u>	<u>519.05</u>
Opening inventories		
Finished goods	350.96	266.71
Saleable waste	3.68	2.22
Work-in-progress	164.41	281.78
	<u>519.05</u>	<u>550.71</u>
(-) Increase/ decrease in inventories of finished goods and work-in-progress		
Finished goods	-109.30	-84.25
Saleable waste	2.87	-1.46
Work-in-progress	-43.26	117.37
Changes in inventories of finished goods and work-in-progress - total	<u>-149.69</u>	<u>31.66</u>

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Particulars	₹ in lakhs	
	Year ended 31st March, 2024	Year ended 31st March, 2023
29. Employee benefits expense		
Salaries, wages, bonus, etc.	310.78	281.33
Contribution to provident and other funds (refer Note no. 39)	15.92	13.91
Gratuity expenses (refer Note no. 39)	6.83	5.90
Staff welfare expenses	0.31	0.22
Total	333.84	301.36
30. Finance costs		
Interest expense	22.99	30.23
Interest paid on shortfall in payment of advance income tax	0.00	0.00
Other borrowing costs	0.68	0.76
Total	23.67	30.99
31. Depreciation expense		
Depreciation on property, plant and equipment (refer note no. 3)	168.74	249.18
Total	168.74	249.18
32. Other expenses		
Consumption of stores and spares	167.63	203.29
Packing material consumed	31.59	39.02
Diesel consumed	161.35	184.12
Power expenses	494.98	461.63
Contract labour charges	64.49	58.19
Repair and maintenance		
- Machinery	14.71	12.54
- Buildings	4.85	3.82
Insurance charges	9.29	9.47
Fees and subscription	5.39	5.32
<u>Auditor's remuneration</u>		
- Audit fees	2.50	2.50
- Tax audit fees	0.40	0.40
- Limited reviews and certification fees	0.60	0.60
Legal and professional charges	6.89	11.15
Fair value loss on financial instruments at FVTPL	0.00	0.00
Freight and cartage outward	19.33	121.44
Clearing and forwarding charges (export)	5.74	12.50
Commission on sale	0.55	6.31
Corporate social responsibility expenses	6.87	0.00
Miscellaneous expenses (refer note below)	18.76	24.61
Total	1015.92	1156.91

Note:

Miscellaneous expenses does not include any item of expenditure with a value of more than 1% of the revenue from operations.

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33. Tax Expense:

A. Movement in deferred tax balances: ₹ in lakhs

Particulars	As at 1st April, 2023	Recognised in profit or loss	Recognised in OCI	As at 31st March, 2024
Deferred tax assets				
Property, plant and equipment	63.80	5.33	0.00	69.13
Government grants	0.35	-0.35	0.00	0.00
Total deferred tax assets (a)	64.15	4.98	0.00	69.13
Deferred tax liabilities (b)	0.00	0.00	0.00	0.00
Deferred tax assets (net) (a-b)	64.15	4.98	0.00	69.13

₹ in lakhs

Particulars	As at 1st April, 2022	Recognised in profit or loss	Recognised in OCI	As at 31st March, 2023
Deferred tax assets				
Property, plant and equipment	46.87	16.93	0.00	63.80
Government grants	0.65	-0.30	0.00	0.35
Total deferred tax assets (a)	47.52	16.63	0.00	64.15
Deferred tax liabilities (b)	0.00	0.00	0.00	0.00
Deferred tax assets (net) (a-b)	47.52	16.63	0.00	64.15

Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

B. Tax expense recognised in the Statement of Profit and Loss: ₹ in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Current tax expense		
Current tax	81.22	109.11
	81.22	109.11
Current tax relating to earlier years	2.58	0.00
	2.58	0.00
Deferred tax expense		
Origination and reversal of temporary differences	-4.98	-16.63
	-4.98	-16.63
Total tax expense	78.82	92.48

C. Amounts recognised in Other Comprehensive Income/ (-) Expense: ₹ in lakhs

Particulars	Year ended 31st March, 2024			Year ended 31st March, 2023		
	Before tax	Tax Expense(-)/ Income	Net of tax	Before tax	Tax Expense(-)/ Income	Net of tax
Remeasurements of the defined benefit plans	0.61	-0.15	0.46	2.51	-0.63	1.88
	0.61	-0.15	0.46	2.51	-0.63	1.88

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D. Reconciliation of effective tax rate:		₹ in lakhs	
Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023	
Profit before tax	280.73	423.61	
Company's Indian domestic tax rate	25.1680%	25.1680%	
Tax using the Company's Indian domestic tax rate	70.65	106.61	
Tax effect of :			
Current tax relating to earlier years	2.58	0.00	
Property, plant and equipment	5.75	9.36	
Government grants	-4.51	-24.43	
Others	4.35	0.94	
Tax expenses reported in the Statement of Profit and Loss	78.82	92.48	
Effective tax rate	28.0770%	21.8310%	

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Particulars	₹ in lakhs	
	Year ended 31st March, 2024	Year ended 31st March, 2023
34. Earnings per equity share (EPS)		
The calculation of Earnings Per Share (EPS) as disclosed in the Statement of Profit and Loss has been made in accordance with Indian Accounting Standard (Ind AS) - 33 on "Earnings Per Share".		
A statement on calculation of EPS is as under:		
Profit for the year	201.91	331.13
Total (a)	201.91	331.13
Weighted average number of equity shares of ₹ 10/- each	3735000	3735000
Total (b)	3735000	3735000
Basic EPS (₹) (a/b)	5.41	8.87
Diluted EPS (₹) (a/b)	5.41	8.87

Note:

There are no potential equity shares.

35. Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
(a) (i) The principal amount remaining unpaid to any supplier at the end of each accounting year	2.54	90.31
(ii) Interest due thereon remaining unpaid to any supplier at the end of each accounting year	0.00	0.00
(b) The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	0.00	0.00
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	0.00	0.00
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.00	0.00
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.	0.00	0.00
	2.54	90.31

The above information as required under MSMED Act has been determined to the extent such parties have been identified on the basis of the information available with the Company.

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Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
36. Contingent Liabilities and Commitments (to the extent not provided for):-		
(a) Contingent Liabilities:		
(i) Claims against the Company not acknowledged as debts:		
- Value Added Tax/ Central Sales Tax matters in dispute/under appeal	3.98	3.98
(ii) Outstanding counter guarantees issued to Punjab National Bank in respect of the guarantees issued by the said bank in favour of various government authorities	4.60	22.20
(iii) The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette on 29th September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any, of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed thereunder are published.	Amount not determinable	Amount not determinable
Total	8.58	26.18
(b) Commitments:		
(i) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	155.11	0.00
(ii) Other commitments		
Export obligation outstanding at year end in respect of import of capital goods and spare parts under the Export promotion capital goods scheme, of the Government of India, at concessional rates of duty on an undertaking to fulfil quantified exports in the future years.	0.00	58.20
Total	155.11	58.20

37. No amount of dividend has been proposed to be distributed to the equity shareholders for the year.

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38. Financial instruments - Fair values and Risk management

The material accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, and financial liability are disclosed in Notes no. 2(p) and 2(q) to the financial statements.

A. Accounting classifications and fair values

The following tables shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31st March, 2024	Carrying Value			Fair Value Hierarchy		
	FVTPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
₹ in lakhs						
Financial assets						
Trade receivables (refer Note no. 8)	0.00	0.00	274.74	0.00	274.74	0.00
Cash and cash equivalents (refer Note no. 9)	0.00	0.00	171.72	0.00	171.72	0.00
Other financial assets (refer Note no. 4 and 11)	0.00	0.00	145.63	0.00	145.63	0.00
	0.00	0.00	592.09	0.00	592.09	0.00
Financial liabilities						
Borrowings (refer Note no. 17 and 20)	0.00	0.00	308.72	0.00	308.72	0.00
Trade payables (refer Note no. 21)	0.00	0.00	57.38	0.00	57.38	0.00
Other financial liabilities (refer Note no 18 and 22)	0.00	0.00	67.92	0.00	67.92	0.00
	0.00	0.00	434.02	0.00	434.02	0.00

As at 31st March, 2023	Carrying Value			Fair Value Hierarchy		
	FVTPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
₹ in lakhs						
Financial assets						
Trade receivables (refer Note no. 8)	0.00	0.00	416.51	0.00	416.51	0.00
Cash and cash equivalents (refer Note no. 9)	0.00	0.00	26.42	0.00	26.42	0.00
Other financial assets (refer Note no. 4 and 11)	0.00	0.00	65.18	0.00	65.18	0.00
	0.00	0.00	508.11	0.00	508.11	0.00
Financial liabilities						
Borrowings (refer Note no. 17 and 20)	0.00	0.00	294.37	0.00	294.37	0.00
Trade payables (refer Note no. 21)	0.00	0.00	196.30	0.00	196.30	0.00
Other financial liabilities (refer Note no 18 and 22)	0.00	0.00	66.44	0.00	66.44	0.00
	0.00	0.00	557.11	0.00	557.11	0.00

Notes :

1. The amortised cost of all financial assets and liabilities approximate to the fair values on the respective reporting dates.
2. There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31st March, 2024 and 31st March, 2023.

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B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the processes to ensure that executive management controls risks through the mechanism of properly defined risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board regularly to reflect changes in market conditions and the Company's activities. The Company, through its policies and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amounts of financial assets represent the maximum credit risk exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed monthly basis. Any sales exceeding those limits require approval from the Company's management.

Most of the Company's customers have been transacting with the Company from past few years, and most of these customers' balances are not credit-impaired at the reporting date except in few cases reported. Identifying concentrations of credit risk requires judgement in the light of specific circumstances. The Company monitors ageing of its trade receivables regularly and based on the same takes corrective action. Trade receivables having ageing more than 180 days is monitored individually and loss allowance is created based on such assessment.

The carrying amount (net of loss allowances) of trade receivables is 31st March, 2024 ₹ 274.74 Lakhs and 31st March, 2023 ₹ 416.51 Lakhs.

A summary of the Company's exposure to credit risk for trade receivables based on the ageing is as follows:

Ageing of receivable	As at 31st March, 2024		As at 31st March, 2023	
	Gross Carrying amount	Expected Credit loss	Gross Carrying amount	Expected Credit loss
Less than 180 days	274.74	0.00	416.51	0.00
More than 180 days	0.00	0.00	0.00	0.00

During the year, the Company has made no write-offs of trade receivables.

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Reconciliation of loss allowance provision - Trade receivables

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	0.00	0.00
Change in loss	0.00	0.00
Closing balance	<u>0.00</u>	<u>0.00</u>

The following table gives details in respect of revenues generated from top customer and top 5 customers:

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
Revenue from top customer from whom the Company receives 10% or more of its revenues	1949.47	1811.27
% of Revenue from top customer from whom the Company receives 10% or more of its revenues	47.20	40.13
Revenue from top 5 customers	2840.81	2654.69
% of total sales of products from top 5 customers	68.79	58.81

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when liabilities are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of fund through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit line.

Liquidity risk is managed by adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities

(a) Financing

The Company have access to the following undrawn borrowing facilities as at reporting date:

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
Floating rate		
Working capital borrowings	300.00	300.00
Term loan	192.65	91.25

The credit limit facilities may be drawn at any time and may be terminated by the bank without notice

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(b) The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments:

As at 31st March, 2024	₹ in lakhs				
	On Demand	Less than 1 year	1-5 Year	More than 5 years	Total
Financial liabilities					
Non current Borrowings	0.00	105.55	203.17	0.00	308.72
- Term loans from banks and financial institution [including interest and current maturities of long-term borrowings] (Refer Note no. 17 and 20)					
Borrowings [current] (Refer Note no. 20)	0.00	0.00	0.00	0.00	0.00
Trade payables (Refer Note no. 21)	0.00	57.38	0.00	0.00	57.38
Other Financial liabilities (Refer Note no. 18 and 22)	0.00	66.80	0.00	0.00	66.80
Total	0.00	229.73	203.17	0.00	432.90

As at 31st March, 2023	₹ in lakhs				
	On Demand	Less than 1 year	1-5 Year	More than 5 years	Total
Financial liabilities					
Non current Borrowings	0.00	108.62	185.75	0.00	294.37
- Term loans from banks and financial institution [including interest and current maturities of long-term borrowings] (Refer Note no. 17 and 20)					
Borrowings [current] (Refer Note no. 20)	0.00	0.00	0.00	0.00	0.00
Trade payables (Refer Note no. 21)	0.00	196.30	0.00	0.00	196.30
Other Financial liabilities (Refer Note no. 18 and 22)	0.00	63.58	1.41	0.00	64.99
Total	0.00	368.50	187.16	0.00	555.66

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated. The currencies in which these transactions are primarily denominated are USD, GBP and Euro. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Exposure to

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows:

As at 31st March, 2024	Currency	Amount in foreign currency	Exchange rate (In absolute ₹)	Unhedged amount (₹ In Lakhs)
Trade payable	EUR	0.00	0.00	0.00
Trade payable	USD	0.00	0.00	0.00
Trade receivable	EUR	0.00	0.00	0.00
Trade receivable	USD	0.00	0.00	0.00
Net exposure in respect of recognised assets and liabilities				0.00

As at 31st March, 2023	Currency	Amount in foreign currency	Exchange rate (In absolute ₹)	Unhedged amount (₹ In Lakhs)
Trade payable	EUR	0	0.00	0.00
Trade payable	USD	0	0.00	0.00
Trade receivable	EUR	0	0.00	0.00
Trade receivable	USD	0	0.00	0.00
Net exposure in respect of recognised assets and liabilities				0.00

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR, EUR, USD and GBP against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact of forecast sales and purchases.

Currency	Movement in foreign Currency	As at 31st March, 2024		As at 31st March, 2023	
		Increase in profit	Decrease in profit	Increase in profit	Decrease in profit
EUR	5% movement	0.00	0.00	0.00	0.00
USD	5% movement	0.00	0.00	0.00	0.00

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates. The Company's exposure to the risk due to changes in interest rates relates primarily to the Company's short-term and long-term borrowings with floating interest rates.

The Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Below is the overall exposure of the Company to interest rate risk:

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
Variable rate borrowings	308.72	294.37
Total Borrowings	308.72	294.37

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Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
Interest rates – increase by 100 basis points	-3.09	-2.94
Interest rates – decrease by 100 basis points	3.09	2.94

Note: If the rate is decreased by 1% profit will increase by an equal amount.

- Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting year.

C. Capital Management

The Company manages its capital to ensure the Company's ability to continue as going concern and to create value for shareholders by facilitating the meeting of long term and short term goals of the Company. The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as net debt-to-equity ratio. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings. Net debt includes interest bearing borrowings less cash and cash equivalents and other bank balances.

The Company's net debt-to-equity ratio was as follows:

The table below summarises the capital, net debt and net debt-to-equity ratio (Gearing ratio) of the Company:

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
Debt (Refer Note no. 17 and 20)	308.72	294.37
Less: Cash and cash equivalents (Refer Note no. 9)	171.72	26.42
Net debt	137.00	267.95
Total equity (Refer Note no. 15 and 16)	2226.37	2024.00
Net debt-to-equity ratio	0.06	0.13

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39. Employee benefits

A. Defined Contribution Plans

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss for defined contribution plans:

Particulars	₹ in lakhs	
	Year ended 31st March, 2024	Year ended 31st March, 2023
Contribution to Provident fund	12.35	10.80
Contribution to Employee state insurance	3.08	2.70
Contribution to other funds (Labour welfare fund)	0.49	0.41
Total	15.92	13.91

The expenses incurred on account of the above defined contribution plans have been included in Note no. 29 "Employee benefits expense" under the head "Contribution to provident and other funds".

B. Defined Benefit Plans

Gratuity

The Company provides for gratuity for its employees in India as per the Payment of Gratuity Act, 1972 (as amended). Employees in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of completed years of service. Gratuity liability is being contributed to Group Gratuity cum Life Assurance Schemes administered by the Life Insurance Corporation of India. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. The measurement date used for determining retirement benefits for gratuity is 31st March.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk:

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest rate risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity risk:

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan is calculated with reference to the future salaries of participants under the plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

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The following table summarizes the components of net defined benefit expense towards gratuity recognised in the Statement of Profit and Loss and Other Comprehensive Income and the funded status and amounts recognised in the Balance Sheet.

I Changes in the present value of defined benefit obligation

Particulars	₹ in lakhs	
	Year ended 31st March, 2024	Year ended 31st March, 2023
Present value of defined benefit obligation as at year beginning	38.64	44.15
Interest cost	2.90	2.54
Current service cost	6.48	5.67
Benefits paid	-0.52	-10.97
Remeasurements (gains)/ losses:		
Actuarial (gains)/losses arising from changes in financial assumptions	0.28	-1.73
Actuarial (gains)/losses arising from changes in experience adjustments	-1.00	-1.02
Present value of defined benefit obligation as at year end	46.78	38.64

II Changes in the fair value of the plan assets

Particulars	₹ in lakhs	
	Year ended 31st March, 2024	Year ended 31st March, 2023
Fair value of plan assets as at year beginning	35.25	30.81
Expected return on plan assets	2.55	2.31
Employer's Contribution	3.58	13.34
Benefits paid	-0.52	-10.97
Remeasurements gains/ (losses):		
Return on plan assets greater/ (lesser) than discount rate	-0.11	-0.24
Fair value of plan assets as at year end	40.75	35.25

III Amounts Recognised in the Balance Sheet

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
Present value of defined benefit obligation at the year end	46.78	38.64
Fair Value of the Plan Assets at the year end	40.75	35.25
Liability Recognised in the Balance Sheet	6.03	3.39

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IV Expenses recognised in the Statement of Profit and Loss:

Particulars	₹ in lakhs	
	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest Cost	2.90	2.54
Current service cost	6.48	5.67
Expected return on plan assets	-2.55	-2.31
Expenses recognised in the Statement of Profit and Loss	6.83	5.90
Income recognised in Other Comprehensive Income:		
Remeasurements gains/(losses)	0.61	2.51
Net Income/ (-) Expense Recognised in the Other Comprehensive Income	0.61	2.51

V The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Significant Actuarial Assumptions	As at	
	31st March, 2024	31st March, 2023
Discount Rate	7.25% per annum	7.50% per annum
Salary increase	7.00% per annum	7.00% per annum
Mortality Rate	IALM 2012-14	IALM 2012-14
Withdrawal Rate	30.00% per annum	30.00% per annum

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The discount rate is based on the government securities yield. The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

VI Plan asset information:-

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
Assets under scheme of insurance funded with Life Insurance Corporation of India	40.75	35.25

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VII Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. The sensitivity analysis is presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
Defined benefit obligation (base)	46.78	38.64
Discount Rate		
1.00% Increase	-1.27	-1.07
1.00% decrease	1.33	1.13
Salary Growth Rate		
1.00% Increase	1.33	1.12
1.00% decrease	-1.29	-1.08
Withdrawal Rate		
1.00% Increase	-0.12	-0.09
1.00% decrease	0.12	0.09

VIII Maturity analysis

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
Maturity profile of the defined benefit obligation:		
Weighted Average duration of the defined benefit obligation	10 years	11 years
Within the next 12 months (next annual reporting period)	12.88	10.86
Between 2 and 5 years	24.24	18.37
Between 5 and 10 years	9.66	9.41

IX Expected contribution during the next annual reporting period

Particulars	₹ in lakhs	
	As at 31st March, 2024	As at 31st March, 2023
The Company's best estimate of Contribution during the next year	9.36	7.93

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40. Related Party Disclosures

As per Ind AS - 24 "Related Party Disclosures", the Company's related parties and transactions with them in the ordinary course of business are disclosed below:

a. Names of the related parties and relationship between the parties:

Nature of relationship	Name of the related party
Key Managerial Personnel (KMP)	Mr. Anurag Gupta, Managing Director Mrs. Sapna Kansal, Whole-time Director Mr. Mithlesh Kumar Gupta, Chairman and Non-Executive Independent Director Mr. Sudesh Kumar Garg, Non-Executive Independent Director Mr. Sandeep Suri, Non-Executive Independent Director Mr. Nikhil Goel, Non-Executive Director Mr. Naveen Kansal, Chief Executive Officer Mr. Sharad Goel, Chief Financial Officer Mrs. Nikita Singla, Company Secretary
Relatives of Key Managerial Personnel	Mrs. Garima Goel, Wife of Mr. Sharad Goel

Enterprises over which key management M/s Usha Yarns Limited personnel or relative of such personnel is able to exercise significant influence:

b. Transactions with the above related parties during the year were:

₹ in lakhs

Sr. No.	Description of the nature of transactions	Year ended 31st March, 2024			Year ended 31st March, 2023		
		Key management personnel (KMP)	Relatives of key management personnel	Enterprises over which there is significant influence	Key management personnel (KMP)	Relatives of key management personnel	Enterprises over which there is significant influence
1.	Remuneration						
	Mr. Anurag Gupta	27.00	0.00	0.00	27.00	0.00	0.00
	Mrs. Sapna Kansal	27.00	0.00	0.00	27.00	0.00	0.00
	Mr. Naveen Kansal	27.00	0.00	0.00	27.00	0.00	0.00
	Mr. Sharad Goel	18.00	0.00	0.00	18.00	0.00	0.00
	Mrs. Nikita Singla	1.80	0.00	0.00	1.82	0.00	0.00
	Mrs. Garima Goel	0.00	4.40	0.00	0.00	0.00	0.00
2.	Director sitting fees						
	Mr. Mithlesh Kumar Gupta	0.65	0.00	0.00	0.65	0.00	0.00
	Mr. Sudesh Kumar Garg	0.63	0.00	0.00	0.63	0.00	0.00
	Mr. Sandeep Suri	0.50	0.00	0.00	0.50	0.00	0.00
3.	Purchase of goods						
	Usha Yarns Limited	0.00	0.00	199.14	0.00	0.00	186.69
4.	Sale of goods						
	Usha Yarns Limited	0.00	0.00	9.49	0.00	0.00	7.91
	Total	102.58	4.40	208.63	102.60	0.00	194.60

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c. Balance as at year end

Sr. No.	Description of the nature of transactions	As at 31st March, 2024			As at 31st March, 2023		
		Key management personnel (KMP)	Relatives of key management personnel	Enterprises over which there is significant influence	Key management personnel (KMP)	Relatives of key management personnel	Enterprises over which there is significant influence
1.	Remuneration payable						
	Mr. Anurag Gupta	1.82	0.00	0.00	1.77	0.00	0.00
	Mrs. Sapna Kansal	1.82	0.00	0.00	1.77	0.00	0.00
	Mr. Naveen Kansal	1.82	0.00	0.00	1.77	0.00	0.00
	Mr. Sharad Goel	1.00	0.00	0.00	1.23	0.00	0.00
	Mrs. Nikita Singla	0.14	0.00	0.00	0.15	0.00	0.00
	Mrs. Garima Goel	0.00	0.40	0.00	0.00	0.00	0.00
	Total	6.60	0.40	0.00	6.69	0.00	0.00

d. The remuneration of key managerial personnel (KMP) and Relatives of KMP during the period was as follows:

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Short-term employee benefits (salaries, bonus and other allowances) *	106.98	102.60
Post-Retirement Benefits	0.00	0.00
Share-Based Payments	0.00	0.00
Other Long-term Benefits	0.00	0.00
Total compensation	106.98	102.60

Notes :

* Expenses towards gratuity provisions are determined actuarially on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information.

Terms and conditions of transactions with Related Parties:

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. The above transactions are as per the approval of the Audit Committee.

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41.

Ratio analysis and its elements:

The following are analytical ratios for the year ended 31st March, 2024 and 31st March, 2023:

Ratio	Numerator	Denominator	Year ended 31st March, 2024	Year ended 31st March, 2023	% of variance	Reason for variance in excess of 25%
Current Ratio (in times)	Current Assets	Current Liabilities	7.25	4.56	58.99%	Current ratio has improved due to reduction in current liabilities during the current year as compared to the previous year.
Debt - Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.14	0.15	-6.67%	
Debt Coverage Ratio (in times)	Service Earning for debt service after taxes* (+) Non-cash operating expenses like depreciation (+) Interest (+)/(-) other adjustments like net gain/loss on disposal of property, plant and equipment etc.	Debt Service = Interest (+) Principal repayments	3.38	5.70	-40.70%	Net profit after taxes has reduced during the current year, resulting in decrease in debt service coverage ratio.
Return on Equity (ROE) (in %)	Net profit after taxes*	Average Shareholder's Equity	9.50%	17.83%	-46.72%	Net profit after taxes has reduced during the current year, resulting in decrease in return on equity.
Inventory Turnover Ratio (in times)	Revenue from Operations (excluding Government grant relating to EPCG scheme and Export benefits)	Average Inventory	3.88	4.27	-9.13%	
Trade receivables turnover ratio (in times)	Revenue from Operations (excluding Government grant relating to EPCG scheme and Export benefits)	Average Accounts Receivable	12.05	13.83	-12.87%	
Trade payables turnover ratio (in times)	Net Credit Purchases (comprise of purchases of raw materials (+) store and spares etc., (+) packing material)	Average Trade Payables	22.10	10.65	107.51%	Average trade payable has reduced during the current year, resulting in higher trade payables turnover ratio.
Net capital turnover ratio (in times)	Revenue from Operations (excluding Government grant relating to EPCG scheme and Export benefits)	Average working capital, where working capital (=) Total current assets less Total current liabilities	2.77	3.73	-25.74%	Average working capital has increased during the current year, resulting in lower net capital turnover ratio.
Net profit ratio (in %)	Net profit after taxes*	Revenue from Operations (excluding Government grant relating to EPCG scheme and Export benefits)	4.85%	7.29%	-33.47%	Net profit after taxes has reduced during the current year, resulting in decrease in net profit ratio.
Return on capital employed (ROCE) (in %)	Earning before interest and taxes	Capital employed (=) Tangible net worth (+) Total Debt (+)/(-) Deferred Tax Liability/ Asset	12.31%	20.13%	-38.85%	Earning before interest and taxes has reduced during the current year, resulting in decrease in return on capital employed.
Return on investment (ROI) (in %)	Income generated from invested funds	Average invested funds	Not Applicable	Not Applicable		

* "Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.

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42. Corporate Social Responsibility:

Particulars	₹ in lakhs	
	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Amount required to be spent by the Company during the year	0.00	6.87
b) Amount of expenditure incurred**	6.87	0.00
c) Shortfall at the end of the year**	0.00	6.87
d) Total of previous years shortfall	6.87	0.00
Total shortfall at year end	0.00	6.87
e) Details of related party transactions	0.00	0.00

****Shortfall in CSR Spent:**

Amount remaining unspent as at 31st March, 2023 pertains to "other than ongoing projects" which is required to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013 before the expiry of time limit as permitted under the second proviso to sub-section (5) of section 135 of the Act i.e. six months of the expiry of the financial year. Accordingly, the Company has transferred the amount of ₹ 6.87 lakhs remaining unspent as at 31st March, 2023 to PM CARES Fund during the current financial year before 30th September, 2023.

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43. Additional Regulatory Information as applicable to the Company:

- (a) The Company has not granted any loans or advances in the nature of loans to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- (b) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (c) The Company has borrowings from banks on the basis of security of current assets; and the quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of account of the Company and there are no material discrepancies.
- (d) The Company has not been declared as willful defaulter by any bank or financial institution or other lender.
- (e) The Company has not used the borrowings from banks and financial institutions at the balance sheet date other than the specific purpose for which it was taken.
- (f) The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- (g) The Company does not have any charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (h) The Company is not a subsidiary or holding company of any other company.
- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall:
 - (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (j) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i) 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
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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- (k) There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (l) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

In terms of our report of even date attached

for JAIN & ANIL SOOD
Chartered Accountants
Firm's Registration No. 010505N

For and on behalf of the Board of Directors

(RAJESH KUMAR JAIN)
Partner
Membership No. 088447

(ANURAG GUPTA)
Managing Director
DIN-00192888

(NIKHIL GOEL)
Director
DIN-01741446

Place: Chandigarh
Date: 30th May, 2024

(SHARAD GOEL)
Chief Financial Officer

(NIKITA SINGLA)
Company Secretary

(NAVEEN KANSAL)
Chief Executive Officer

BOOK-POST

If undelivered please return to :

HISAR SPINNING MILLS LIMITED

Regd. Office & Works : 9th K.M. Stone,

Hisar-Bhiwani Road,

V.P.O. Dabra (Hisar) 125 005 (Haryana)