

August 29, 2025

To

National Stock Exchange of India Limited
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051.
SYMBOL - SALONA

Dear Sir/Madam

Subject: Submission of Annual Report for the financial year 2024-25 pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith a copy of the Annual Report of the Company for the financial year 2024-25 for your records.

A copy of the Annual Report is also available on the website of the Company, www.salonacotspin.com.

Thanking you,

Yours Truly

For Salona Cotspin Limited



Rajkumari R
Company Secretary & Compliance Officer



SPINNING YARN TO PERFECTION

Regd. Off. / Mills : SF No. 74/12 & 75/3, Sathy Main Road, Pungampalli, Valipalayam (P.O) Sathy T.K - 638 402. Tamilnadu.

GSTIN : 33AACCS4554N1Z3
PAN No. : AACCS4554N
CIN No. : L17111 TZ 1994 PLC 004797





Salona
Cotspin
LIMITED

31st Annual Report **2024-2025**

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BOARD OF DIRECTORS :

Mr. Shyam Lal Agarwala
Chairman & Managing Director

Mr. Manoj Kumar Jhajharia
Joint Managing Director

Mr. Arunkumar Jhajharia
Director

Mr. Raghav Agarwal
Director

Mr. Prabu
Director

Mr. Hari Desikan Ganesh
Director

Mrs. Meenakumari.S
Director

Mrs. Harshidaa Dhiresh Raichura
(w.e.f 12 November 2024)
Director

Chief Financial Officer
Mr M.S Selvaraj

Company Secretary
Ms Rajkumari R

Secretarial Auditor
Ramanathan Kannan

Cost Auditor
B Venkateswar

AUDITORS

M/s. GOPALAIYER AND SUBRAMANIAN
Chartered Accountants
No.4, Guru Govind Singh Road,
R.S.Puram,
Coimbatore - 641 002.

BANKERS

ICICI Bank Limited
Union Bank of India
CSB Bank Limited
State Bank of India
HDFC Bank Limited

REGISTERED OFFICE

SF No.74/12 & 75/3, Sathy Road
Pungampalli Village,
Sathyamangalam - 638 402
Erode District, Tamil Nadu

ADMINISTRATIVE OFFICE

No.9, Ramalinga Nagar
4th Cross Saibaba Colony
Coimbatore - 641 011

Unit -1	Unit 2
SF.No.74/12 & 75/3 Sathy Road	SF No. 77/1, Kannampalayam Road,
Pungampalli village,	Kannampalayam Village,
Sathyamangalam – 638402	Sulur Taluk – 641 402

REGISTRAR & SHARE TRANSFER AGENTS

MUFG Intime India Pvt. Ltd.,
(Coimbatore Branch)
“Surya” 35, Mayflower Avenue,
Senthil Nagar, Sowripalayam Road,
Coimbatore - 641 028.
Ph : +91 422 2314792 / 5792
E-mail : coimbatore@in.mpms.mufg.com

WIND MILLS

Panakudi Village, Radhapuram Taluk
Sinjuvadi Village, Pollachi Taluk
Vadambhacherri Village, Palladam Taluk
Kozhumankondan Village, Palani Taluk
Deri Village, Jamnagar Dist., Gujarat

SOLAR POWER PLANTS

Roof Top : Mill Premises -
Ground Mounting -
Thaligai Village, Namakkal District, Tamil Nadu.

From the Desk of the Chairman & Managing Director



Dear Esteemed Stakeholders,

As I sit to reflect upon the remarkable journey of Salona Cotspin Limited, I find myself profoundly grateful for the unwavering dedication and vision that have shaped our legacy. Over the years, we have weathered storms, embraced opportunities, and steadfastly upheld the ideals of excellence and integrity that have been the bedrock of our success. The evolution of our Company has been nothing short of transformative, and it is with immense pride that I look back on the milestones we have achieved together.

This past year has been one of both challenges and triumphs. While the global landscape has posed significant hurdles, I am heartened by the resilience and agility with which we have navigated these complexities. Our strategic focus on continuous innovation, operational excellence, and sustainability has ensured that we remain firmly on course. These principles, engrained deeply in our corporate ethos, have propelled us forward and will continue to guide our journey into the future.

As we look ahead, the horizon is brimming with possibility. Our vision for the future is not just to grow, but to grow responsibly - leveraging technology, nurturing innovation, and fortifying our commitment to the environment. In doing so, we aim to build not just a successful Company, but a legacy that transcends generations.

Our path forward is illuminated by a clear, ambitious vision—one where we continue to enhance shareholder value, expand our global footprint, and remain a trusted partner to all those we serve. With the steadfast support of our devoted employees, loyal customers, and esteemed partners, I am confident that Salona Cotspin Limited is poised for even greater accomplishments.

We remain committed to delivering superior value, not just through financial growth but also by ensuring our operations contribute positively to the environment and society. Together, we will continue to build on our legacy, honor the trust you have placed in us, and chart a course for an even brighter future.

Thank you all for your unwavering trust and invaluable partnership. Together, we will continue to shape the future with passion, purpose, and an unyielding commitment to excellence.

Shyam Lal Agarwala
Chairman & Managing Director



Registered Office :-

S.F. No. 74/12 & 75/3, Sathy Road, Pungampalli Village, Sathyamangalam - 638 402
CIN : L17111TZ1994PLC004797 Phone : 0422 - 2454415, 2454416, 2454417
E-mail : info@salonagroup.com Web : www.salonacotspin.com

NOTICE OF 31st ANNUAL GENERAL MEETING

NOTICE is hereby given that the 31st Annual General Meeting of the Company will be held on **Friday, September 19, 2025 at 12.15 PM IST** through Video Conferencing/OAVM (Other Audio-Visual Means) to transact the following businesses. The venue of the meeting shall be deemed to be the Administrative Office of the Company at Shree Sakthi Kunj, No.9, Ramalinga Nagar, IV Cross, Saibaba Colony, Coimbatore – 641011.

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements for the financial year ended 31st March 2025 together with the report of Board of Directors and the Auditors thereon.
2. To declare a Dividend on Equity Shares for the financial year ended 31st March 2025.
3. To appoint a Director in place of Mr. Arunkumar Jhajharia (DIN:00003086), who retires by rotation and being eligible, offers himself for re-appointment.

Explanation: Based on the terms of appointment, Executive Directors and the Non-Executive Directors (other than Independent Directors) are subject to retirement by rotation. Mr. Arunkumar Jhajharia (DIN:00003086) who has been on the Board of the Company since February 12, 2018 and whose office is liable to retire at this AGM, being eligible, seeks re-appointment. Based on the performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board recommends his re-appointment as a Director of the Company. Therefore, the shareholders are requested to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Arunkumar Jhajharia (DIN:00003086), who retires by rotation, be and is hereby re-appointed as a Director, liable to retire by rotation.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, approve the remuneration payable to **Mr.B Venkateswar**, Cost Accountant, Cost Auditor of the Company, for the financial year ending March 31, 2026, and to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. B Venkateswar, Cost Accountant, the Cost Auditor appointed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, to conduct the audit for the financial year 2025-2026 at a remuneration of Rs. 25,000 (Rupees Twenty-Five Thousand Only) per annum plus applicable taxes and reimbursement of the travelling and other out-of-pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the 'Board' which expression shall include any Committee thereof or person(s) authorized by the Board), of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To consider and if thought fit, approve the appointment of Mr. Ramanathan Kannan, Practicing Company Secretary as Secretarial Auditor of the Company for a first term of five (5) years and to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), and in accordance with the recommendation of the Board of Directors of the Company, Mr. Ramanathan Kannan, Practicing Company Secretary (CP No: 17220 and Peer Reviewed Certificate No. 2803/2022) be appointed as the Secretarial Auditor of the Company for a term of five (5) consecutive years, to conduct the Secretarial Audit of five consecutive financial years from 2025-26 to 2029-30 on such remuneration and reimbursement of out of pocket expenses for the purpose of audit as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditor.

RESOLVED FURTHER THAT approval of the members be and is hereby accorded to the Board of Directors to avail or obtain from the Secretarial Auditor, such other services or certificates, reports, or opinions which the Secretarial Auditor may be eligible to provide or issue under the applicable laws, at a remuneration to be determined by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the 'Board' which expression shall include any Committee thereof or person(s) authorized by the Board), of the Company be and is hereby authorised to take all actions and do all such deeds, matters and things, as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

6. To consider and, if thought fit, approve the re-appointment of **Mr. Hari Desikan Ganesh** (DIN:08710451), as an Independent Director (Non-executive) of the Company to hold office for second term of five consecutive years and to pass, with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, upon recommendation of Nomination and Remuneration Committee, Mr. Hari Desikan Ganesh (DIN: 08710451), who was appointed as an Independent Director of the Company and who holds office up to September 20, 2025 and who is eligible for reappointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years commencing with effect from September 20, 2025. (both days inclusive).

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the 'Board' which expression shall include any Committee thereof or person(s) authorized by the Board) be and is hereby authorised to take all actions and do all such deeds, matters and things, as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

7. To consider and, if thought fit, approve the Appointment of Mr. Gaurav Jain (DIN: 10719870), as an Independent Director (Non-executive) of the Company to hold office for first term of one year and to pass, with or without modification(s), the following resolution as **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended) and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Gaurav Jain (DIN: 10719870) who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on August 23, 2025 and who had also submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and whose name is included in the databank as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for a term of one year with effect from September 19, 2025 and is not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient, to give effect to the above resolution without being required to seek any further consent or approval of the Members and the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

8. To consider and if thought fit, approve the material related party transaction(s) with Shristi Cotspinn Private Limited and to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s) or re-enactment(s) thereof, for the time being in force) ("the Act"), the Company's policy on related party transactions and pursuant to the approval of the Audit Committee and the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to enter/ continue to enter into agreement/ contract/ business transactions with Shristi Cotspinn Private Limited, a related party of the Company for an amount not exceeding Rs. 100 Crores (Rupees One Hundred Crores only) as per the details more particularly described in the statement pursuant to Section 102 of the Companies Act, 2013, annexed to this notice notwithstanding the fact that such transactions either taken individually or together with previous transactions during the financial year may exceed 10% of the annual turnover of the Company as per the last audited financial statements or such other materiality threshold as may be specified under applicable laws/regulations from time to time, provided, however, that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out at an arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors (including its Committees thereof) be and are hereby severally authorised to execute all such agreements, documents, instruments and writings as deemed

necessary, with power to alter and vary the terms and conditions of such contracts/ arrangements/ transactions and settle all questions, difficulties or doubts that may arise in this regard to give effect to this resolution.”

**By Order of the Board of Directors
For SALONA COTSPIN LIMITED**

Place : Coimbatore
Date : 23.08.2025

RAJKUMARI R
COMPANY SECRETARY

Notes :

1. The Government of India, Ministry of Corporate Affairs has allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued General Circulars No. 14/2020 dated April 8, 2020; No. 17/2020 dated April 13, 2020; No. 20/2020 dated May 5, 2020; No. 22/2020 dated June 15, 2020; No. 33/2020 dated September 28, 2020; No. 39/2020 dated December 31, 2020; No. 10/2021 dated June 23, 2021; No. 20/2021 dated December 8, 2021; No. 21/2021 dated December 14, 2021; No. 2/2022 dated May 5, 2022; No. 10/2022 dated December 28, 2022; No. 9/2023 dated September 25, 2023; and No. 9/2024 dated September 19, 2024 (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022, SEBI/HO/CRD/ PoD-2/P/CIR/2023/4 dated January 5, 2023, Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by the Securities Exchange Board of India (“SEBI Circulars”) prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said circulars, the 31ST Annual General Meeting (“AGM”) of the Members will be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only.
2. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”) with respect to the special business as set out in the Notice is annexed hereto.
3. Pursuant to the MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for the AGM. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

However, the Body Corporates are entitled to appoint authorised representatives for attending the AGM through VC/OAVM, participating thereat and casting their votes through e-voting.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and share transfer books of the Company will remain closed from Saturday, 13th September 2025 to Friday, 19th September 2025 (both days inclusive).
6. Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration, to those Members whose names appear on the Register of Members in respect of shares held in physical form as well as in respect of shares held in electronic form as per the details received from the depositories for this purpose as at the close of the business hours on Friday, 12th September 2025
7. Pursuant to Finance Act, 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company / Registrar and Share Transfer Agent (if shares held in physical form).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to rnt.helpdesk@in.mpms.mufg.com. by September 19, 2025. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF / JPG Format) by e-mail to rnt.helpdesk@in.mpms.mufg.com. The aforesaid declarations and documents need to be submitted by the shareholders by September 19, 2025.

8. The Company has fixed September 12, 2025 as the 'Record Date' for determining entitlement of members to receive dividend for the FY 2024-25, if approved at the AGM.

Those members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Record Date shall be entitled for the dividend which will be paid on or after Friday, September 12, 2025, subject to applicable TDS.

9. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
10. Members whose shareholding is in the electronic mode are requested to update bank account details (Bank Account No., Name of the Bank, Branch, IFSC Code, MICR code and place with PIN Code) to their respective Depository Participants and not to the Company.
11. Members holding shares in physical form are requested to note that in terms of Regulation 40 of the SEBI ("Listing Regulations"), securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of the above and in order to eliminate risks associated with physical transfer of securities, shareholders holding equity shares of the Company in physical form are requested to consider converting their holdings to dematerialised form. Members may contact the Company's Registrar and Share Transfer Agent, for assistance in this regard.

12. SEBI vide its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, has mandated that with effect from April 1, 2024, dividend to security holders who are holding securities in physical form, shall be paid only through electronic mode. Such payment shall be made only after the shareholders furnish their PAN, contact details (postal address with PIN and mobile number), Bank Account details & Specimen Signature ("KYC") and are advised to utilize the electronic solutions provided by National Automated Clearing House ("NACH") for receiving dividends.
13. The Company has entered into agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates etc., Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity etc. Members, therefore, now have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL. Members are encouraged to convert their holdings to electronic mode.
14. A. Securities and Exchange Board of India ("SEBI") had earlier mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrar and Share Transfer Agents with effect from 1st April 2019.

In accordance with SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025, a special window has been opened for re-lodgement of transfer deeds which were lodged prior to the deadline of April 01, 2019, and rejected/returned/not attended to due to deficiency in the documents/process/or otherwise for a period of six months from July 07, 2025 till January 06, 2026. The shares re-lodged for transfer will be processed only in dematerialized form during this window. Eligible shareholders may submit their transfer request along with the requisite documents to the Company's Registrar & Share Transfer Agent ('RTA'), MUFG Intime India Private Limited within the stipulated period.

B. Members may further note that SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated listed companies to issue securities in dematerialized form only while processing service requests, viz., issue of duplicate securities certificate, claim from unclaimed suspense account, splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition etc. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on Company's website at <https://www.salonacotspin.com/investor-downloads/> and on the website of MUFG Intime at www.in.mpms.mufig.com. It may be noted that any service request can be processed only after the folio is KYC compliant.

C. Further, as per SEBI's Master circular dated 7th May 2024 and amendment circular dated 10th June 2024, members holding shares in physical form, whose folio(s) lack PAN, contact details, Bank Account details or updated specimen signature, will only be eligible for payment of dividend, through electronic mode effective from 1st April 2024 upon updating the aforementioned details with MUFG Intime India Private Limited (Formerly Link Intime India Private Limited), the Registrar and Share Transfer Agent of the Company. Therefore, members holding shares in physical form are requested to update the mentioned details by providing the appropriate requests through ISR forms with the Registrar and Share Transfer Agent to ensure receipt of dividend. Necessary prior intimation(s) in this regard was provided to the Shareholders. A copy of the required circular(s) is/are available on the Company's website www.salonacotspin.com.

15. Members holding shares in physical form are requested to furnish Form ISR-1, Form ISR-2 and SH-13 (available on the Company's website at <https://www.salonacotspin.com/investor-downloads/> to update KYC, notify any change of address, bank details and choice of Nomination (in case the same are not already updated), to Company's Registrar and Share Transfer Agent viz., MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) "Surya", 35 Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, Tamil Nadu, the RTA of the Company in respect of shares held in physical form together with a proof of address viz, Aadhar Card / Electricity Bill/ Telephone Bill/Ration Card/Voter ID Card/ Passport etc.

Alternatively, Members may send digitally signed copy of their documents by email to MUFG Intime at rint.helpdesk@in.mpms.mufg.com or upload on their web portal www.in.mpms.mufg.com.

16. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.

17. Non-Resident Indian ("NRI") Members are requested to inform the Company or its RTA or to the concerned Depository Participants, as the case may be, immediately.

a) the change in the residential status on return to India for permanent settlement, or

b) the particulars of the NRE/NRO Account with a bank in India, if not furnished earlier.

18. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the facility for making nominations is now available to individuals holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the RTA of the Company or can download the form from the Company's website, namely www.salonacotspin.com. Members holding shares in electronic form must approach their Depository Participant(s) for completing the nomination formalities.

19. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificate to the Registrar and Share Transfer Agent for consolidation into a single folio.

20. Members are requested to make all correspondence in connection with shares held by them directly to the Registrar and Share Transfer Agent of the Company M/s. MUFG Intime India Private Limited (formerly Link Intime India Private Limited), "Surya", 35 Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028, Tamil Nadu by quoting their Folio number or the Client ID number with DP ID number.

21. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

22. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his/ her queries to the Company seven working days prior to the meeting. The same will be replied by the Company suitably.

23. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary / Registrar & Share Transfer Agent of the Company. Members are requested to note that pursuant to Section 124 of the Companies Act, 2013 dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government under Section 125 of the Companies Act, 2013. The details of the unpaid dividend can be viewed on the Company's website www.salonacotspin.com. As per the provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit,

Transfer and Refund) Rules 2016, the Company will be transferring the share(s) on which the beneficial owner has not encashed any dividend during the last seven years to the IEPF demat account as identified by the IEPF Authority. Details of shareholders whose shares are liable to be transferred to IEPF are available at the Company website: www.salonacotspin.com. The shareholders whose unclaimed dividend/ share has been transferred to the 'Investor Education and Protection Fund', may claim the same from IEPF authority by filing Form IEPF-5 along with requisite documents. Mr. M.S Selvaraj, Chief Financial Officer is the Nodal Officer of the Company for the purpose of verification of such claims.

24. Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority: Pursuant to the provisions of Section 124(6) of the Act and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("the IEPF Rules") and amendments thereto, the Company has transferred the shares in respect of members who have not claimed / encashed dividend for the last seven consecutive years to the Demat Account of the IEPF Authority. Details of the members whose shares have been transferred to the Demat Account of the IEPF Authority are available at the Company's website at www.salonacotspin.com.

25. SAKSHAM NIVESHAK – 100 Days Campaign

The Investor Education and Protection Fund Authority (IEPFA), under the Ministry of Corporate Affairs, has launched a 100-day campaign titled "Saksham Niveshak", running from 28th July to 6th November 2025. This national drive is aimed at empowering shareholders by creating awareness about unclaimed dividends held by companies and guiding them through the process of updating their KYC and nomination details to reclaim their rightful dividend.

The campaign encourages companies to proactively reach out to their shareholders, helping them recover unclaimed dividends and resume the regular receipt of dividends by updating essential records. Timely action by shareholders will ensure that their dividends and underlying shares are not transferred to IEPFA.

Key Objectives of the "Saksham Niveshak" Campaign include:

- Facilitate the resolution of cases related to unclaimed dividends lying with companies.
- Support KYC and nomination updates for shareholders.
- Ensure direct dividend payouts from companies to the rightful investors.

The Company has published this 100 Days Campaign in newspapers Trinity Mirror and Makkal Kural, hosted on its website and on NSE website.

26. In line with the aforesaid MCA Circulars and SEBI Circulars, the Notice calling the AGM along with the Annual Report for the year 2024-25 is being sent only through electronic mode to those members whose email address is registered with the Company / RTA / Depositories. Further, a letter providing the web link including the exact path where the complete details of the Annual Report is available will be sent to the shareholders who have not registered their email address. Members may note that the Notice and Annual Report for the financial year 2024-25 will also be available on the Company's website www.salonacotspin.com. The Notice can also be accessed from the website of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com respectively. The said Notice of the AGM is also available on the website of CDSL (agency for providing the Remote e-Voting facility) at www.evotingindia.com. Members can attend and participate in the Annual General Meeting through VC / OAVM facility only. Further pursuant to SEBI Circulars, the Company will be sending a hard copy of the Annual Report to those Shareholders who request for the same at cs@salonacotspin.com.

27. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

28. 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 Participant(s) with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or Registrar and Share Transfer Agents.
29. Brief resume, details of shareholding and Directors/ KMP inter-se relationship with Director(s) seeking re-election/ Appointment/ Re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2 are provided in this Notice.
30. Members may kindly note that in accordance with SEBI circular dated 31st July 2023, the Company has registered on the SMART ODR (Securities Market Approach for Resolution through Online Disputes Resolution) Portal. This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution institutions for addressing complaints. Members can access the SMART ODR Portal via: <https://smartodr.in/login>. Members may utilize this online conciliation and/ or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between members and the Company (including RTA).
31. Members holding shares in electronic form may please note that as per the regulations of Securities and Exchange Board of India ("SEBI"), National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"), the Company is obliged to print the bank details on the dividend warrants as furnished by these depositories to the Company and the Company will not entertain any request for deletion/change of Bank details already printed on dividend warrants as per the information received from the concerned depositories. In this regard, Members should contact their Depository Participant(s) ("DP") and furnish particulars of any changes as desired by them.
32. The shareholders are advised to register / update their e-mail address with the Company / RTA in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form in order to enable the Company to serve documents in electronic mode.
33. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act, (if applicable) and all other documents referred to in the Notice will be available for inspection in electronic mode.
34. The Members can join the AGM in the VC/OAVM mode 15 (fifteen) minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS:

- i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and pursuant to the MCA Circulars and the Secretarial Standard - 2, the Company is providing facility of remote e-voting to its Members to cast their vote electronically from a place other than venue of the Annual General Meeting ("remote e-voting") using an electronic voting system. For this purpose, the Company has entered

into an agreement with **Central Depository Services (India) Limited** (CDSL), as the authorised e-voting agency for facilitating voting through electronically on all the business items set forth in the Notice of Annual General Meeting and the business may be transacted through such remote e-voting/ e-voting during the AGM. Instructions to Shareholders provided hereinafter for e-voting explains the process and manner for generating/ receiving the password, and for casting of vote(s) in a secure manner.

ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. September 12, 2025 shall be entitled to avail the facility of remote e-voting as well as venue voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

iii. A person who has acquired the shares and has become a member of the Company after the despatch of the Notice of the AGM and prior to the Cut-off date i.e. Friday, September 12, 2025, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or venue voting system on the date of the AGM by following the procedure mentioned in this part.

iv. The remote e-voting will commence on Tuesday, September 16, 2025 at 9.00 a.m. and will end on Thursday, September 18, 2025 at 5.00 p.m. During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. Friday, September 12, 2025 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.

v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

vi. The voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off date i.e. Friday, September 12, 2025 .

vii. The Company has appointed Mr. B. Krishnamoorthi, Partner of M/s. S. Krishnamoorthy & Co. Chartered Accountant, (Membership No. 020439 & Reg No. 0014965), to act as the Scrutinizer for conducting the remote e-voting process as well as the venue voting system on the date of the AGM, in a fair and transparent manner.

viii. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow e-voting for all those members who are present at the AGM by electronic means but have not cast their votes by availing the remote e-voting facility.

ix. The Scrutinizer shall, after the conclusion of voting at the AGM first count the votes cast during the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment and shall make, not later than 2 working days of the conclusion of the AGM, a combined scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

x. The results shall be declared within the time stipulated under the applicable laws. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.salonacotspin.com and on the website of CDSL and be communicated to NSE Limited, the stock exchange where the shares of the Company are listed, by the Chairman or a person authorized by him.

36. Process for those shareholders whose email IDs are not registered:

a) For Physical shareholders- Please provide necessary details like folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-

attested scanned copy of Aadhar Card) by email to RTA email id coimbatore@in.mpms.mufig.com.

b) For Demat shareholders - Please update your e-mail id and mobile no. with your respective Depository Participant (DP).

c) For Individual Demat Shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

The instructions for shareholders for remote voting are as under:

(i) The voting period begins on Tuesday, September 16, 2025 at 9.00 a.m. and will end on Thursday, September 18, 2025 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, September 12, 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of SEBI Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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


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


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

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual Shareholders holding securities in Demat mode, is given below:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

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

Type of Shareholder	Login Method
<p>Individual Members holding securities in Demat mode with CDSL Depository</p> 	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon and New System My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible Companies where the e-voting is in progress as Per the information provided by Company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting Service provider for casting your vote during the remote e-Voting Period or joining virtual Meeting and voting during the Meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting Service providers' website directly. 3) If If the user is not registered for Easi/Easiest, option to register is available at CDSL website https://web.cdslindia.com/myeasi/Registration/EasiRegistration and click on login & New System My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN details from an e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on Registered Mobile and Email as Recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and able to directly access the system of all e-Voting Service Providers.
<p>Individual Members holding securities in demat mode with NSDL Depository</p>	<ol style="list-style-type: none"> 1) If you are already Registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the Below URL: https://eservices.nSDL.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting Services. Click on “Access to e-Voting” under e-Voting Services and you will be able to see e-Voting page. Click on Company Name or e-Voting Service provider Name and you will be re-directed to e-Voting Service provider website for casting your vote during the remote e-Voting Period or joining virtual Meeting and voting during the Meeting.

Type of Shareholder	Login Method
<p>Individual Members holding securities in demat mode with NSDL Depository</p> 	<p>2) If the user is not Registered for IDeAS e-Services, option to register is available at https://eservices.nSDL.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the Below URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Member/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company Name or e-Voting Service provider Name and you will be redirected to e-Voting Service provider website for casting your vote during the remote e-Voting Period or joining virtual Meeting and voting during the Meeting</p> <p>4) For OTP based login you can click on https://eservices.nSDL.com/SecureWeb/evoting/evotinglogin.jsp You will have to enter your 8-digit DP ID,8-digit Client Id, PAN, Verification code and generate OTP. Enter the OTP received on registered email ID/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Members (holding securities in demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant Registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company Name or e-Voting Service provider Name and you will be redirected to e-Voting Service provider website for casting your vote during the remote e-Voting Period or joining virtual Meeting and voting during the Meeting.</p>

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

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

Login type	Helpdesk Details
Individual Members holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@Cdslindia.com or contact at toll free no. 1800 21 09911
Individual Members holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022-4886 7000 and 022-2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding Shares in Physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual Meetings for shareholders other than individual shareholders holding shares in physical form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on Shareholders
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding Shares in Physical Form should enter Folio Number Registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding Shares in demat Form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
 - 6) If you are a first-Time user follow the steps given Below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as Physical shareholders) <ul style="list-style-type: none"> ● Members who have not Updated their PAN with the Company / Depository Participant are requested to use the sequence number indicated in the PAN Field
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy Format) as recorded in your demat account or in the Company Records in order to login. <ul style="list-style-type: none"> ● If both the details are not recorded with the Depository or Company, please enter the Member id / folio number in the Dividend Bank details field as mentioned in instruction (v)

- (i) After entering these Details appropriately, click on “SUBMIT” tab.
- (ii) Shareholders holding Shares in Physical Form will then directly reach the Company selection screen. However, shareholders holding Shares in demat Form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly Note that this password is to be also used by the demat holders for voting for Resolutions of any Other Company on which they are eligible to vote, if the Company opts for e-voting through CDSL platform. It is strongly recommended not to Share your password with any other person and take utmost care to keep your password confidential.
- (iii) For shareholders holding Shares in Physical Form, the Details can be used only for e-voting on the Resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant Salona Cotspin Limited on which you choose to vote.
- (v) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution Details.
- (vii) After selecting the Resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly Modify your vote.
- (viii) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to Modify your vote.
- (ix) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (x) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password and enter the Details as prompted by the system.
- (xi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xii) Additional Facility for Non – Individual Members and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e., Other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the Entity should be emailed to helpdesk.evoting@Cdslindia.com.
 - After receiving the login Details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The List of accounts linked in the login will be mapped automatically and can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF Format in the system for the scrutinizer to verify the same.

- Alternatively, Non-Individual Members are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote to the Company at the email address viz; cs@salonacotspin.com, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending Meeting and e-Voting on the Day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend Meeting will be available where the EVSN of Company will be displayed after successful login as Per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops /IPads for better Experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop Connecting via Mobile Hotspot may Experience Audio/Video Loss due to Fluctuation in their respective network. It is therefore Recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **seven working days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@salonacotspin.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance five working days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@salonacotspin.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have Registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.
9. Only those shareholders, who are Present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are Otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not Participated in the Meeting through VC/OAVM facility, then the votes cast by such shareholders may be Considered invalid as the facility of e-voting during the Meeting is available only to the Members attending the Meeting.

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

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

If you have any queries or issues regarding attending AGM and e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 210 9911

All grievances Connected with the facility for voting by Electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 210 9911

CONTACT DETAILS:

Company	Salona Cotspin Limited Regd Office: SF No.74/12 & 75/3, Sathy Road, Pungampalli Village, Sathyamangalam - 638 402 Erode District, Tamil Nadu. Phone: 0422- 2454415
Registrar and Transfer Agent (RTA)	MUFG Intime India Private Limited Coimbatore Branch “Surya”, 35 Mayflower Avenue, Senthil Nagar Sowripalayam Road, Coimbatore - 641 028 Tel: 0422- 2314792/5792 E-mail : coimbatore@in.mpms.mufg.com
e-Voting Agency	Central Depository Services (India) Limited Regd. Office: A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, NM Joshi Marg, Lower Parel (East), Mumbai – 400 013 Tel: +91 18 0021 09911 E mail: helpdesk.evoting@cdslindia.com
Scrutinizer	Mr B Krishnamoorthi, Chartered Accountant Kanapathy Towers, 3 rd Floor, No.1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006. E-mail : bkca@gmail.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND / OR REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**For Item No. 4**

The Board, on the recommendation of the Audit Committee, has approved the appointment of Mr. B.Venkateswar, (Membership No.27622) Cost Accountant, Coimbatore as the Cost Auditor of the Company to conduct the cost audit for the financial year 2025-26, at a remuneration of Rs. 25,000 (Rupees Twenty-Five Thousand) plus applicable taxes and reimbursement of out of pocket expenses.

Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, requires the Board to appoint an individual, who is a Cost Accountant or a firm of Cost Accountants, as Cost Auditor of the Company on the recommendations of the Audit Committee, which shall also recommend the remuneration for such Cost Auditor and such remuneration shall be approved by the Board of Directors and ratified subsequently by the Shareholders at General Meeting.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of this Notice for ratification of the remuneration payable to the Cost Auditor for the financial year 2025-26.

The Board recommends passing of the Ordinary Resolution as set out in Item No. 4 of this Notice, for approval by the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise in the said resolution.

For Item No. 5

Pursuant to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, as amended vide SEBI (Listing Obligations and Disclosure Requirements)(Third Amendment) Regulations, 2024 ("SEBI Listing Regulations"), effective from April 1, 2025, a company is required to appoint peer reviewed secretarial auditor (if individual then for not more than one term of five consecutive years and if a firm then for not more than two terms of five consecutive years), with the approval of the shareholders in the annual general meeting based on the recommendation made by the Board of Directors.

Accordingly, the Board of Directors of the Company at their meeting held on May 28, 2025 has recommended the appointment of Mr. Ramanathan Kannan, Practising Company Secretary (COP No: 17220 and Peer Reviewed Certificate No. 2803/2022) as the Secretarial Auditor of the Company for a period of five consecutive financial years from 2025-26 to 2029-30. The appointment is subject to approval of the Members of the Company.

The Board of Directors have recommended his appointment based on the fulfilment of the eligibility criteria & qualification prescribed under the Companies Act, 2013 & Rules made thereunder and Listing Regulations with regards to considered the past audit experience particularly in auditing large companies, valued various factors, including his capability to handle a diverse and complex business environment, existing experience in the various business segments, the clientele it serves, and its technical expertise.

Mr. Ramanathan Kannan (COP No: 17220; ICSI Unique Code: I2016TN1516800), Company Secretary, Chennai, have consented to his appointment as Secretarial Auditor of the Company and confirmed that his aforesaid appointment (if made) would be within the prescribed limits specified by the Institute of Company Secretaries of India (ICSI). He has also confirmed that he is not disqualified to be appointed as Secretarial Auditor in terms of provisions of the Act & Rules made thereunder and Listing Regulations. Further, no order has been passed by ICSI/SEBI/MCA/any other competent authority/Court, both in India or outside India, in past 5 years against the proposed secretarial auditor.

Pursuant to Regulation 36(5) of SEBI Listing Regulations as amended, the credentials and terms of appointment of Mr. Ramanathan Kannan are as under:

Profile:

Mr. Ramanathan Kannan is a seasoned professional with over 30 years of experience in corporate law, specializing in governance, compliance, and legal advisory. He has been successfully practicing as a Company Secretary since 2016. With a proven track record in banking, manufacturing, and listed entities, he has handled complex transactions including rights issues, mergers, and corporate governance. R. Kannan holds an MBA, is a Fellow Member of the Institute of Company Secretaries of India (FCS) and is a certified Social Auditor.

Terms of Appointment:

Mr. Ramanathan Kannan is proposed to be appointed for a term of five (5) consecutive years, to conduct the Secretarial Audit of five consecutive financial years from 2025-26 to 2029-30. The proposed fees payable to Mr. R. Kannan is INR 25,000/- (Rupees Twenty five Thousand) per annum. The said fees shall exclude GST, certification fees, applicable taxes, reimbursements and other outlays. The remuneration for the subsequent financial years during their tenure will be determined by the Board of Directors of the Company.

The Board recommends the said resolution, as set out in Item No. 5 of this Notice for your approval.

None of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise in the said resolution.

For Item No.6

The members of the Company at their Annual General Meeting held on September 21, 2020 approved the appointment of Mr. Hari Desikan Ganesh (DIN : 08710451) as an Independent Director of the Company to hold office for an initial first term of (5) consecutive years. His first term is due to expire on September 20, 2025 and he is eligible for reappointment for a second term on the Board of the Company.

The board based on the recommendation of Nomination & Remuneration Committee, considers that, given the background, experience and contributions made by Mr. Hari Desikan Ganesh during his tenure, the continued association of Mr. Hari Desikan Ganesh would be beneficial to the Company and it is desirable to continue availing his service as an Independent Director for a second term of five (5) consecutive years effective from September 20, 2025 not liable to retire by rotation, subject to approval of the Board and the Members of the Company.

Mr. Hari Desikan Ganesh (DIN : 08710451) is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has received a declaration from Mr. Hari Desikan Ganesh to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and under Regulation 16(1) (b) of the SEBI Listing Regulations. In the opinion of the Board, Mr. Hari Desikan Ganesh fulfils the conditions for appointment as Independent Director as specified in the Act. He is independent of the management and possesses appropriate skills, experience and knowledge to hold such position on the Board of the Company.

Brief profile and other details of Mr. Hari Desikan Ganesh, in compliance of SEBI Listing Regulations and SS-2 on General Meeting, are given in this Notice. The Board recommends the Special Resolution at Item No. 6 of this Notice for the approval of the Members.

Except Mr. Hari Desikan Ganesh and his relatives, none of the other Directors, Key Managerial Personnel and their relatives are, in anyway, concerned or interested, financially or otherwise, in the said resolution.

Item No.7

Based on recommendation of Nomination and Remuneration Committee, the Board approved the appointment of Mr. Gaurav Jain (DIN: 10719870) as an Additional Director (Non-executive, Independent) of the Company w.e.f. August 23, 2025 for an initial term of one year.

Pursuant to Regulation 17(1C) of SEBI Listing Regulations, a company is required to take approval of its shareholders for appointment of a person on the board of the company at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Mr. Gaurav Jain possesses the requisite skills, experience, knowledge and capabilities identified by the Board and required for the role of an Independent Director of the Company. Considering his vast experience, the Board believes that his appointment shall be in the best interest of the Company.

Mr. Gaurav Jain is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given consent for appointment as an Independent Director. The Company has, in terms of Section 160(1) of the Act, received notice in writing, proposing his candidature for appointment as an Independent Director. The Company has also received a declaration from Mr. Gaurav Jain (DIN: 10719870) confirming that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. Further, he is not debarred from holding the office of Director by virtue of any order passed by SEBI or any other such authority pursuant to circulars dated June 20, 2018, issued by the National Stock Exchange of India Limited (NSE) pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

The brief profile and other information of Mr. Gaurav Jain (DIN: 10719870), in compliance of SEBI Listing Regulations and SS-2 on General Meeting, is given in this Notice.

The Board recommends the Special Resolution at Item No. 7 of this Notice for the approval of the Members.

Except Mr. Gaurav Jain and his relatives, none of the other Directors, Key Managerial Personnel and their relatives are, in anyway, concerned or interested, financially or otherwise, in the said resolution.

Item No.8: To approve material Related Party Transaction(s).

Pursuant to Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, a transaction with the related party shall be considered “material”, if the transactions entered into individually or taken together with previous transactions during the financial year with such related party exceeds 10% of the turnover of the company as per the audited financial statements of the preceding financial year. Pursuant to proviso to Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), a transaction with a related party shall be considered “material”, if the transactions entered into individually or taken together with previous transactions during a financial year with such related party exceeds Rs. 1,000 Crores or 10% of the total turnover of the Company as per the last audited financial statements, whichever is lower.

The provisions of the SEBI Listing Regulations, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective from April 1, 2022, mandates prior approval of shareholders by means of an ordinary resolution for all material related party transactions and subsequent material modifications as defined by the audit committee, even if such transactions are in the ordinary course of business and at an arm's length basis.

During the FY 2025-26, the Company propose to enter into certain transaction with related party (ies), as mentioned in this Explanatory Statement, on mutually agreed terms and conditions, and the aggregate of such transaction(s), is expected to cross the applicable materiality thresholds as mentioned above. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for all such arrangements / transactions proposed to be undertaken by the Company. All the said transactions shall be in the ordinary course of business of the Company and on an arm's length basis. The transactions entered into by the Company are purely as per the business requirements of the Company. The actual value of these transactions in a financial year may vary depending on the business achieved by the Company and is directly proportional to the business.

The Audit Committee has, on the basis of relevant details provided by the management as required by the law, reviewed and approved the said transaction(s), with the above-mentioned related parties at their meeting held on 28th May 2025.

The Board recommends the said resolutions, as set out in Item Nos. 8 of this Notice, for your approval.

Pursuant to Section 188 of the Companies Act, 2013 and pursuant to Regulation 23(4) of the Listing Regulations, the prior approval of the Shareholders of the Company by way of an ordinary resolution would be required for the material related party transactions to be entered into with related parties. Further, pursuant to the amendment to Regulation 23 of the Listing Regulations and SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11th November 2024, all related party transactions which exceeds 10% of the annual turnover needs to be approved by the shareholders by way of a resolution and such approval shall be valid upto the date of next Annual General Meeting.

Accordingly, the approval of the Members is now being sought for the transactions proposed to be entered into with the above-mentioned related parties as per the details given below.

The details of the transactions with above-mentioned related parties as required pursuant to SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11th November 2024 is given below:

Name of the related party	Shristi Cotspinn Private Limited
Type, material terms and particulars of the proposed transaction	Sale and Purchase of Cotton and all types of yarn and other raw materials.
Tenure of the proposed transaction	For a period from the conclusion of the 31 st Annual General Meeting till the conclusion of the 32 nd Annual General Meeting.
Value of the proposed transaction (not to exceed)	Rs.100 crores

The percentage of the listed entity's annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	15% based on audited financials for the year ended 31 st March 2025
Justification as to why the RPT is in the interest of the listed entity	As mentioned above
Copy of the valuation or other external party report, if any such report has been relied upon	Not Applicable
If the transaction relates to any loans, inter – corporate deposits, advances or investments made or given by the listed entity or its subsidiary then	Not Applicable
Any other information that may be relevant	NIL

The Board of Directors recommend the resolution as set out in Item No. 8 of the Notice for the approval of the Members who are not related parties of the Company. The Members may please note that in terms of the provisions of the Listing Regulations, no related party(ies) as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall vote to approve the resolution under Item No. 8 of this notice.

Except Mr. Shyam Lal Agarwal, Mr. Manoj Kumar Jhajharia, Mr. Arunkumar Jhajharia, and Mr. Raghav Agarwal, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the resolution set out in Item No. 8 of the Notice.

ANNEXURE TO THE EXPLANATORY STATEMENT OF THIS NOTICE

Details of Directors seeking appointment / re-appointment pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General meetings issued by ICSI.

Name of Director	Arunkumar Jhajharia	Hari Desikan Ganesh	Gaurav Jain
DIN	00003086	08710451	10719870
Age / Date of birth	52 yrs / 30.06.1972	45yrs / 04.04.1980	44 yrs / 03.12.1981
Nationality	Indian	Indian	Indian
No. of shares held including shareholding as beneficial owner	314671 shares	Nil	Nil
Qualification	B.Com	B.Com	BBM

Name of Director	Arunkumar Jhajharia	Hari Desikan Ganesh	Gaurav Jain
Brief profile and nature of expertise in specific functional areas	He brings more than two decades of diverse experience spanning textiles, finance, and administration. Known for his versatility and leadership, he plays a pivotal role in overseeing and managing all key functions of the organization with exceptional capability.	He is a strategically minded marketing and advertising professional with over 23 years of experience in leading integrated communication strategies aligned with business objectives. With a strong background in general management, brand building, and account leadership, he is known for guiding high-performing teams and delivering impactful multimedia campaigns.	Brings over two decades of hands-on industry experience with deep expertise in quality control and operational management. Proven track record of aligning technical processes with strategic goals. Demonstrates strong leadership, decision-making, and a clear understanding of industry standards-qualities essential for contributing effectively to board-level responsibilities and guiding long-term business growth.
Date of first appointment on the Board	12/02/2018	25/06/2020	23/08/2025
Terms and conditions of appointment	Liable to retire by rotation.	As per the resolution at Item No. 6 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Hari Desikan Ganesh is proposed to be Re-appointed as an Independent Director for Second term of five (5) years w.e.f September 20, 2025. Non-Executive Independent Director not liable to retire by rotation.	As per the resolution at Item No. 7 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Gaurav Jain is proposed to be appointed as an Independent Director for first term of one year w.e.f September 19, 2025. Non-Executive Independent Director not liable to retire by rotation.
Remuneration last drawn (FY 2024-25) (per annum)	Information disclosed in the Corporate Governance Report	Information disclosed in the Corporate Governance Report	Not Applicable

Name of Director	Arunkumar Jhajharia	Hari Desikan Ganesh	Gaurav Jain
Details of remuneration sought to be paid	Directors' fees as may be determined by the Board of Directors from time to time.	He is entitled for payment of sitting fees for attending the meetings of the Board and its Committees	He is entitled for payment of sitting fees for attending the meetings of the Board and its Committees
Relationship with other Directors, Manager and None other Key Managerial Personnel of the Company	Son of Mr. Shyam Lal Agarwala (Chairman & Managing Director) and Brother of Mr. Manoj Kumar Jhajharia (Joint Managing Director)	Not related to any of the other Directors or Key Managerial Personnel of the Company	Not related to any of the other Directors or Key Managerial Personnel of the Company
Other Directorship	Shristi Cotspinn Private Limited – Whole-time Director	1.Terravault Networks Private Limited - Director 2.Flibbrx Private Limited - Director 3. Shramy Learning Technologies Private Limited - Additional Director 4. Flibbr Consulting Services Private Limited - Director	NIL
Chairmanship / Membership of the Committees of Board	Member of Audit Committee	1. Chairman of Audit Committee 2. Member of Nomination and Remuneration Committee 3. Member of Stakeholders Relationship Committee	NIL
Chairmanship / Membership of the Committees of other Companies in which position of Director is held	NIL	NIL	NIL
Resignations, if any, from listed entities (in India) in past three years	NIL	NIL	NIL
Details of Board / Committee Meetings attended during the year	Information disclosed in the Corporate Governance Report	Information disclosed in the Corporate Governance Report	Not Applicable

Name of Director	Arunkumar Jhajharia	Hari Desikan Ganesh	Gaurav Jain
Information as required pursuant to Circular National Stock Exchange of India Limited with Reference no. NSE/CML/2018/24 dated June 20, 2018. (Applicable in case of appointment)	Not Applicable	Not Applicable	Mr. Gaurav Jain, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of Director by virtue of any ("SEBI") order or any other such authority.

**By Order of the Board of Directors
For Salona Cotspin Limited**

Place : Coimbatore
Date : 23.08.2025

RAJKUMARI R
Company Secretary

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors' are pleased to present the 31st Annual Report along with Audited financial statements of your Company for the financial year ended March 31, 2025.

FINANCIAL PERFORMANCE

The summarised financial highlight for the financial year ended March 31, 2025 is depicted below:

(Rs. In Lakh)

Particulars	2024-2025	2023-2024
INCOME		
Revenue from operations	66,215.64	72,225.79
Other Income	15.49	25.29
Total Income	66,231.13	72,251.08
Profit before Depreciation, Finance Costs, Exceptional Items and Tax Expense	3,212.22	3,047.88
Less: Depreciation/Amortization/Impairment	773.84	686.21
Profit before Finance Costs, Exceptional Items and Tax Expense	2,438.38	2,361.67
Less: Finance Costs	1,884.86	1,521.39
Profit before Exceptional Items and Tax Expense	553.52	840.28
Exceptional Items	Nil	Nil
Profit before Tax Expense	553.52	840.28
Less: Taxes Expense (Current & Deferred)	240.21	227.54
Profit for the Year	313.31	612.74
Add: Other Comprehensive Income	20.23	9.23
Balance of Profit for Earlier Years	7,428.90	6,870.08
Less: Transfer to Reserves	Nil	Nil
Less: Dividend paid on Equity Shares	52.62	63.15
Balance carried over to Balance sheet	7,709.82	7,428.90

1. There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year and the date of this report.
2. Previous year figures have been regrouped/re-arranged wherever necessary.
3. There has been no change in nature of business of your Company.

DIVIDEND AND RESERVES:

DIVIDEND

Your Company has a robust track record of rewarding its shareholders with a generous dividend payout. The Board of Directors of your Company (“Board”) has recommended a dividend of Rs.1 (10%) per Equity Share of Rs. 10 each for for the financial year ended 31st March 2025.

GENERAL RESERVES

The Company has not transferred any sum to the General Reserve during the financial year ended March 31,2025.

TRANSFER OF UNCLAIMED DIVIDEND / SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 124 & 125 of the Companies Act, 2013, unclaimed/unpaid dividend relating to the financial year 2017-18 is due for remittance to the Investor Education and Protection Fund established by the Central Government.

Further, pursuant to Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 14,005 Equity Shares of Rs.10/- each on which dividend had remained unclaimed for a period of seven years have been transferred to the credit of the demat account identified by the IEPF Authority during the year under review.

OUTLOOK FOR THE IMMEDIATE FUTURE

The Company is strategically positioned for sustained growth, supported by operational excellence, market expansion initiatives, and continuous innovation. With a strong focus on sustainability and a performance-driven culture, we remain committed to creating enduring value for all stakeholders while safeguarding our competitive position in a dynamic market environment.

Within the textile sector, the Spinning segment continues to experience the structural challenge of volatility in cotton (raw material) prices vis-à-vis yarn (finished goods) prices. Notwithstanding these market dynamics, Salona Cotspin Limited remains committed to its growth trajectory and to consolidating its leadership in the industry.

REVIEW OF OPERATIONS

During the year under review, the production of cotton yarn stood at 48.89 lakh kilograms as compared to 43.60 lakh kilograms in the preceding year. The Company recorded a turnover of Rs.61,492.58 lakh, as against Rs.67,439.58 lakh in the previous year.

The turnover includes export sales of Rs.50,800.91 lakh, compared to Rs.56,217.99 lakh in the previous year, reflecting a decline of 9.63%. The export turnover of traded goods also reduced from Rs.46,697.38 lakh to Rs.41,198.63 lakh during the year.

FINANCES

During the year under review, the Reserves and Surplus stood at Rs. 7,724.82 Lakhs as compared to Rs. 7,443.90 Lakhs in the previous year. The Company has met all its financial commitments to the bankers towards Term Loan and Working Capital facilities

CAPACITY EXPANSION

During the year, your Company added 18,000 spindles to its existing capacity at Kannampalayam Village, Suler Taluk, Coimbatore District. The additional spindles commenced commercial production from January 2025 onwards. This enhanced capacity is expected to contribute to turnover in the coming years and thereby improve overall profitability.

CHANGE IN NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of the company during the period under review.

SHARE CAPITAL

During the year under review, there was no change in the authorised share capital of your Company. The authorised share capital of your Company is Rs.6 Crores crore and Paid-up equity share capital stands at Rs.5.26 crores.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Act, the draft annual return as on March 31, 2025, prepared in accordance with Section 92(3) of the Act is made available on the website of your Company www.salonacotspin.com.

NUMBER OF MEETINGS OF THE BOARD

The Board met 6 (six) times during the year under review. The intervening gap between the meetings did not exceed 120 days, as prescribed under the Act and SEBI Listing Regulations. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report annexed herewith.

SECRETARIAL STANDARDS

During the year under review, your Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India (ICSI) (as amended).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board, to the best of their knowledge and based on the information and explanations received from the management of your Company, confirm that:

- a) in the preparation of the Annual Financial Statements, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such accounting policies and applied them consistently and judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) the annual financial statements have been prepared on a going concern basis;
- e) they have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and operating effectively;
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

During the year under review, the Statutory Auditors have not reported any instances of fraud as required under Section 143(12) of the Act.

DECLARATION OF INDEPENDENT DIRECTORS

All the Independent directors have given declarations to the effect that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 read with Schedules and Rules issued thereunder and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that their name is included in the data bank as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended)

COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND OTHER MATTERS PROVIDED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013

The Board has on the recommendation of the Nomination and Remuneration Committee, framed a policy for fixing the remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and Employees of the Company. The salient features of Nomination and Remuneration policy as formulated by the Company is as follows:

- i. To formulate the criteria for appointment, re-appointment, removal of Director, Key Managerial Personnel, Senior Management and other employees in the Company.
- ii. To formulate the manner and criteria for determining qualification, positive attributes of an independent director.
- iii. To determine the criteria for payment of remuneration to Directors and Senior Management Personnel with an aim of attracting, retaining and motivating people required to run the Company successfully.
- iv. To determine the evaluation of performance of the Members of the Board including Independent Directors.

The Nomination and Remuneration Policy of the Company can be accessed on the Company's website at the link <https://www.salonacotspin.com>

PUBLIC DEPOSITS

The company neither accepted any public deposits nor renewed any deposits during the year. However, the company has unsecured loans from other companies which are not deposits and the details are shown in the notes on accounts.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the Notes to the Financial Statements. However, the Company has not granted any loan or given any security or guarantee pursuant to the provisions of Section 186 of the Companies Act, 2013.

ANNUAL EVALUATION OF THE BOARD ON ITS OWN PERFORMANCE AND OF THE INDIVIDUAL DIRECTORS AND COMMITTEES

On the advice of the Board of Directors, the Nomination and Remuneration Committee of the Board of Directors of the Company formulated the criteria for evaluation of the performance of the Board of Directors & its Committees, Independent Directors and Non-Independent Directors of the Board. Based on that, performance evaluation has been undertaken. The Independent Directors of the Company have also convened a separate meeting for this purpose.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Effective from April 1, 2025, your Company's Board has Eight members comprising of three Executive Directors, one Non-Executive & Non-Independent Directors and four Independent Directors including two Women Directors. The details of Board and Committee composition, tenure of Directors, and other details are available in the Corporate Governance Report.

Mr. Arunkumar Jhajharia (DIN:00003086), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Directors' commends his re-appointment.

In terms of the requirement of the SEBI Listing Regulations, the Board has identified core skills, expertise, and competencies of the Directors in the context of your Company's business for effective functioning. The key skills, expertise and core competencies of the members of Board are detailed in the Corporate Governance Report section of Annual Report.

Pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mrs. Harshidaa Dhiresh Raichura (DIN: 10832996) was appointed as an Independent Director of the Company for a term of five (5) consecutive years with effect from January 25, 2025, by the shareholders of the Company through postal ballot and she will continue to hold the position of an independent director till 24th January, 2030.

Mrs. Meenakumari Shanmugam (DIN:07143889), Independent Director of the Company is demitting office on September 20, 2025, after completion of her second term as an Independent Director. The Board records sincere appreciation for the services rendered by her during her tenure as an Independent Director.

Mr. Hari Desikan Ganesh (DIN:08710451), Independent Director of the Company is completing his first term as an Independent Director. The Board, on the recommendation of Nomination and Remuneration Committee, approved his appointment as an Independent Director for a second consecutive term of five years. An agenda item is placed before the shareholders in the ensuing Annual General Meeting, and the Board commends his re-appointment for a second term of five years.

Another agenda item is placed before the shareholders for the appointment of Mr. Gaurav Jain (DIN:10719870) – as Non-Executive - Independent Director. The Nomination and Remuneration Committee has conducted due diligence of his candidature and found him 'fit and proper' for appointment as an Independent Director. The Board in the meeting held on – approved his candidature for appointment as an Independent Director. Your Board commends is appointment as an Independent Director for a period of one year as detailed in the resolution.

APPOINTMENT/CESSATION/CHANGE IN DESIGNATION OF DIRECTORS

No Directors resigned from the company during the year. Non-Executive Independent Director – Mr. Dhiresh Jayasi tenure as an Independent Director completed on September 28, 2024.

KEY MANAGERIAL PERSONNEL

As on the date of this report, following are the Key Managerial Personnel (“KMPs”) of your Company as per Section 2(51) and 203 of the Companies Act, 2013.

- Mr. Shyam Lal Agarwala, Chairman & Managing Director
- Mr. Manoj Kumar Jhajharia, Joint Managing Director
- Mr. M.S Selvaraj, Chief Financial Officer
- Ms. Rajkumari R, Company Secretary

COMMITTEES OF BOARD

As required under the Act and the SEBI Listing Regulations, the Company has the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder & Relationship Committee
- Corporate Social Responsibility Committee

Details of all the Committees such as terms of reference, composition and meetings held during the year under review are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on February 20, 2025, without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors, the Committees and the Board as a whole along with the performance of the Chairman of your Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

BOARD FAMILIARISATION AND TRAINING PROGRAMME

The Board is regularly apprised on changes in statutory provisions, as applicable to your Company. The Board is also updated on the operations, key trends and risk universe applicable to your Company's business. These updates help the Directors in keeping abreast of key changes and their impact on your Company.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

The Board of Directors has evaluated the Independent Director appointed during the year and confirmed their integrity, expertise, and experience (including proficiency) of the Independent Director.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has adequate internal control systems commensurate with the company's scale of operations. The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors Report.

POLICIES

The details of various policies approved and adopted by the Board as required under the Act and SEBI Listing Regulations are disclosed in website of the Company, www.salonacotspin.com under investors column.

PARTICULARS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company. Consequently, the requirement of submission of consolidated financial statements and disclosure of the subsidiary or joint venture or associate company as required under Section 129(3) of the Companies Act, 2013 does not arise.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The details of the CSR Committee are provided in the Corporate Governance Report, which forms part of this Integrated Annual Report. The CSR policy is available on the website of your Company and link for the same is given in **Annexure – 5** of this report.

The Annual Report on CSR activities is annexed and forms part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under the SEBI Listing Regulations, is forming part of this Annual Report.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report, as stipulated by SEBI Listing Regulations, forms part of Annual Report along with the required certificate from a Practicing Chartered Accountant, regarding compliance of the conditions of corporate governance, as stipulated.

AUDIT COMMITTEE

The Company has an Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Kindly refer to the Section on Corporate Governance, under the head 'Audit Committee' for matters relating to the composition, meetings and functions of the Committee. The Board has accepted all the recommendations of Audit Committee during the year whenever required and hence no disclosure as required under Section 177(8) of the Companies Act, 2013 with respect to rejection of any recommendations of Audit Committee by Board is necessary.

CODE OF CONDUCT

In compliance of Regulation 26 (3) of SEBI Listing Regulations, your Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of your Company ("Code of Conduct").

In compliance of the said Code, all the Directors and Senior Management personnel have affirmed the code during the year under report.

INDIAN ACCOUNTING STANDARDS (IND AS)

As notified by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ('IndAS') with effect from April 01, 2017 and the Financial statements are prepared on that basis.

TRANSACTIONS WITH RELATED PARTIES

All transactions entered into by the Company with related parties as defined under Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") during the Financial year 2024-25 were in the Ordinary Course of Business and at Arms' length basis.

The particulars of contract and arrangement entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 are disclosed in Annexure 1 (Form No. AOC-2) and forms part of this Report.

The policy on Related Party Transactions as approved by the Board of Directors of the Company has been uploaded on the Company's website and may be accessed through the link at <https://www.salonacotspin.com>

MAINTENANCE OF COST RECORDS AS MANDATED BY THE CENTRAL GOVERNMENT

Pursuant to the provisions of Section 148(1) of the Companies act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company was required to maintain cost records. Accordingly, the Company has duly made and maintained the cost records as mandated by the Central Government.

AUDITORS

STATUTORY AUDITORS & AUDITORS' REPORT

Pursuant to Section 139 of the Act read with rules made thereunder, as amended, M/s. Gopalaiyer & Subramanian, Chartered Accountants (Firm Registration No.: 000960S) were appointed as the Statutory Auditors of your Company for the second term of five years till the conclusion of 33rd Annual General Meeting (AGM) of your Company to be held in the year 2027.

The Statutory Auditors have confirmed that they are not disqualified to continue as Statutory Auditors and are eligible to hold office as Statutory Auditors of your Company.

The Notes to the financial statements referred in the Auditors' Report are self-explanatory.

Statutory Auditors have expressed their unmodified opinion on the Financial Statements and their reports do not contain any qualifications, reservations, adverse remarks, or disclaimers. In view of the unqualified report of the statutory auditors, the comments of the Board does not arise.

SECRETARIAL AUDITORS AND SECRETARIAL AUDITOR'S REPORT

Pursuant to the provisions of Section 204 of the Act, read with the rules made thereunder, the Board re-appointed Mr. Ramanathan Kannan, Practicing Company Secretary, to undertake the Secretarial Audit of your Company for the Financial Year ended March 31, 2025. The Secretarial Audit Report for the year under review is provided as **Annexure – 3** of this report.

Further, pursuant to amended Regulation 24A of SEBI Listing Regulations, and subject to your approval being sought at the ensuing AGM, Mr. R. Kannan, Practicing Company Secretary (COP. No. 17220; Peer review certificate no. 2803/2022) has been appointed as a Secretarial Auditor to undertake the Secretarial Audit of your Company for a term of five (5) consecutive years, to conduct the Secretarial Audit of five consecutive financial years from 2025-26 to 2029-30. Secretarial Auditor has confirmed that he is not disqualified to be appointed as a Secretarial Auditor and is eligible to hold office as Secretarial Auditor of your Company.

EXPLANATION TO SECRETARIAL AUDITORS' COMMENT:

In respect of remarks made by the Secretarial Auditor in the report, your directors wish to state as follows:

S.No	Secretarial Auditor Qualification
1	<p>Reg 23(9) –There was a two day delay in uploading the Disclosure Relating to Related Party Transactions as on 31.03.2024. Board of the Company has taken on record the financial results for the financial year ended 31.03.2024 on 29th May, 2024. The Related Party Transactions were uploaded in the NSE portal only on 31st May 2024. There was a delay of 2 days and hence NSE vide its letter NSE/LIST-SOP/COMB/FINES/0720 dated 28.06.2024 imposed a penalty of Rs.10,000/- plus GST amount of Rs.1800/- on the fine amount totaling Rs.11,800/-. The company has remitted the fine amount to NSE as directed on 03.07.24.</p> <p>Directors Reply - The Company has remitted the penalty amount to NSE as directed. However, the Board clarifies that the Corporate Governance provisions were not applicable to the Company until Dec 12, 2024 the Third Amendment of SEBI LODR was introduced. The Company had intimated the NSE on non-applicability of the provisions. However, the Company has always adopted and followed the best governance principles and ensures no such delay will happen in future by ensuring adequate processes and further ensuring timely compliances.</p>
2	<p>Regulation 40(9) of SEBI (LODR) Regulations, 2015: There was 8 days delay in uploading the Certificate issued as per Regulation 40(10) of SEBI (LODR) in respect of Transfer, Transmission, Transposition of Securities as on 31.03.2024: Certificate to be uploaded on NSE portal on 30.04.2024 but the company uploaded the certificate only on 08.05.2024 resulting in a delay of 8 days.</p> <p>Directors Reply - There was a delay in filing of Certificate under Reg 40(9) by 8 days and the same is taken seriously. However, this regulation has been discarded w.e.f Dec 12, 2024. Hence further the filing does not arise.</p>

COST AUDITOR

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and as per the recommendations of the Audit Committee, the Board of Directors, appointed Mr. B. Venkateswar (M.No.27623), Cost Accountant, Coimbatore as Cost Auditor of the Company for the Financial year 2025-26. The remuneration payable to the Cost Auditor is subject to ratification of the members in General meeting. The Board recommends their remuneration for members ratification.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to percentage increase in remuneration, ratio of remuneration of each Director and Key Managerial Personnel to the median of employees' remuneration are provided in **Annexure – 4** of this report.

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

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has laid down a Prevention of Sexual Harassment (POSH) Policy and has constituted Internal Complaints Committees (ICs) to consider and resolve the complaints related to sexual harassment. There was no complaints received from any employee during the financial year.

No. of sexual harassment complaints received during the year	NIL
No. of complaints resolved during the year	NIL
No. of cases pending for more than ninety days	NIL

MATERNITY BENEFITS ACT, 1961

The Company affirms that it has duly complied with all provisions of the Maternity Benefit Act, 1961.

VIGIL MECHANISM

Your Company has adopted a whistle blower policy and has established the necessary vigil mechanism for Directors and employees in confirmation with Section 177 of the Act and Regulation 22 of SEBI Listing Regulations, to facilitate reporting of the genuine concerns about unethical or improper activity, without fear of retaliation.

The vigil mechanism of your Company provides for adequate safeguards against victimisation of whistle blowers who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

No person has been denied access to the Chairman of the Audit Committee. The said policy is uploaded on the website of your Company www.salonacotspin.com

During the year under review, your Company has not received any complaints under the vigil mechanism.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, as amended, is provided as **Annexure – 2** of this report.

During the year, the Company generated 58.92 lakh units (net) of wind power, compared to 69.87 lakh units in the previous year. The solar power plant (ground-mounted) at Thaligai Village, Velagoundampatti, Namakkal District, Tamil Nadu, generated 33.82 lakh units (previous year: 36.01 lakh units) for captive consumption. The wind power generator in Gujarat, commissioned in July 2023, generated 71.44 lakh units during the year as against 39.01 lakh units in the previous year.

The captive consumption of wind and solar power contributed to a significant reduction in power costs and thereby enhanced the profitability of the textile mill.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Board periodically discusses the risks concerning the company's business operations and adequate safeguards are being taken to address any potential risk.

CYBER SECURITY

In view of increased cyberattack scenarios, the cyber security maturity is reviewed periodically in respect of technology controls and processes.

During the year under review, your Company did not face any incidents or breaches or loss of data breach in Cyber Security.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

The disclosure under this clause is not applicable as the Company has not undertaken any valuation at the time of one-time settlement with the banks or financial institutions during the year under review.

CEO/CFO CERTIFICATION

As required under SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015, the Whole-Time Director and the Chief Financial Officer have furnished necessary Certificate to the Board on the financial statements presented.

SAKSHAM NIVESHAK – 100 DAYS CAMPAIGN

Pursuant to Investor's Education and Protection Fund Authority (IEPFA), Ministry of Corporate affairs (MCA) circular dated July 16, 2025 for KYC and other updation and Shareholder Engagement to Prevent Transfer of Unpaid/Unclaimed Dividends to IEPF, a 100 days Campaign- "Saksham Niveshak" has been launched, targeting shareholders whose dividends remain unpaid/unclaimed. The Company has sent intimations to shareholders and has updated the same on the website and intimated NSE.

During this Campaign, all shareholders with unpaid/unclaimed dividends, are requested to update their KYC, Nomination Details, or have any issues or queries related to unpaid dividends and shares, can reach out to the Company's Registrar & Share Transfer Agent. This Campaign specifically aims to help shareholders update their KYC, Bank mandates, Nominee, and Contact Information. Shareholders are also urged to claim their unclaimed dividends to prevent their dividends and shares from being transferred to the Investor Education & Protection Fund (IEPF). For shareholders holding shares in demat form, it is advised to approach their Depository Participant (DP) to update their KYC details. The notice for this Campaign is available on the Company's website at www.salonacotspin.com, as well as on the National Stock Exchange (NSE) website, where the Company's shares are listed, at www.nseindia.com.

GENERAL DISCLOSURES

Your Directors' state that during the year under review:

1. Your company did not issue any securities during the period under report.
2. Your Company did not issue any shares (including sweat equity shares) to employees of your company under any scheme.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and your Company's operation in future.
4. No application was made and no proceeding was pending under the Insolvency and Bankruptcy Code, 2016.

ACKNOWLEDGEMENT

The Board of Directors expresses its profound gratitude for the invaluable guidance, unwavering support, and steadfast assistance extended by the Banks. We are also deeply appreciative of the trust, confidence, and loyalty demonstrated by our esteemed shareholders, customers, suppliers, and business associates, which continue to form the bedrock of the Company's operations.

The Directors wish to formally acknowledge and commend the exceptional dedication and unwavering commitment of the employees at all levels. Their tireless efforts and consistent contributions are essential in ensuring the Company's continued operations and growth.

The Board offers its prayers to invoke the blessings of Lord Vishnu, Goddess Lakshmi, Lord Shiva, and Goddess Shakti for the continued growth, prosperity, and well-being of the Company and all its stakeholders.

For and on behalf of the Board of Directors

Place : Coimbatore
Date : 23.08.2025

Shyam Lal Agarwala
Chairman & Managing Director
DIN : 00003055

ANNEXURE - 1

FORM NO. AOC -2

(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not on arm's length basis – **NIL**
2. Details of material contracts or arrangements or transactions at arm's length:

Name of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangement or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances,if any
Shristi Cotspinn Private Limited	Common Promoters	Sale and Purchase of Cotton and Yarn	One Year	Sale and Purchase of Cotton and Yarn for an amount not exceeding Rs.33Crores	29.05.2024	Nil

For and on behalf of the Board of Directors

Place : Coimbatore
Date : 23.08.2025

Shyam Lal Agarwala
Chairman & Managing Director
DIN : 00003055

ANNEXURE – 2

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

Pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

Efforts are being undertaken to reduce power consumption. Energy efficient motors are being installed in place of conventional motors.

CAPTIVE POWER GENERATION	31.03.2025	31.03.2024
Wind Electricity Unit Generation (Units in Lakhs)	58.92	69.87
Solar Power Unit Generation (Units in Lakhs)	33.82	36.01

By Captive Consumption, Wind Electricity and Solar Power contributed to reduction in power cost and contributed to the profits of the textile mill. Hence the overall performance of the Company should be considered as Satisfactory.

B. TECHNOLOGY ABSORPTION

The South Indian Textile Research Association that is undertaking Research and Development in the field of textiles on behalf of its members. Production and quality norms have been established in the past and further Research and Development programs are being undertaken by the Association. Total Expenditure on Research and Development as a percentage of income is negligible.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	31.03.2025	31.03.2024
Earnings	50,800.91	56,217.99
Total Foreign Exchange earned: F.O.B. Value of Exports of Finished and Traded goods		
Expenditure	3,622.49	315.65
Remittance in Foreign Exchange: Purchase of Capital goods, Spares, Commission on Exports and interest on foreign currency loan		

For and on behalf of the Board of Directors

Place : Coimbatore
Date : 23.08.2025

Shyam Lal Agarwala
Chairman & Managing Director
DIN : 00003055

ANNEXURE - 3**FORM NO. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025
[Pursuant to Sec 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To
The Members,
M/s. SALONA COTSPIN LIMITED
SF.No.74/12 & 75/3, Sathy Road,
Pungampalli Village, Sathyamangalam,
Tamilnadu – 638402

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s SALONA COTSPIN LIMITED, [CIN: L17111TZ1994PLC004797] (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, subject to the Annual Report, the Company has, during the audit period covering the financial year ended on 31st March 2025 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2025 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;- **Not applicable to the company during the review period.**
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018; - **Not applicable to the company as there was no issue of securities during the review period.**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:- **Not applicable to the Company during the review period.**

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable to the company during the review 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 review period.**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: - **Not applicable during the review period.**

VI. The Management has identified and confirmed the following laws specifically applicable to the company: Air (Pollution and Control of Pollution) Act, 1981 as amended in 1987 (Central Act, 14 of 1981) and Water (Prevention and Control of Pollution) Act, 1974 as amended in 1988 (Central Act, 6 of 1974), Tamil Nadu Pollution Control Board – Norms, Rules and Regulations – from time to time amendment and relevant notification / modifications. National Textile Policy, 2000, Textile Control Orders, Cotton Control Orders and amendments thereunder, Indian Standard Specification for Cotton Bales, Textile (Development and Regulation) order, 2001, Essential Committees Act, 1955 with reference to 'Hank Yarn Packaging Notification, 2003, Electricity Act, 2003 (with respect to Wind Mills and Solar Power Plants installed) and other Labour Laws applicable to that extent;

I have also examined compliance with the Listing Agreement and applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standards issued by The Institute of Company Secretaries of India.

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

A] Regulation 23 (9) of the SEBI (LODR) Regulations, 2015: There was a two day delay in uploading the Disclosure Relating to Related Party Transactions as on 31.03.2024. Board of the Company has taken on record the financial results for the financial year ended 31.03.2024 on 29th May, 2024. The Related Party Transactions were uploaded in the NSE portal only on 31st May 2024. There was a delay of 2 days and hence NSE vide its letter NSE/LIST-SOP/COMB/FINES/0720 dated 28.06.2024 imposed a penalty of Rs.10,000/- plus GST amount of Rs.1800/- on the fine amount totalling Rs.11,800/-. The company has remitted the fine amount to NSE as directed on 03.07.24. Even though the matter pertains to the financial year end 31.03.24, but the disclosure shall have to be made on the date of approval of financial statements by the Board in May 2024 and disclosure to be done during the fiscal 24-25 and the penalty imposed by NSE and paid by the company falls during the financial year 2024-25, it is reported here.

B] Regulation 40(9) of SEBI (LODR) Regulations, 2015: There was 8 days delay in uploading the Certificate issued as per Regulation 40(10) of SEBI (LODR) in respect of Transfer, Transmission, Transposition of Securities as on 31.03.2024: Certificate to be uploaded on NSE portal on 30.04.2024 but the company uploaded the certificate only on 08.05.2024 resulting in a delay of 8 days. However, this regulation has since been discarded with effect from 12.12.2024.

The Company has also responded appropriately to the NSE in respect of the clarifications etc sought for by them within the timelines specified by the Exchange.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director, Independent Directors including Women independent Director. There were changes in the composition of the Board of Directors during the year under review as detailed below:

1. Mr Dhiresh Jayasi (DIN: 06931744) ceased to be director with effect from 28.09.2024 consequent to the completion of his second term of five years as an Independent Director.
2. Mrs. Harshidaa Dhiresh Raichura (DIN:10832996), has been appointed as an Independent Director with effect from 12-11-2024.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. 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.

As per the minutes of the Meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

As informed the company has responded appropriately to the notices received from various statutory /regulatory authorities wherever found necessary.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

On the basis of information and explanation provided, the Company had no transaction during the period under Audit requiring compliance of applicable provisions of Act/Regulations/Directions as mentioned above in respect of:

- a) issue of Securities both equity and/or debt.
- b) Share based employee benefits
- c) Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment
- d) Buy-Back of Securities
- e) Delisting of Securities
- d) Merger / Amalgamation / Reconstruction, etc

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

Place : Coimbatore
Date : 14.08.2025

Ramanathan Kannan
Practicing Company Secretary
FCS:7446; CP:17220
Peer Review Certificate No.2803/2022
UDIN: F007446G001008006

ANNEXURE 'A'

To
The Members,
M/s. Salona Cotspin Limited [CIN: L17111TZ1994PLC004797]
SF.No.74/12 & 75/3, Sathy Road,
Pungampalli Village, Sathyamangalam,
Tamil Nadu - 638402

My Secretarial Audit Report of even date is to be read along with the following:

1. Maintenance of Secretarial Records and Statutory Registers is the responsibility of the management of the company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules and regulations standards is the responsibility of Management. My examination was limited to verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place : Coimbatore
Date : 14.08.2025

Ramanathan Kannan
Practicing Company Secretary
FCS:7446; CP:17220
Peer Review Certificate No.2803/2022
UDIN: F007446G001008006

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
Salona Cotspin Limited
SF NO 74/12 & 75/3, Sathy Road,
Poongampalli Village,
Sathyamangalam, Tamil Nadu.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Salona Cotspin Limited having CIN: L17111TZ1994PLC004797 and having its office at: SF NO 74/12 & 75/3, Sathy Road, Pungampalli Village, Sathyamangalam, Tamil Nadu, PIN: 638402 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2025 have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sl.			Date of Appointment	Date of Cessation
01	SHYAMLAL AGARWALA	00003055	18-01-1997	Continuing
02	MANOJ KUMAR JHAJHARIA	00003076	26-09-1998	Continuing
03	ARUN KUMAR JHAJHARIA	00003086	12-02-2018	Continuing
04	DHIRESH JAYASI	06931744	25-07-2014	28-09-2024 \$
05	MEENAKUMARI SHANMUGAM	07143889	30-03-2015	Continuing
06	HARI DESIKAN GANESH	08710451	25-06-2020	Continuing
07	PRABHU	05342906	14-11-2022	Continuing
08	RAGHAV AGARWAL	06981525	14-11-2022	Continuing
09	HARSHIDAA DHIRESH RAICHURA	10832996	12-11-2024	Continuing

\$ Ceased to be a director consequent to the completion of second term of five years as Independent Director.

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

Place : Chennai
Date : 14.08.2025

Ramanathan Kannan
Practicing Company Secretary
FCS:7446; CP:17220
Peer Review Certificate No.2803/2022
UDIN: F007446G001006268

ANNEXURE – 4

A. Disclosure under Section 197 (12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year ended 31st March 2025 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year ended 31st March 2025.

S. No.	Director	Category	Ratio to median remuneration	% increase
1	SHYAM LAL AGARWALA	Managing Director	12.90:1	-8.29
2	MANOJ KUMAR JHAJHARIA	Managing Director	9.16:1	-8.11
3	ARUNKUMAR JHAJHARIA	Director	3.73:1	20.00
4	RAGHAV AGARWAL	Director	3.73:1	7.14
5	DHIRESH JAYASI \$	Director	0.03:1	-13.33
6	PRABHU	Director	0.06:1	116.67
7	MEENAKUMARI. S	Director	0.06:1	283.33
8	HARSHIDAA DHIRESH RAICHURA	Director	0.02:1	NA
9	HARI DESIKAN GANESH	Director	0.06:1	283.33
10	M.S SELVARAJ	Chief Financial Officer	1.89:1	11.67
11	P.S RAVISHANKAR '&'	Company Secretary	0.63	NA
12	RAJKUMARI R #	Company Secretary	0.37	NA

\$ - Tenure of Completion to be a Director of the Company w.e.f September 28, 2024.

& - Resigned to be a Company Secretary of the Company w.e.f October 04, 2024.

- Appointment as a Company Secretary of the Company w.e.f December 13, 2024.

2. Percentage increase in the median remuneration of employees in the financial year: 8.90%

3. Number of permanent employees on the rolls of Company as on 31st March 2025: 356
No. of Male Employees – 179 ; No. of Female Employees – 177.

The Company maintains gender equality by giving employment opportunities to both the genders equal.

4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 8.90%
5. Affirmation that the remuneration is as per the Remuneration Policy of the Company.

Your directors affirm that the remuneration is as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place : Coimbatore
Date : 23.08.2025

Shyam Lal Agarwala
Chairman & Managing Director
DIN : 00003055

ANNEXURE – 5
ANNUAL REPORT ON CSR
Annual Report on Corporate Social Responsibility (CSR) activities for Financial Year
ended 31st March 2025

1. A brief outline of the Company's CSR Policy of the Company

CSR is a sense of responsibility towards the community and environment in which we operate. It can be expressed through contribution / participation in Education, Health, Water Management, Waste Management, Infrastructure and Eradication of Hunger. The CSR activities under the Policy are those covered under the ambit of Schedule VII to the Companies Act 2013. Our CSR initiatives focus on the holistic development of our host communities while creating social, environmental and economic value to the society.

2. Composition of the CSR Committee

Prabhu	Chairman	Non Executive – Independent Director
Shyamlal Agarwala	Member	Executive – Non – Independent Director
Manoj Kumar Jhaharia	Member	Executive – Non – Independent Director

The Company had earlier constituted a CSR Committee in compliance with Section 135(1) of the Companies Act, 2013 read with Rule 5 of Companies (Corporate Social Responsibility Policy) Rules, 2014. However, Pursuant to Section 135(9) read with the Companies (Amendment) 2020 effective from January 22, 2021, the requirement under subsection (a) shall not be applicable to the Company and the functions of the Corporate Social Responsibility Committee provided under the said section shall, in such cases, be discharged by the Board of Directors of the Company. Hence, the Board of Directors, at their meeting held on August 23, 2025 had approved and dissolved the Corporate Social Responsibility Committee w.e.f August 23, 2025. All the roles, responsibilities and functions of the Corporate Social Responsibility Committee as provided under the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time) are being discharged by the Board of Directors of the Company in terms of the said provisions of the Act and its rules with effect from the said date.

3. Executive Summary along with the web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 - Not Applicable.
3. Average Net Profit of the Company for last three financial years Rs. 1875.45 Lakhs
4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above) Rs. 37.51 Lakhs
5. Details of CSR spent during the financial year
 - a. Total amount spent for the financial year: Rs. 39.36 Lakhs
 - b. Amount unspent, if any : Nil
 - c. Manner in which the amount was spent during the financial year is detailed below:

(Rs. In Lakh)

S.No.	CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or Programmes (1) Local area or Other (2) Specify the State and District where Projects or Programmes were Undertaken	Amount Outlay (Budget) Project or Program - wise	Amount Spent on the Projects or Programmes Sub Heads: (1) Direct Expenditure on Projects or Programmes. (2) Overheads	Cumulative Expenditure up to the Reporting Period	Amount Spent: Direct or through Implementing Agency
1	Promoting Health care	Clause i	PHC, Vinnapalli Erode District	4.87	Direct Expenditure	4.87	Direct
2	Promoting Health care	Clause i	Coimbatore	4.10	Direct Expenditure	4.10	Direct
3	Promoting Health care	Clause i	Sanitary Inspector Coimbatore Corporation	0.55	Direct Expenditure	0.55	Direct
4	Animal Welfare	Clause iv	Jhajhar, Jhunjhunu District, Rajasthan	1.35	Direct Expenditure	1.35	Direct
5	Promotion of Education	Clause ii	Coimbatore Tamil Nadu	1.75	Direct Expenditure	1.75	Direct
6	Promotion of Education	Clause ii	West Bengal	1.10	Direct Expenditure	1.10	Direct
7	Healthcare Initiatives	Clause i	Ahmedabad	10.00	Direct Expenditure	10.00	Raginiben Bipinchandra Sevakraya Trust, Ahmedabad
8	Healthcare Initiatives	Clause i	Kolkata, West Baengal	11.00	Direct Expenditure	11.00	Shree Shiv Shakti Seva Trust, Kolkata
9	Healthcare Initiatives	Clause i	Coimbatore, Tamil Nadu	1.50	Direct Expenditure	1.50	CPRT 101 Charitable Trust, Coimbatore
10	Healthcare Initiatives	Clause i	Coimbatore, Tamil Nadu	0.10	Direct Expenditure	0.10	Coimbatore Smart City Trust
11	Rural Works	Clause X	Coimbatore	3.04	Direct Expenditure	3.04	Direct
		Total		39.36		39.36	

Details of unspent Corporate Social Responsibility amount for the preceding three financial years -Nil

(Rs. In Lakh)

S.No	Preceding Financial year	Amount Transferred to unspent CSR account under Sub-section (6) of Section 135 (Rs in Lakh)	Balance Amount in Unspent CSR Account under Sub-section (6) of Section 135 (Rs in Lakh)	Amount spent in the Financial Year (Rs in Lakh)	Amount transferred to a fund specified under Schedule VII as per second provision to Sb-section (5) of Section 135 if any		Amount remaining to be spent in succeeding financial year (Rs. In Lakh)	Deficiency if any
					Amount (Rs.in lakh)	Date of Transfer		
1	2021-22	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	2022-23	21.57	21.57	2023-2024	21.57	26.09.2023	Nil	
3	2023-24	Nil	Nil	Nil	Nil	Nil	Nil	

- Whether any Capital assets have been created /acquired through Corporate Social Responsibility amount spent in the financial year : Not Applicable
- Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135 - Not applicable

Prabu
Chairman
DIN: 05342906

Shyam Lal Agarwala
Member
DIN:00003055

Manoj Kumar Jhajharia
Member
DIN: 00003076

Place : Coimbatore
Date : 23.08.2025

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

The Indian textile industry is unique due to its close linkage with agriculture—particularly for raw materials such as cotton—and its deep-rooted connection to the country's ancient culture and traditions in textiles. This sector possesses the capacity to produce a wide variety of products catering to diverse market segments, both domestically and internationally.

Being highly labour-intensive, the industry provides employment to a large workforce. Its fundamental strength lies in a robust production base of a wide range of natural Fibers, especially cotton. The textile sector is also a significant contributor to India's foreign exchange earnings through the export of cotton yarn and value-added products such as fabrics and garments.

A revival in global economic conditions is expected to stimulate industry growth further. However, sustained progress depends on the availability of cotton at stable prices. The management remains committed to continuously upgrading the quality of yarn to maintain a competitive edge in export markets, strengthen brand positioning, and ensure long-term profitability.

Opportunities and Threats:

Opportunities

1. Established customer relationships – Our long-standing relationships with key customers, supported by strong quality and customer service practices, continue to drive growth and foster loyalty.
2. Experienced management strategy – Over five decades of market expertise in cotton procurement and understanding demand trends for yarn and fabrics, both domestically and internationally, have enabled consistent performance and market adaptability.

Threats

1. Volatile pricing trends – While domestic demand and export prospects for cotton yarn remain strong, fluctuations in yarn prices can create both opportunities and competitive pressures for the spinning industry.
2. Global market influence – International pricing trends may affect India's textile sector, impacting both supply and demand dynamics, and potentially narrowing margins.

Product-wise Performance

The Company's primary product portfolio comprises cotton yarn, and knitted fabrics catering to the hosiery and knitted garment industries. The Company remains committed to the continuous upgradation of yarn and fabric quality to meet evolving customer requirements and industry standards.

Outlook

In view of the highly competitive market environment, the Company is implementing consolidation strategies focusing on cost reduction, productivity enhancement, market diversification, and maintaining stringent quality standards. These initiatives are being pursued as part of an ongoing process.

During the year, the Company added capacity of 18,000 spindles, with commercial production commencing in the fourth quarter of FY 2024–25. This expansion is expected to enhance production volumes and contribute to

higher revenues in the coming years.

Risks and Concerns:

Although banks may be liberal in sanctioning loans, the higher interest cost will put pressure on margins. The key raw material for our industry is cotton, and a major portion of its cultivation is rain-fed, making it heavily dependent on the vagaries of the monsoon. Price fluctuations are significant in both domestic and imported cotton. Any disruption in supply and/or sharp changes in the cost structure could adversely affect the company's profitability. Power is also a critical component of the cost structure, and fluctuations in its availability or price can have a material impact on operations.

- C. SEGMENT WISE - There is only one segment, textiles.
- D. OUTLOOK - Already dealt with.
- E. RISKS AND CONCERNS - Already dealt with under threat.
- F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has established proper and adequate internal control systems, commensurate with its size and nature of operations, to safeguard assets and protect them from loss due to unauthorized use or disposition. These systems ensure that all transactions are duly authorized, accurately recorded, and appropriately reported. A robust internal audit mechanism, supported by effective and comprehensive reviews by the Audit Committee, has further strengthened the internal control framework. The Company also maintains a well-defined organizational structure, clear authority levels, and internal rules and guidelines to govern business transactions.

G. CAUTIONARY STATEMENT:

Certain statements in this report are forward-looking and have been made in accordance with applicable securities laws and regulations. These statements involve risks and uncertainties, as several factors beyond the control of management may cause actual results to differ materially from those anticipated or implied.

H. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Number of people employed – 356

The employees and management are committed to providing continuous training to enhance overall working practices. Industrial relations remain cordial and satisfactory.

I. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company reported a post-tax profit of Rs. 313.31 lakh, compared to Rs. 612.74 lakh in the previous year. A detailed analysis of the Company's financial performance is provided in the Directors' Report.

J. DETAILS OF SIGNIFICANT CHANGES IN RATIOS

Debtors Turnover Ratio decreased from 5.06 to 4.71, primarily due to a reduction in turnover during the year.

Inventory Turnover Ratio decreased from 11.65 to 9.83, attributable to a decline in turnover during the year.

Interest Coverage Ratio decreased from 1.55 to 1.29, reflecting an increase in term loans and borrowings during the year.

Debt-Equity Ratio decreased from 3.22 to 2.89, driven by an increase in term loans and borrowings during the year.

Return on Net Worth increased from 6.95% to 7.59%, due to higher finance costs leading to a reduction in

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March 2025 in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Company's Philosophy on Code of Governance

The Company is committed to maintaining the highest standards of corporate governance, ensuring transparency, accountability, and fairness in all its dealings. Our philosophy on corporate governance is rooted in the belief that good governance practices are essential to creating long-term shareholder value, building trust with all stakeholders, and enhancing the company's reputation.

We strive to adopt best practices in corporate governance by implementing a robust framework that ensures compliance with legal and regulatory requirements, as well as adherence to ethical standards.

Our governance practices are designed to promote the interests of shareholders, protect the rights of stakeholders, and foster a culture of integrity and responsibility at all levels of the organization. We emphasize transparency in our decision-making processes, timely and accurate disclosure of information, and a strong system of internal controls. The Board of Directors and its Committees are committed to upholding these principles, ensuring effective oversight, and fostering a culture of continuous improvement in governance standards.

The Company's senior management regularly briefs the Board on key business matters and, Board members review and approve the business plan for the upcoming year. The Audit Committee and the Board carefully review and approve all related-party transactions, seeking shareholders' approval whenever required. All related-party transactions are conducted at arm's length and in compliance with the Companies Act 2013 and the SEBI Listing Regulations. Details of related-party transaction management processes can be found in the financial statements section of the Annual Report 2024-25.

BOARD OF DIRECTORS

(i) Composition, Category of Directors and Attendance at the Meetings

The Company's Board is a balanced Board with Independent Directors representing atleast 50% of the total strength of the Board. The Board is also required to have balance of skills, competencies, experience and diversity of perspectives appropriate to the Company and its business. The Directors of the Company possess the skills, competencies, expertise and as identified by the Board.

Composition of the Board as on 31st March 2025

EXECUTIVE	Mr Shyam Lal Agarwala , Mr Manoj Kumar Jhajharia, Mr.Arunkumar Jhajharia
NON-EXECUTIVE	Raghav Agarwal
INDEPENDENT DIRECTORS	(I) Prabu (ii) Hari Desikan Ganesh (iii) Meenakumari.S (iv) Harshidaa Dhiresh Raichura

BOARD MEETINGS

The Board met 6 times during the financial year on 29th May 2024, 12th August 2024, 31st August 2024, 12th November 2024, 13th December 2024 and 12th February 2025. The gap between any two meetings of the Board has always been within 120 days.

The details of the Composition of Board, category of directorship, attendance of Directors at the meetings of the Board of Directors and the Annual General Meeting held during the year are given below:

Name & DIN of the Directors	Category of Directorships	Attendance Particulars	
		No. of Board Meetings Attended	Last AGM Attended (Yes / No)
Shyam Lal Agarwala (DIN: 00003055)	Executive - Non-Independent	6	Yes
Manoj Kumar Jhajharia (DIN: 00003076)	Executive - Non-Independent	6	Yes
Arunkumar Jhajharia (DIN: 00003086)	Executive	5	Yes
Raghav Agarwal (DIN: 06981525)	Non-Executive - Non-Independent	4	Yes
Dhiresb Jayasi # (DIN: 06931744)	Non-Executive - Independent	3	Yes
Prabu (DIN: 05342906)	Non-Executive - Independent	6	Yes
Hari Desikan Ganesh (DIN: 08710451)	Non-Executive - Independent	6	Yes
Meenakumari Shanmugam (DIN: 07143889)	Non-Executive - Independent	6	No
Harshidaa Dhiresb Raichura (DIN: 10832996)	Non-Executive - Independent	2	NA

* None of the Directors hold Directorships in other public Companies or any position in the Committees of other public companies.

* Excludes Directorships in Foreign Companies and Private Companies

Mr. Dhiresb Jayasi Tenure of completion as an independent Director to be Director on the Board w.e.f 28th September 2024.

None of the Directors holds Directorship in more than 20 companies (including limit of maximum Directorship in 10 Public Companies) pursuant to the provisions of the Companies Act, 2013. Further, none of the Directors including Independent Directors holds Directorship in more than the maximum number of Directorship prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the disclosure received from the Directors, none of the Directors serve as members of more than ten committees nor are they the Chairman / Chairperson of more than five committees, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (ii) Other Directorships in Listed entities: None of the Directors hold Directorships in any other listed entity.
- (iii) Disclosure of relationship between Directors inter-se: Excepting the non-executive independent directors, other Directors of the Company are related to each other.

(iv) Shareholding of Non-Executive Directors:

Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March 2025 is as under:

Name of the Director	No. of Shares held as on 31.03.2025
Raghav Agarwal	124,726
Prabu	NIL
Hari Desikan Ganesh	NIL
Meenakumari Shanmugam	NIL
Harshidaa Dhires Raichura	NIL

The Company has not issued any type of convertible instruments to Non-Executive directors.

There has been no pecuniary transaction or relationship between the company and its Non-Executive Independent Directors during the year.

None of the directors were issued employee stock options during the year under review.

(v) Familiarisation Programme for Independent Directors

The Company is committed to ensuring that its Independent Directors are fully familiarised with the company's operations, industry dynamics, regulatory environment, and governance framework. This ongoing familiarisation enables the Independent Directors to contribute effectively to the Board's oversight and strategic guidance. To support this, the Company facilitates access to relevant information and resources that keep the Directors updated on key developments and emerging trends. Such efforts reinforce the Directors' ability to make well-informed decisions in the best interest of the Company and its stakeholders. The commitment to continual learning underscores the Company's dedication to strong governance and transparency. The details of familiarisation programme are available on the website of the Company : <https://www.salonacotspin.com/investors/>

The Independent Directors held a meeting on 20th February 2025, without the attendance of Non-Independent Directors and members of management. All the Independent Directors were present at the meeting.

The following matters were discussed in detail:

- i) Review of the performance of Non-Independent Directors and the Board as a whole
- ii) Review of the performance of the Chairman of the Company, taking into account the views of Non-Executive Directors
- iii) Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

vi) BOARD INDEPENDENCE:

The Independent Directors have submitted their Declaration of Independence, reaffirming their ongoing commitment to the independence criteria outlined in Section 149 of the Companies Act, 2013, and Regulation 16 of the SEBI Listing Regulations. The SEBI Listing Regulations require Company to have at least half of their total Directors as Independent Directors, a requirement that the Company fully complies with.

vii) RESIGNATION OF INDEPENDENT DIRECTORS BEFORE EXPIRY OF TENURE:

There have been no changes to their status as Independent Directors. None of the Independent Directors have resigned from the Board of Directors of the Company before the expiry of their tenure during the year under review. The Board confirms that the Independent Directors are highly respected professionals with integrity, possessing the required expertise and experience in their respective fields.

viii) BOARD PARTICIPATION:

The Board oversees the Company's performance and strategic decision-making by evaluating various operational aspects. Regular board meetings are held to assess and provide input, with an impressive 95.74% attendance during FY 2024-25, reflecting active engagement.

ix) BOARD EFFECTIVENESS, EXPERTISE, COMPETENCIES AND ATTRIBUTES

The Board of Directors remains steadfast in its commitment to uphold the highest standards of corporate governance. Throughout the reporting period, a comprehensive evaluation framework was employed to assess and enhance the Board's performance, fostering robust oversight, strategic clarity, and accountability. These efforts are integral to driving sustainable value creation and ensuring alignment with the interests of our shareholders and stakeholders alike.

Director Name	Finance & Accounting	Industry/Business Knowledge	Strategy & Planning	Leadership & Management	Technology & Digital	Investor Relations	Planning & Branding	Textile Technology
Shyam Lal Agarwala	✓	✓	✓	✓	✓	✓	✓	✓
Manoj Kumar Jhajharia	✓	✓	✓	✓	✓	✓	✓	✓
Arunkumar Jhajharia	✓	✓	✓	✓	✓	✓	✓	✓
Raghav Agarwal	✓	✓	✓	✓	✓	✓	✓	✓
Prabu	✓	✓	✓	✓	✓	✓	✓	✓

Hari Desikan Ganesh	✓	✓	✓	✓	✓	✓	✓	✓
Meenaku mari. S	✓	✓	✓	✓		✓		
Harshidaa Dhiresh Raichura		✓	✓	✓		✓		

x) Meetings & Attendance during the financial year 2024-25

The Company's Governance Policy requires the Board to meet at least four times in a financial year. During the Financial year 2024-25, the intervening period between two Board Meetings was well within the maximum gap of 120 days prescribed under the Listing Regulations.

Details of Board Meetings

Six meetings of the Board were held, as follows:

S.No	Date	Board Strength	No. of Directors present
1	May 29, 2024	8	8
2	Aug 12, 2024	8	8
3	Aug 31, 2024	8	8
4	Nov 12, 2024	7	7
5	Dec 13, 2024	8	8
6	Feb 12, 2025	8	7

xi) Review of Business by Board

The Board of Directors has closely monitored the company's performance and strategic direction throughout the financial year. Despite challenging market conditions, the company has demonstrated resilience and sustained growth across its core business segments. The company achieved a healthy increase in revenue, driven by strong demand in both domestic and international markets. Continued focus on optimizing processes and cost management contributed to improved margins. The Board supported initiatives aimed at expanding product lines and entering new markets, enhancing long-term value. Commitment to sustainable practices and embedding environmental and social governance in the business model remained a key priority. Proactive identification and mitigation of risks ensured stability during uncertain economic conditions. The Board remains confident in the company's strategy and capabilities to navigate future opportunities and challenges, reinforcing its commitment to creating shareholder value.

xii) Board Agenda

The meetings are governed by a structured agenda. The Board members, in consultation with the Chairperson, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

Information placed before the Board

In terms of the Company's Governance Policy, all statutory and other significant material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of Shareholders. The following in particular are tabled for the Board's approval / periodic review or information:

- ✓ Annual Business Plan
- ✓ Quarterly, half-yearly and annual performance.
- ✓ External Audit Reports (through the Audit Committee)
- ✓ Statutory compliance reports.
- ✓ Show cause, demand, prosecution and adjudication notices, if any, from revenue authorities which are considered materially important, including any exposure that exceeds 1% of the Company's net worth and their outcome.
- ✓ Default, if any, in payment of dues to any major creditor
- ✓ Transactions involving substantial payment towards goodwill, brand equity or intellectual property.
- ✓ Any possible product or service related liability claims of a substantial nature that exceed 1% of the Company's net worth and their outcome.
- ✓ Information on strikes, lockouts, retrenchment, fatal or serious accidents, material pollution issues, etc.
- ✓ Significant development in Human Resources / Industrial Relations.
- ✓ Non-compliance of any regulatory, statutory or listing requirements and in relation to shareholders' services.

COMMITTEES OF THE BOARD

Currently, there are four (4) committees viz., the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

(A) AUDIT COMMITTEE**(I) Brief Description of Terms of Reference**

The Audit Committee is constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It comprises a majority of Independent Directors who are financially literate and possess the requisite expertise in accounting and financial management. The Committee plays a vital role in ensuring the integrity of the financial reporting process and the robustness of internal control systems.

During the financial year, the Committee reviewed the quarterly and annual financial results before submission to the Board, examined the adequacy of internal financial controls, and evaluated the performance of statutory and internal auditors. It also oversaw the audit process, compliance with legal and regulatory frameworks, and implementation of risk management systems. The Committee also reviews the internal audit reports of the Company and giving directions where required.

The Committee had regular interactions with the auditors, both internal and statutory, without the presence of management, to ensure independence and transparency.

The Audit Committee met at regular intervals during the year and provided strategic guidance on financial and audit matters, thereby supporting the Board in fulfilling its oversight responsibilities.

The Board has constituted Audit Committee in compliance with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee plays a vital role in ensuring the integrity of the Company's financial reporting and internal control systems. Comprising Independent Directors, the Committee oversees the financial reporting process,

reviews the effectiveness of internal controls, and liaises with external auditors to ensure compliance with regulatory requirements. During the year, the Committee actively monitored audit findings, assessed risk management practices, and provided recommendations to strengthen governance and transparency. The Committee's diligent oversight supports the Company's commitment to accuracy, accountability, and ethical financial practices.

(ii) Composition of Committee, Meetings and Attendance

The Audit Committee presently comprises of Three (3) Independent Directors and one (1) Executive Director. The Chairperson of the Audit Committee is an Independent Director. All members of the Committee are financially literate having accounting and financial management expertise. The Committee met four (4) times during the year

Name of the Members	Category	No. of Meetings attended
Mr. Dhiresh Jayasi (Chairperson upto 28.09.2024)	Non-Executive Independent	2
Mrs.Meenakumari.S (Member)	Non-Executive Independent	4
Mr.Manoj Kumar Jhajharia Member (upto 28.09.2024)	Executive	2
Prabu (Member) w.e.f 28.09.2024	Non-Executive Independent	2
Hari Desikan Ganesh (Chairperson) w.e.f 28.09.2024	Non-Executive Independent	2
Arunkumar Jhajharia (Member) w.e.f 28.09.2024	Executive	2

Note: Mr.Dhiresh Jayasi, Non-Executive Independent Director and Mr. Manoj Kumar Jhajharia, Executive Director ceased to be a member of the Committee w.e.f 28th September 2024.

The Chairperson of the Audit Committee had attended the Annual General Meeting held on September 23, 2024.

The Company Secretary acts as the Secretary to the Committee. The Statutory Auditors, Internal Auditors and Chief Financial Officer of the Company have also attended the Committee meetings as invitees. The Minutes of the Audit Committee meetings were circulated to the Board, took note of the same.

Nomination and Remuneration Committee (NRC)

(i) Brief Description of terms of reference

The **Nomination and Remuneration Committee (NRC)** is a **key** committee within the company, responsible for ensuring that the leadership team is equipped with the right talent and is properly incentivized to drive the long-term success of the organization.

The committee operates with a clear mandate to establish and maintain a fair, transparent, and competitive system for the nomination and remuneration of senior leadership while upholding the principles of good governance. It ensures that the company attracts, retains, and motivates high-performing executives while promoting alignment between their interests and those of the shareholders.

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. The role, powers and functions of the Nomination and Remuneration Committee are as per Section 178 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required under Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The NRC is primarily composed of independent directors. In the financial year under review, the Committee met two (2) times, May 29, 2024, and November 12, 2024

(ii) Composition of the Committee, Meetings and attendance

Name of the Members	Category	No. of Meetings attended
Mr. Dhiresb Jayasi (Chairperson upto 28.09.2024)	Non-Executive Independent	1
Mrs. Meenakumari.S (Member)	Non-Executive Independent	2
Mr. Shyam Lal Agarwala (Member upto 28.09.2024)	Executive	1
Mr. Prabhu (Chairperson w.e.f 28.09.2024)	Non-Executive Independent	1
Mr Hari Desikan Ganesh (Member w.e.f 28.09.2024)	Non-Executive Independent	1

Note : Mr. Dhiresb Jayasi and Mr. Shyam Lal Agarwala ceased to be a member of the Committee w.e.f 28th September 2024.

The Chairperson of the Committee had attended the Annual General Meeting.

STAKEHOLDERS RELATIONSHIP COMMITTEE

(i) Brief Description of terms of reference

The Stakeholders Relationship Committee ("the Committee") was constituted in compliance with the provision of section 178 of the Companies Act, 2013 ("the Act") and Regulation 20 and Part D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations").

The **Stakeholder Relationship Committee (SRC)** is a key governance body within a company, tasked with ensuring effective engagement and communication with its stakeholders, particularly shareholders. It is responsible for addressing shareholder grievances, protecting their interests, and ensuring transparency in all interactions. The SRC plays a critical role in safeguarding the integrity of the company's relationship with its investors and stakeholders. In addition the Committee looks into other issues including status of dematerialization / re-dematerialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

The Committee met on February 20, 2025 during the year under review.

(ii) Composition, Meetings and Attendance

Name of the Members	Category	No. of Meetings attended
Mr. Hari Desikan Ganesh - C w.e.f 28.09.2024)	Non-Executive Independent	1
Mr. Shyam Lal Agarwala - M	Executive	1
Mr Manoj Kumar Jhajharia - M	Executive	1

C - Chairperson M - Member

The Chairman of the Stakeholders Relationship Committee had attended the Annual General Meeting. Ms. Rajkumari R serves as the Company Secretary & Compliance Officer of the Company.

The details of complaints received from the Shareholders during the year under review are as follows:

a.	No. of Shareholders complaints received during the year	Nil
b.	No. of Complaints not resolved to the satisfaction of the shareholders	Nil
c.	No. of pending complaints	Nil

There were no complaints received from the shareholders and there are no outstanding complaints as at the end of the year. Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on a yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchange.

RISK MANAGEMENT COMMITTEE

The provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company and hence the Company is not required to constitute Risk Management Committee. Accordingly, the disclosure under this clause does not arise.

SENIOR MANAGEMENT

The particulars of senior management including the changes therein since the close of the previous financial year are as shown herein below :

S. No.	Name of the Senior Management Personnel	Designation	Details of change
1	Mr M.S Selvaraj	CFO	Nil
2	Mr P.C Abraham	General Manager (Technical)	Nil
3	Mr Kirubakaran	General Manager (Marketing)	Nil
4	Ms Rajkumari R	Company Secretary	Appointed on 13 th Dec 2024

REMUNERATION TO DIRECTORS

Details of remuneration paid to the Directors for the year ended 31st March 2025 are as follows:

(I) Executive Directors

The Company's Board of Directors at present comprises of three executive directors. The remuneration of the executive directors are governed by a resolution which has been approved by the Board of Directors and the shareholders. The remuneration paid / payable to managerial personnel during the year is given below:

Details of remuneration paid to Executive Directors

(in Rs.)					
Name of the Director	Salary	Perquisites	Gratuity	Commission	Total
Shyam Lal Agarwala	48,00,000	48,00,000	2,30,769	5,52,684	1,03,83,453
Manoj Kumar Jhajharia	36,00,000	36,00,000	1,72,987	-	73,72,987
Arunkumar Jhajharia	30,00,000	-	-	-	30,00,000

(ii) Non-Executive Director

The details of the remuneration paid to the Non-Executive Directors during the financial year ended 31st March 2025 are as under:

(in Rs.)					
Name of the Director	Salary	Perquisites	Sitting fees	Travelling Expenses	Total
Mr Raghav Agarwal	30,00,000	-	-	-	30,00,000
Mr Dhiresh Jayasi	-	-	26,000	10,000	36,000
Mr Hari Desikan	-	-	46,000	20,000	66,000
Mr Prabu	-	-	46,000	20,000	66,000
Mrs Meenakumari.S	-	-	52,000	20,000	72,000
Mrs.Harshidaa Dhiresh Raichura	-	-	20,000	10,000	30,000

The Non-Independent Directors have waived their right to receive Sitting fees from the Company.

(i) The criteria of making payments to Non-Executive Directors has been posted on the website of the Company at www.salonacotspin.com

(ii) The remuneration paid to the directors of the Company is within the limits prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In compliance with Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors of the Company, was held on February 20, 2025 for reviewing the performance of Non-Independent Directors, the Board as a whole, the Chairperson of the Company as well as for assessing the quality, quantity and timeliness of flow of information between the Company management and the Board.

The Independent Directors provide an annual confirmation that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of Listing Regulations.

The Independent Directors met on February 20, 2025 without the presence of Non-Independent Directors and carried out the assessment of Non-Independent Directors.

GENERAL BODY MEETINGS

Details of previous three AGM's :

A.G.M	YEAR	VENUE	DATE	TIME	Special Resolutions passed, if any
30th	2024	Through VC / OAVM	23.09.2024	10.35	NIL
29th	2023		25.09.2023	10.00	1. Appointment of Shri. Raghav Agarwal as Director of the Company 2. Approval of Related Party Transactions 3. Increase of Managerial Remuneration to Shri. Shyamlal Agarwala Managing Director 4. Increase of Managerial Remuneration to Shri. Manoj Kumar Jhajharia Jt. Managing Director 5. Increase of Managerial Remuneration to Shri. Arunkumar Jhajharia Executive Director 6. Approval of Remuneration paid to Shri. Raghav Agarwal Non-Executive Director
28th	2022		28.09.2022	10.30	Appointment of Shri Arun Kumar Jhajharia, Executive Director, for a Term of 5 Years and Approval of Remuneration payable to him. All resolutions moved at the last Annual General Meeting were passed with the requisite majority of shareholders.

All resolutions moved at the last Annual General Meeting were passed with the requisite majority of shareholders.

EXTRA ORDINARY GENERL MEETING

During the year 2024-2025, no Extra Ordinary General Meeting of the Company was held.

POSTAL BALLOT

The Company had approached the Shareholders once during the year under review through Postal Ballot. The details of Resolutions passed through Postal Ballot and the voting pattern for the said Resolution are disclosed as under:

- Appointment of Mrs. Harshidaa Dhiresh Raichura (DIN:10832996) as an Independent Director of the Company (Special Resolution)

Date of Notice	Nov 12, 2024
Date of Approval	Jan 25, 2025
Cut-Off date	Dec 20, 2024
Voting Start Date	Dec 27, 2024
Voting End Date	Jan 25, 2025
Votes (in favour) 99%	22,02,827
Votes (against) 1%	21

Procedure for Postal Ballot

In accordance with the MCA Circulars, the Postal Ballot Notice(s) dated 5th July 2024 and 14th November 2024, were sent only by electronic mode to those members whose names appeared in the Register of Members / List of Beneficial Owners as on December 20, 2024 ("Cut-Off Date") respectively as received from the Depositories and whose e-mail addresses were registered with the Company / Depositories.

Sri B.Krishnamoorthi, FCA, Practicing Chartered Accountant, Coimbatore was appointed as the Scrutinizer for carrying on the Postal Ballot process in a fair and transparent manner.

Pursuant to the provisions of Sections 108 & 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Resolutions as specified in the Notice(s) of the Postal Ballot dated 12th November 2024 were transacted respectively through Postal Ballot only by way of remote e-Voting.

The Company had engaged the services of the Central Depository Services (India) Limited ("CDSL") for providing an e-voting facility to the Members. The Members were provided with the option of exercising their right to vote on the said resolution(s) through e-voting during the period from 27th December 2024 to 25th January 2025. Upon completion of the voting period, the Scrutinizer completed the scrutiny of the votes cast and submitted his report to the Chairman. The results of the voting were declared Monday, 27th January 2025 respectively and displayed on the websites of the Stock Exchange, the Company, and CDSL.

MEANS OF COMMUNICATION

The quarterly results and annual results are published in "Trinity Mirror", an English daily Newspaper and "Makkal Kural" a Tamil Daily Newspaper and is simultaneously posted on the Company's website <https://www.salonacotspin.com/investors>.

The copies of the results are forwarded to concerned Stock Exchange immediately after they are approved by the Board for publication in their website. The Company has a dedicated help desk with e-mail ID: cs@salonacotspin.com for providing necessary information to investors.

There were no specific presentations made to institutional investors or to the analysis during the year.

Timely disclosure of consistent, comparable, relevant and reliable information on the Company's financial Performance is at the core of good governance.

Website	www.salonacotspin.com
Email ID for investors	info@salonagroup.com
Other Disclosures/ filings	All material events and important information relating to the Company are submitted to the Stock Exchanges and also made available on the Company's website, www.salonacotspin.com
Annual Report	The Report and Accounts, including Financial Statements, the Report of the Board of Directors and the Auditor's Reports, will be sent to the Shareholders of the Company, and will also be made available on the Company's website. The Report of the Board of Directors, forming part of the Report and Accounts, includes all aspects of Management Discussion and Analysis as required under the Listing Regulations.
Financial Results	The Quarterly, Half-yearly and annual financial results are submitted to the NSE, where the shares of the Company are listed and on the website of the Company, www.salonacotspin.com . Extracts of these results are published in "The Trinity Mirror" – English and Makkal Kural – Tamil.

GENERAL SHAREHOLDERS INFORMATION :

Details of 31ST Annual General Meeting

Date	Friday, 19th September 2025
Venue	The AGM is being convened through video conferencing / other audio - visual means and hence the administrative office of the Company will be deemed to be the venue of the AGM.
Time	12.15 P.M

Financial Calendar:

Financial Year : 01st April 2024 to 31st March 2025

Dividend Payment Date : On or before 18th October 2025.

Listing of shares on Stock Exchange

NSE Limited
Exchange Plaza,
C-1, Block G,
Bandra Kurla Complex,
Bandra (East),
Mumbai 400 051 (India)

Annual Listing Fees for the year 2024-25 was paid to NSE Limited.

STOCK MARKET DATA

Type of Security: Equity

SYMBOL: NSE Limited: SALONA

ISIN allotted for equity shares: INE498E01010 (Fully paid Rs. 10/- each)

There was no suspension of trading in securities of the Company during the year under review.

Registrar & Share Transfer Agent: (For both physical & demat segments)

MUFG Intime India Private Limited (Formerly Link Intime India Private Limited)

“Surya”, 35 Mayflower Avenue, Behind Senthil Nagar,
Sowripalayam Road, Coimbatore – 641 028, Tamil Nadu
Tel: 0422- 4958995, 2539835/6 Fax: 0422-2539837,
E-mail ID: coimbatore@in.mpms.mufg.com.

Details of Compliance Officer

Ms. Rajkumari R
Salona Cotspin Limited
9, Ramalinga Nagar, IV Cross,
Saibaba Colony, Coimbatore – 641011.
Phone – 0422 2454415
E-mail : cs@salonacotspin.com

In order to facilitate investor servicing, the Company has designated an e-mail id: info@salonagroup.com mainly for registering complaints by investors.

Reconciliation of Share Capital Audit

A qualified Company Secretary in Practice carried out reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The reconciliation of Share Capital Audit Report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL & CDSL.

Share Transfer System :

The Company's shares being in compulsory dematerialized (demat) list are transferable through the depository system. Securities and Exchange Board of India has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrar and Share Transfer Agent with effect from 1st April 2019. Therefore, members holding share(s) in physical form are requested to immediately dematerialize their shareholding in the Company. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within the prescribed time. The Stakeholders Relationship Committee generally meets as and when required.

CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH 2025

Category	No. of Shares of Rs.10/- each	% to total
PROMOTER AND PROMOTER GROUP	3530708	67.09
IEPF	137864	2.62
NRI	6179	0.12
BODY CORPORATE	392779	7.46
PUBLIC	1079748	20.52
HUF	114646	2.18
LLP	321	0.01
KMP	100	0.00
CLEARING MEMBERS	55	0.00

DISTRIBUTION OF SHARES AS ON 31ST MARCH 2025

Range	No. of Shareholders	% of Total Shareholders	No. of Shares	% held
Upto 500	2424	88.7587	201085	3.82
501-1000	133	4.8700	116112	2.21
1001 -- 2000	82	3.0026	129228	2.46
2001 -- 3000	23	0.8422	61242	1.16
3001 -- 4000	9	0.3295	33096	0.63
4001 -- 5000	5	0.1831	22972	0.44
5001 -- 10000	10	0.3662	70101	1.33
10001 and above	45	1.6477	4628564	87.96
Total	2731	100.00	5262400	100

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company has arrangements with National Securities Depository Ltd (NSDL) as well as Central Depository Services (India) Limited (CDSL) for demat facility. During the financial year 2024-25, 39,187 shares were dematerialised. As on 31st March 2025 out of 52,62,400 shares, total shares in demat form are 50,97,500 shares and 1,64,900 shares in physical form. This represents that 96.86% shares of the Company are in demat form, and 3.14% shares are in physical form.

OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS AND THEIR LIKELY IMPACT ON EQUITY:

There are no outstanding warrants or any convertible instruments. The Company has not issued GDR / ADR.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES: NIL

Plant Locations

The Company's Plant (Textile Mill) is located at :

Unit -1 SF No.74/12 and 75/3, Sathy Main Road, Pungampalli Village, Valipalayam (Post), Sathy TK, Erode District.

Unit -2 SF No. 77/1, Sulur to Kannampalayam Road, Kannampalayam Village, Sulur Taluk, Coimbatore District.

Windmills : Panakudi Village, Radhapuram Taluk.
Sinjuvadi Village, Pollachi Taluk
Vadambacherri Village, Palladam Taluk
Kozhumankondan Village, Palani Taluk
Deri Village, Jamnagar District, Gujarat

Solar Power Plant : Mill premises -

(Roof Top) SF No.74/12 and 75/3, Sathy Main Road, Pungampalli Village,
Valipalayam Post, Sathy Taluk, Erode District.

Solar Power Plant : SF No. 31/2, 32/1 and 2, Thaligai Village,
(Ground Mounting) Namakkal District, Tamil Nadu

Address for Correspondence / Contact address for shareholder

MUFG Intime India Private Limited (*Formerly Link Intime India Private Limited*)
“Surya”, 35 Mayflower Avenue, Behind Senthil Nagar,
Sowripalayam Road, Coimbatore – 641 028, Tamil Nadu
Tel: 0422- 4958995, 2539835/6 Fax: 0422-2539837,
E-mail ID: coimbatore@in.mpms.mufg.com.

For annual report, transfer of demat shares, dividend on shares, change of address & other query relating to shares of the Company and investors correspondence, may be addressed to:

Ms. Rajkumari R
Company Secretary and Compliance Officer
Salona Cotspin Limited
9, Ramalinga Nagar, IV Cross,
Saibaba Colony, Coimbatore – 641011.
Phone – 0422 2454415
E-mail : cs@salonacotspin.com

CREDIT RATING

The Company has availed loans for its business operations only from Banks and it does not have external borrowings.

OTHER DISCLOSURES:**a. Disclosures on materially significant Related Party Transactions**

All the Related Party Transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year, the Company has not entered into any materially significant related party transaction which may have potential conflict with the interest of the Company at large.

b. Details of non-compliance by the Company, penalties, structures imposed on the Company by Stock Exchange or SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.

There was neither any instance of non-compliance by the Company / structure imposed on the Company by the Stock Exchanges / ('SEBI') / Statutory Authorities with respect to any matter related to the capital markets.

- The Company was levied a penalty for delay by NSE on June 28, 2024 for delay in filing of Reg 23(9) by two days

and the penalty has been remitted to NSE on July 03, 2024 as detailed in the Directors Report.

c. Details of establishment of vigil mechanism/ whistle blower policy and affirmation that no personnel have been denied access to the Audit Committee

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee.

Your Company hereby affirms that no complaints were received during the year under review.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Corporate Governance Provisions (Reg 15-27) were not applicable to company until the amendment came in Dec 13, 2024. With reference to the SAT order dated Sep 25, 2024, in the matter of Remsons Industries Limited, the Company citing the reference of it have submitted a Certificate from Practicing Chartered Accountant on Non-applicability of Corporate Governance Provisions to the National Stock Exchange of India Limited (NSE) informing on the Non-applicability, for the quarter ended Sep 30, 2024 on October 21, 2024. The Company has always adopted the Corporate Governance Provisions in true letter and spirit of law.

e. Policy for determining material subsidiaries and Policy on Related Party Transaction - The Company does not have any subsidiary/ies.

f. Commodity price risk and commodity hedging activities

The Company does not deal in commodities and hence the disclosure pursuant to the SEBI Master Circular dated 11th November, 2024 is not required to be given. The details of foreign exchange exposures and hedging activities of the Company are provided in the 'Notes to the Financial Statements', forming part of the Report and Accounts.

g. Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A)

The Company has not raised any funds through preferential allotment or qualified institutional placement and hence disclosure of the utilisation of funds as specified under Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 does not arise.

h. Certificate on non-disqualification of directors

A Certificate from a Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a Director of the Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.

i. Recommendation of the Committees of the Board

During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.

j. Total Fees for all services paid to the Statutory Auditor

The total fees paid during the financial year 2024-25 by the Company to M/s Gopalaiyer & Subramanian, Statutory Auditors including certification is Rs.4.34 Lakhs.

k. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee.

During the year 2024-25, no complaint was received by the Committee. As such, there are no complaints pending as at the end of the financial year.

l. Disclosure on Accounting Treatment In the preparation of the financial statements

The Company has followed the accounting standards referred to in Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

m. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': Not Applicable

n. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: Not Applicable, as the Company does not have any subsidiary.

o. Disclosure on Risk Management

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

p. There has been no instance of non-compliance of any requirement of Corporate Governance Report as stated above.

q. The Company has not adopted any of the discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

r. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, once they became applicable.

s. There are no inter-se relationships between the Independent Directors and Key Managerial Personnel of the Company. However, the Directors under Promoter Category are related to one another.

t. The senior management of the Company did not enter into any material financial and commercial transaction during the year, in which they had personal interest that may have potential conflict with the interest of the Company at large.

u. The Company has not raised any funds through Preferential allotment or Qualified institutions Placement.

v. The Company has not been informed of any agreement and there are no agreements with the Company that require disclosure under Regulation 30A(1) of the Listing Regulations.

w. The Statutory Auditors have issued an unmodified audit opinion on the Company's financial statements for the

year ended March 31, 2025.

CERTIFICATE FROM CEO/CFO

The Managing Director and CFO certification on the financial statements for the year has been submitted to the Board of Directors in its meeting held on May 28, 2025 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The same has been posted on the website of the Company.

All Board Members and Senior Management Personnel have affirmed their compliance with the Code of Conduct for the year under review.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has framed a Code of Conduct for monitoring the trading done by designated persons based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all directors / officers / designated persons who are expected to have access to unpublished price sensitive information relating to the Company.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

CONFIRMATION OF COMPLIANCE

It is confirmed that the Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations have been mandatorily applicable with the introduction of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 13.12.2024.

The Certificate from the Statutory Auditors, M/s Gopalaiyer & Subramanian, confirming compliance with the conditions of Corporate Governance in annexed to the report.

DECLARATION

I hereby affirm and state that all Board Members and Senior Management Personnel have given a declaration in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and I hereby affirm compliance with the said Code of Conduct for the financial year 2024-25.

Place : Coimbatore

Date : 28.05.2025

Shyam Lal Agarwala

Chairman & Managing Director

DIN : 00003055

Unclaimed Suspense Account

Pursuant to Regulations 39(4) read with Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company does not have any shares in demat suspense account or unclaimed suspense account.

Disclosure of certain types of agreements binding listed entities

There are no agreements covered under Clause 5A of paragraph A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are required to be disclosed in this report.

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Salona Cotspin Limited, Coimbatore

We have examined the compliance of conditions of Corporate Governance by **Salona Cotspin Limited** ('the Company') for the year ended March 31, 2025 as per relevant Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Managements' Responsibility:

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the company in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India, the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India, which requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and to the best of our information and according to the explanations given to us and the representation provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as specified in the relevant Regulations of the Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as applicable during the year ended 31st March 2025.

We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Gopalaiyer and Subramanian**
Chartered Accountants
(Firm's Registration no: 000960S)

CA. M Venkatesh Prasath
Partner
(M. No.264906)

UDIN : 25264906BMIWMR2504

Date : 28/05/2025
Place : Coimbatore

INDEPENDENT AUDITOR'S REPORT

To the Members of **SALONA COTSPIN LIMITED**, Coimbatore (“the company”)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Salona Cotspin Limited (“the Company”), which comprise the balance sheet as at March 31, 2025 and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant 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 Ind AS financial statements give the information required by the Companies Act 2013 (“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 and other Accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended as on that date.

Basis for Opinion:

We conducted our audit in accordance with the “Standards on Auditing” specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS 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 Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information other than the Ind AS financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) and other Indian accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the company and for preventing and deducting frauds and other irregularities, selection and application of appropriate accounting policies, making judgement and estimate that are reasonable prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to a fraud or error.

In preparing the Ind AS 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 management has also made appropriate adjustments to the Ind AS financial statements and ensuring necessary disclosures that may impact future operating results, cash flows and financial position of the company.

The board of directors are also responsible for overseeing the financial reporting process of the company.

Auditor's responsibilities for the audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of Board of Director' 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we 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;

(c) The balance sheet, the statement of profit and loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

(g) 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, the Managerial remuneration for the year ended 31st March 2025, paid/provided by the Company to its directors is in accordance with the provisions of section 197 read with schedule V to the Act; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us;

- a. The Company does not have any pending litigations which would impact its financial position;
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There has been no delay in transferring amounts, required to be transferred, the Investor Education and Protection Fund by the Company.
- d. (A) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or Entity, including foreign entity (“Intermediaries”), with the understanding, whether Recorded in writing or otherwise, that the Intermediary shall, whether, directly or Indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide Any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(B) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(C) Based on the audit procedures 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, as

provided under (A) and (B) above, contain any material misstatement.

(e) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The Board of Directors of the company have proposed final dividend for the year which is subject to the approval of the members at the Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

(f) Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **Gopalaiyer and Subramanian**
Chartered Accountants
(Firm's Registration no: 000960S)

CA. M Venkatesh Prasath
Partner
(M. No.264906)

UDIN : 25264906BMIWMR2504

Date : 28/05/2025
Place : Coimbatore

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 Salona Cotspin Limited of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, 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

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which they are verified in a phased manner and in our opinion the same is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification

(c) Based on our examination of the records, title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder and hence reporting under clause 3(i)(e) does not arise.

ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and examined by us, no material discrepancies were noticed on such verifications

(b) The Company has been sanctioned with working capital limits in excess of Rs. 5 crores, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. The quarterly returns/statements filed by the Company with such banks and financial Institutions are generally not in agreement with the books of accounts of the Company. The details of such differences are tabulated below along with reasons thereof:

Quarter ended on	Particulars	Amount reported in Quarterly Statement (Rs. In lacs)	Amount as per Books of Accounts (Rs. In lacs)	Variance (Rs. In Lacs) (Refer Note 1 and 2 below)
30 th June 2024	Inventory	5862.13	5460.73	401.4
	Trade receivables	6974.88	20239.51	(13264.63)
30 th September 2024	Inventory	5331.16	4711.40	619.76
	Trade receivables	10160.35	13689.56	(3529.21)
31 st December 2024	Inventory	6656.13	5094.62	1561.51
	Trade receivables	7898.13	14863.89	(6965.76)
31 st March 2025	Inventory	7280.43	6579.72	700.71
	Trade receivables	7033.53	11720.25	(4686.72)

Note for variance:

(1) In the statements filed with the bank, inventories include stock-in-transit (goods dispatched by suppliers but not yet received at Company's premises) in order to present the total value of stock available for working capital purposes. However, in the books of accounts, such stock-in-transit is not recognised as inventory until the risks and rewards are transferred/ goods are received, in accordance with applicable Indian accounting standards.

(2) In the statements filed with the bank, only receivables outstanding up to 90 days are considered, in line with the bank's policy for drawing power computation. However, in the books of accounts, all receivables outstanding are recorded, irrespective of ageing.

iii. During the year, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, LLP's or other parties. Accordingly reporting under clause 3(iii) of the order is not applicable to the company.

iv. There are no loans, investments, guarantees, and security provided/made during the year in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable. However the Company has complied with the provisions of Section 186 of the Act in respect of the Investment made in Equity Shares in earlier years.

v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the year and hence the provisions of section 73 to 76 or any other relevant provisions of the companies Act 2013 are not applicable. Reporting under this clause is not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.

vii. According to the information and explanation given to us, in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues including, provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, cess and other material statutory dues applicable to it to the appropriate authority.

b) There are no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

(c) There are no statutory dues of, provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, cess which have not been deposited on account of any dispute as on 31st March 2025.

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company

ix. According to the information and explanation given to us,

(a) Based on our audit procedures, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The term loans were applied for the purpose for which the loans were obtained

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company has no subsidiary or Associate or Joint Venture, hence reporting under Clause ix (e), (f) 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 and hence reporting under clause 3(x)(a) of the Order does not arise.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) Based on the audit procedures performed, we have neither come across any instance of material fraud by the company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

- (b) Since, no instance of material fraud by the company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management no report under sub-section (12) of section 143 of the Companies Act has been filed 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, with respect to commitment of an offence involving fraud.
- (c) According to the information and explanations furnished by the management, which have been relied upon by us, no whistle blower complaint was received by the company during the year.
- xii The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standards (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC), as defined in the Regulations made by Reserve Bank of India.
- (d) The Group does not have any CICs.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the order is not applicable
- xix. According to the information and explanations given to us and on the basis of the financial ratios, as disclosed in notes to the standalone Ind AS financial statement, 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. (a) There is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, reporting under clause 3(xx)(a) of the Order does not arise.

(b) There are no ongoing projects by the Company and hence reporting in respect of compliance of provision of sub section (6) of section 135 of Companies Act does not arise.

For **Gopalaiyer and Subramanian**
Chartered Accountants
(Firm's Registration no: 000960S)

CA. M Venkatesh Prasath
Partner
(M. No.264906)

Date : 28/05/2025
Place : Coimbatore

UDIN : 25264906BMIWMR2504

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' section of our report of the even date to the members of M/s. Salona Cotspin Limited on the Ind AS financial statements for the year ended March 31, 2025.)

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-Section 3 of section 143 of the Companies Act 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of M/s Salona Cotspin Limited (“the Company”) as of March 31, 2025 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 and Board of Director is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the act.

Auditors' Responsibility:

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting:

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting.

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

Opinion:

In our opinion, 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Gopalaiyer and Subramanian**
Chartered Accountants
(Firm's Registration no: 000960S)

CA. M Venkatesh Prasath
Partner
(M. No.264906)

Date : 28/05/2025
Place : Coimbatore

UDIN : 25264906BMIWMR2504

PART I –BALANCE SHEET
SALONA COTSPIN LIMITED

AUDITED BALANCE SHEET AS AT 31ST MARCH 2025

(Rs. in Lakh)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024
1	2	Audited	Audited
3	4		
(1) ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	10626.84	7038.73
(b) Capital work-in-progress	3	1819.37	3562.95
(c) Other Intangible assets	4	18.57	9.56
(d) Financial Assets			
(i) Investments	5	0.49	1.06
(ii) Others	6	15.00	17.50
(iii) Trade Receivables		0.00	0.00
(e) Other non-current assets	7	308.16	962.29
		12788.43	11592.09
(2) Current assets			
(a) Inventories	8	6579.72	5931.92
(b) Financial Assets			
(i) Trade receivables	9	11720.25	14412.76
(ii) Cash and cash equivalents	10	11.22	5.80
(iii) Bank balances other than (ii) above		200.14	109.43
(iv) Loans	11	7.98	7.01
(c) Current Tax Asset (Net)		563.10	432.08
(d) Other current assets	12	3578.67	3864.23
		22661.08	24763.23
Total Assets		35449.51	36355.31
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	532.89	532.89
(b) Other Equity	14	7724.82	7443.90
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	6492.23	7714.72
(ii) Trade payables		267.59	223.42
(b) Provisions	16	142.09	146.82
(c) Deferred tax liabilities (Net)	17	605.26	310.64
		15764.89	16372.40
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	17368.72	17965.81
(ii) Trade payables	19		
i) total outstanding dues of micro enterprises and small enterprises		0.00	188.80
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1349.80	1053.53
(b) Other current liabilities	20	922.27	716.58
(c) Provisions	21	43.83	58.19
(d) Current Tax Liabilities (Net)	22	0.00	0.00
		19684.62	19982.92
Total Equity and Liabilities		35449.51	36355.31

See accompanying notes to the financial statements

Subject to our report of even date attached

for GOPALAIYER AND SUBRAMANIAN
Chartered Accountants (FRN 000960S)

M. Venkatesh Prasath (Membership No. 264906)
Partner

Date : 28th May, 2025
Place : Coimbatore

For and on Behalf of the Board

Shyamlal Agarwala
Managing Director
DIN 00003055

Rajkumari R
Company Secretary

Manoj Kumar Jhajharia
Joint Managing Director
DIN 00003076

M.S.Selvaraj
Chief Financial Officer

Salona Cotspin Limited

AUDITED STATEMENT OF PROFIT & LOSS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

(Rs. in Lakh)

	Particulars	Note No.	Year Ended 31st	Year Ended 31st
			March 2025	March 2024
			Audited	Audited
I	Revenue From Operations	23	66215.64	72225.79
II	Other Income	24	15.49	25.29
III	Total Income (I+II)		66231.13	72251.08
IV	EXPENSES			
	Cost of materials consumed	25	12385.78	12268.43
	Purchases of Stock-in-Trade	26	44302.36	52020.00
	Changes in inventories of finished goods, Stock-in-Trade and Work-in-Progress	27	10.85	-503.10
	Employee benefits expense	28	1436.39	1308.50
	Finance costs	29	1884.86	1521.39
	Depreciation and amortization expense	30	773.84	686.21
	Other expenses	31	4883.53	4109.37
	Total expenses (IV)		65677.61	71410.80
V	Profit/(loss) before exceptional items and Tax (I-IV)		553.52	840.28
VI	Exceptional Items		0.00	0.00
VII	Profit/(loss) before tax (V-VI)		553.52	840.28
VIII	Tax expense:			
	(1) Current tax	32	92.33	138.93
	(2) Deferred tax	33	147.88	88.61
IX	Profit (Loss) for the period from Continuing Operations (VII-VIII)		313.31	612.74
X	Profit/(loss) from discontinued operations		0.00	0.00
XI	Tax expense of discontinued operations		0.00	0.00
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		0.00	0.00
XIII	Profit/(loss) for the period (IX+XII)		313.31	612.74
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to Profit or Loss		28.05	12.73
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-07.82	-03.50
	B (i) Items that will be reclassified to Profit or Loss		0.00	0.00
	(ii) Income tax relating to items that will be reclassified to Profit or Loss		0.00	0.00
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)		333.54	621.97
XVI	Earnings per equity share (for continuing Operation):			
	(1) Basic		5.95	11.64
	(2) Diluted		5.95	11.64
XVII	Earnings per equity share (for discontinued Operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share(for discontinued & Continuing Operations)			
	(1) Basic		5.95	11.64
	(2) Diluted		5.95	11.64

See accompanying notes to the financial statements

Subject to our report of even date attached

for GOPALAIYER AND SUBRAMANIAN
Chartered Accountants (FRN 000960S)

M. Venkatesh Prasath (Membership No. 264906)
Partner

Date : 28th May, 2025
Place : Coimbatore

For and on Behalf of the Board

Shyamlal Agarwala
Managing Director
DIN 00003055

Rajkumari R
Company Secretary

Manoj Kumar Jhajharia
Joint Managing Director
DIN 00003076

M.S.Selvaraj
Chief Financial Officer

Salona Cotspin Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025

(Rs. in Lakh)

Particulars	As at 31/03/2025 (Audited)	As at 31/03/2024 (Audited)
A Cash flow from operating activities:		
Net Profit before taxation and extra ordinary items	581.57	853.01
Adjustments for:		
Depreciation	773.84	686.21
Deferred Expenses written off		
Profit on sale of fixed assets	-0.41	0.00
Interest and financial charges paid	1884.86	1521.39
Dividend Income	-0.01	-0.01
Interest receipts	-15.07	-25.27
Direct Taxes		
Operating profit before working capital changes	3224.78	3035.33
Adjustments for working capital changes		
(Increase)/Decrease in Operating assets		
Inventories	-647.80	-284.73
Trade receivables	2692.51	-2168.69
Loans and Advances - short term	-0.97	05.41
Other Current Assets	194.85	-947.70
Current Tax Assets	-131.02	-180.70
Other non-current assets	656.63	634.87
Increase/(Decrease) in Operating liabilities		
Trade payables	151.64	-979.50
Other Current Liabilities	205.68	-204.29
Short term Provisions	-14.36	20.80
Loans and Advances - long term	0.00	-03.50
Long Term Provisions	-4.72	24.73
Net cash from operations	6327.22	-1047.98
Less : income tax paid	46.60	-142.43
Net cash flow from operating activities (A)	6373.82	-1190.41
B Cash flow from investing activities:		
Purchase of Fixed Assets	-2627.98	-7215.95
Purchase of Investment	0.00	-0.24
Sale of Fixed Assets	1.00	0.00
Sale of Investments	0.57	0.00
Interest receipts	15.07	25.27
Dividend Income	0.01	0.01
Net cash from investing activities (B)	-2611.33	-7190.90
C Cash flow from financing activities:		
Proceeds from long term borrowings	400.55	5193.61
Repayment of long term borrowings	-1580.27	-944.79
Proceeds/(Repayment) from short term borrowings	-597.09	5813.71
Increase/(Decrease) in long term borrowings	0.00	0.00
Increase/(Decrease) in Unsecured Loan	-42.78	-97.23
Increase/(Decrease) in short term borrowings	0.00	0.00
Interest and financial charges paid	-1884.86	-1521.39
Dividend Paid	52.62	63.15
Net cash from financing activities	-3757.07	8380.77
Net increase/(decrease) in cash and cash equivalents	5.42	-0.54
Cash & cash equivalents at the beginning of the year	5.80	6.34
Cash & cash equivalents at the close of the year	11.22	5.80
Cash and Cash equivalents at the close of the year comprise of		
Cash on hand	8.52	4.90
Cash at bank in current accounts	2.70	0.90
	11.22	5.80
	0.00	0.00

See accompanying notes to the financial statements

Subject to our report of even date attached

for **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants (FRN 000960S)

M. Venkatesh Prasath (Membership No. 264906)
Partner

Date : 28th May, 2025
Place : Coimbatore

Shyamlal Agarwala
Managing Director
DIN 00003055

Rajkumari R
Company Secretary

Manoj Kumar Jhajharia
Joint Managing Director
DIN 00003076

M.S.Selvaraj
Chief Financial Officer

For and on Behalf of the Board

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2025

Name of the Company : **SALONA COTSPIN LIMITED**
Statement of Changes in Equity for the Financial Year Ended **31st March 2025**

A. Equity Share Capital

(Rs. in Lakh)

Balance as at 31st March 2024	532.89
Changes in equity share capital during 2024-25	0.00
Balance as at 31st March 2025	532.89

B. Other Equity

(Rs. in Lakh)

	Reserves and Surplus		Items of other Comprehensive Income		
	General Reserve	Retained Earnings	Equity Instruments through OCI	Remeasurement of Post employment benefit obligations	Total
Balance as at 01.04.2024	15.00	7412.46	-03.56	20.00	7443.90
Add: Profit for the year		313.31			313.31
Add: Changes in fair value of equity instruments through FVTOCI (net of Tax)			0.00		0.00
Add: Remeasurement of Post employment benefit obligations				0.00	0.00
Less: Payment of Dividends		52.62			52.62
Balance as on 31st March 2025	15.00	7673.15	-03.56	20.00	7704.59

See accompanying notes to the financial statements
Subject to our report of even date attached

For and on Behalf of the Board

for **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants (FRN 000960S)

Shyامل Agarwala
Managing Director
DIN 00003055

Manoj Kumar Jhajharia
Joint Managing Director
DIN 00003076

M. Venkatesh Prasath (Membership No. 264906)
Partner

Rajkumari R
Company Secretary

M.S.Selvaraj
Chief Financial Officer

Date : 28th May, 2025
Place : Coimbatore

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

STATEMENT OF ACCOUNTING POLICIES

1. Corporate Information

Salona Cotspin Limited ("the Company") is a Public Limited Company incorporated in India under the provisions of the Companies Act, 1956. The address of the Company's registered office and principal place of business is disclosed in the introductory section of the Annual Report.

The equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE).

The Company is engaged in the business of manufacturing and sale of Cotton yarn, Knitted fabrics, and Garments. Its products are marketed in both domestic and international markets.

II. Accounting Policies followed by the Company**(a) Basis of preparation****(i) Compliance with Ind AS**

The financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as notified 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. The accounting policies have been applied consistently to all the periods presented in these financial statements.

(ii) Historical cost convention

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value in accordance with the applicable Ind AS requirements.

(iii) Going Concern

The financial statement have been prepared on a going concern basis, assuming that the company will continue in operational existence for the foreseeable future.

(iv) Current and 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 Schedule III to the Act.

(v) Rounding of amounts

All figures appearing in the financial statements and accompanying notes are rounded off to the nearest Rupee in lakhs, in accordance with the requirements of Schedule III to the Act, unless otherwise stated.

(b) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements, and assumptions that affect the reported amounts of assets, liabilities, income, expenses, and related disclosures at the reporting date.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period of revision and in future periods, if relevant.

Judgements and estimates are based on historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances. They reflect conditions existing as at the reporting date and, where applicable, events occurring after the reporting date that provide additional evidence about those conditions. Actual results may differ from these estimates.

(c) Property, Plant and Equipment

Property, Plant and Equipment are carried at cost, net of accumulated depreciation and impairment losses, if any. The historical cost includes all expenditure directly attributable to the acquisition of the asset. Costs

relating to repairs and maintenance are expensed to the Statement of Profit and Loss in the period in which they are incurred.

Capital Work-in-progress:

Assets under construction are recorded as Capital Work in Progress (CWIP) until they are ready for their intended use. When an asset is capable of operating in the manner intended by management, the accumulated cost in CWIP is transferred to the appropriate category within Property, Plant, and Equipment.

Costs (net of any related income) incurred during the commissioning phase are capitalised until commissioning activities are completed and the asset is ready for its intended operational use.

Depreciation – Methods, Estimated Useful Lives and Residual Value

Depreciation on Property, Plant and Equipment is charged on the Straight-Line Method, based on the estimated useful lives of the assets. The Company follows the useful lives prescribed under Schedule II of the Companies Act, 2013, as management considers these to be representative of the expected economic lives of the assets.

Useful life considered for calculation of depreciation for various assets class are as follows-

Asset Class	Useful Life
Building (Non Factory)	60 years
Building (Factory)	30 years
Plant and Machinery	15 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years

Residual Value and Useful Life

The residual values of assets are not more than 5% of their original cost. Residual values and useful lives of assets are reviewed at the end of each reporting period and adjusted if necessary.

Disposal of Assets

Gains or losses arising on disposal of assets are determined by comparing the sale proceeds with the carrying amount of the asset. Such gains or losses are recognized in the Statement of Profit and Loss.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks, and short-term deposits with original maturities of three months or less, excluding deposits pledged with government authorities and margin money deposits.

For the purposes of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts that are repayable on demand and form an integral part of the Company's cash management. Such overdraft arrangements often result in the bank balance fluctuating between being positive and overdrawn.

(e) Inventories

Inventories of finished goods, stock-in-trade, and packing materials are valued at a lower cost and net realizable value. Cost includes the cost of purchase, cost of conversion, and other costs incurred to bring the inventories to their present location and condition. The cost is determined by using the First-in First-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. Provisions are made for obsolete, defective, and slow-moving inventories, where necessary.

(f) Financial assets

(I) Classification

The Company classifies its financial assets into the following measurement categories:

1. Financial assets measured at fair value
 - Fair Value Through Other Comprehensive Income (FVOCI); or
 - Fair Value Through Profit or Loss (FVTPL).
2. Financial assets measured at amortised cost.

The classification of financial assets is based on the Company's business model for managing the asset and the contractual terms of the cash flows. Specifically:

- Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold assets to collect contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest.
- Financial assets that do not meet the criteria for amortised cost measurement are measured at fair value, either through OCI or through profit or loss.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value.

- For financial assets not measured at FVTPL, transaction costs directly attributable to the acquisition are added to the asset's carrying amount.
- For financial assets measured at FVTPL, transaction costs are recognised immediately in the Statement of Profit and Loss.
- Subsequent measurement is determined by the classification of the financial asset:
- Amortised cost: Measured using the effective interest rate method, less impairment losses, if any.

(iii) Impairment of Financial Assets

The Company recognises impairment losses on financial assets measured at amortised cost and debt instruments measured at FVOCI using the Expected Credit Loss (ECL) model, as required by Ind AS 109 Financial Instruments.

(g) Impairment of non-financial assets

Assets that have an indefinite useful life are not amortized but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances suggest that the carrying amount may not be recoverable.

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent from the cash inflows of other assets or groups of assets (cash-generating units).

Impairment losses recognized in prior periods are reviewed at each reporting date for any indications that the loss has decreased or no longer exists. If such indications exist, the impairment loss is reversed to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.

(h) Segment Reporting

The company has only one segment – "Textile Business"

(i) Provisions and contingent liabilities

Provisions

- A provision is recorded when:
 1. The company has a present legal or constructive obligation from a past event.
 2. It is likely that resources will be needed to settle the obligation.

3. The amount can be reliably estimated.

- Provisions are not created for expected future operating losses.
- The amount of a provision is based on management's best estimate of the cost to settle the obligation, discounted to present value using a pre-tax rate that reflects current market conditions and specific risks.
- Any increase in the provision due to the passage of time is recorded as interest expense.

Contingent Liabilities

- A contingent liability is disclosed (but not recorded) when:
- There is a possible obligation from a past event, confirmed only by uncertain future events outside the company's control, or
- There is a present obligation, but the amount cannot be measured reliably, or it is not probable that resources will be needed.
- Contingent liabilities are shown in the notes to the financial statements, not in the balance sheet.

(j) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of Goods and Services Tax (GST) and are presented net of returns, trade allowances, rebates, discounts, and value-added taxes.

The Company recognises revenue when:

- The amount of revenue can be measured reliably.
- It is probable that future economic benefits will flow to the Company; and
- The specific recognition criteria for each of the Company's activities, as described in the relevant sections below, are met.

Revenue from the sale of goods is recognised when control of the goods has transferred to the customer, which generally occurs on delivery or as otherwise specified in the sales agreement.

The Company has applied the revenue recognition standard retrospectively, with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at the date of initial application. Comparative figures have not been restated.

(k) Sale of goods :

The Company's primary source of revenue is from the sale of yarn, fabrics, and garments. The Company has evaluated its revenue recognition practices in accordance with the principles prescribed under Ind AS 115 and concluded that no changes are required to the existing methodology.

- **Domestic Sales:** For sales to domestic customers, where goods are sold on an ex-factory basis, revenue is recognized at the point in time when control of goods passes to the customer—i.e., when goods are dispatched from the factory gate.
- **Franchisee Outlet Sales:** For sales through franchisee outlets, revenue is recognized upon sale of goods to the end customers, as this is the point at which the performance obligation is satisfied.
- **Export Sales:** For export transactions, revenue is recognized on the shipment date, being the point in time when the performance obligation is fulfilled, and control of goods passes to the customer in accordance with the agreed Incoterms.

This policy ensures that revenue is recognized only when control of the goods has been transferred to the customer, and the performance obligations under the contract have been satisfied.

(l) Other operating revenue - Export incentives

Export incentives under various Government schemes, such as RoDTEP, and other applicable schemes, are recognized as income in the year in which the exports are made, provided there is reasonable certainty of compliance with the relevant scheme conditions and of ultimate realization of the benefits. Such incentives are initially recorded as receivable at the time of export and adjusted upon receipt of the actual benefit.

(m) Employee benefits

(l) Short-term Employee Benefits

Short-term employee benefit obligations include wages, salaries, and other non-monetary benefits that are expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. Such benefits are recognised as expenses in the period in which the related service is rendered and are measured at the undiscounted amounts expected to be paid when the obligations are settled. The liability for these benefits is presented under current liabilities in the Balance Sheet.

(ii) Post-employment Benefits**a) Defined Contribution Plan**

The Company's contribution to the Provident Fund is recognised as an expense in the Statement of Profit and Loss when the services are rendered by the employees. The Company has no further obligations other than the monthly contribution made to the respective statutory authorities.

b) Defined Benefit Plan – Gratuity (Employees)

The liability for gratuity is determined using the projected unit credit method, based on an actuarial valuation carried out at the end of each financial year, in accordance with Ind AS 19 – Employee Benefits. The obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation at the reporting date. Remeasurements, comprising actuarial gains and losses, are recognised immediately in Other Comprehensive Income.

c) Gratuity – Working Directors

Gratuity payable to working directors is determined in accordance with the formula prescribed under the Payment of Gratuity Act, 1972. Such obligations are unfunded and are recognised as a provision in the financial statements based on the liability ascertained at the reporting date.

(n) Foreign currency transactions and transitions**1. Functional and presentation currency**

- The company keeps its books and prepares financial statements in Indian Rupees (INR).
- INR is both the “functional currency” (the currency in which day-to-day operations are measured) and the “presentation currency” (the currency in which financial statements are published).

2. Transactions in foreign currencies

- When the company buys or sells in foreign currencies, it records the transaction at the exchange rate on the date of the transaction.
- If later, payment is made or received, any gain or loss due to the difference between the rate at transaction date and the rate at settlement date is recorded in the Statement of Profit and Loss.

3. Year-end treatment of foreign currency balances

- Any foreign currency receivables, payables, loans, or other monetary balances still outstanding at the financial year-end are converted into INR at the year-end exchange rate.
- The resulting exchange difference (gain or loss) is recognized immediately in the Statement of Profit and Loss.

(o) Income tax

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable or receivable on the taxable income for the year, using the tax rates and laws enacted or substantially enacted at the reporting date, and includes any adjustments to tax payable in respect of previous years.

Deferred tax is recognized using the liability method on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available for utilization. Deferred tax is measured at the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same authority.

Current and deferred tax relating to items recognized in Other Comprehensive Income or directly in equity are recognized in the same place.

Minimum Alternate Tax (MAT) credit is recognized as a deferred tax asset when there is convincing evidence of realization during the specified period and is reviewed at each reporting date for recoverability.

(p) Earnings Per Share

Basic earnings per share:

Basic earnings per share is calculated by dividing:

- Earnings per share arrived by dividing the Net Profit after tax attributable to the equity shareholders by the number of equity shares.

Diluted earnings per share: Diluted earnings per share adjust the figures used in the determination of basic earnings per share to considered:

-the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

-the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(q) Critical estimates and judgements -

The preparation of these financial statements requires management to make certain estimates and apply judgement in selecting and implementing accounting policies. These estimates and assumptions are based on current information and experience, but actual results may differ.

Areas involving significant judgement or complexity, and those where changes in assumptions could have a material impact, are highlighted in the relevant notes to these statements. Each note explains the nature of the estimate, the key assumptions made, and the calculation methods applied.

Fair value measurement

Financial Instrument by category and hierarchy the fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans and security deposits were calculated based on cash flows discounted using the current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the used of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair

values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have significant effect on the recorded fair value that are not based on observable market data.

(s) Financial risk management

Credit risk

Credit risk refers to the possibility that a counterparty will fail to meet its obligations under a financial instrument or customer contract, resulting in a financial loss to the company. The Company is exposed to credit risk through its operating activities (primarily trade receivables) and financing activities, including foreign exchange transactions and other financial instruments.

At the time of initial recognition of an asset, the Company assesses the probability of default. This assessment continues on an ongoing basis at each reporting date to determine whether there has been a significant increase in credit risk since initial recognition. The evaluation involves comparing the risk of default at the reporting date with the risk of default at the date of initial recognition, while considering reasonable and supportable forward-looking information such as:

- i) Actual or expected significant adverse changes in the business,
- ii) Actual or expected significant changes in the counterparty's operating results,
- iii) Financial or economic conditions likely to cause a significant deterioration in the counterparty's ability to meet its obligations,
- iv) A Significant increase in credit risk on other financial instruments held by the same counterparty,

Financial assets are written off when there is no reasonable expectation of recovery - for example, when a debtor fails to engage in a repayment plan with the Company.

(t) Trade Receivables

Customer Credit Risk Management

The Company manages customer credit risk in accordance with established policies, procedures, and controls. Trade receivables are non-interest-bearing and are generally subject to credit terms ranging from 7 to 180 days. Credit limits are determined for all customers based on internal rating criteria, and outstanding receivables are regularly monitored. The Company has no significant concentration of credit risk, as its customer base is widely distributed across different economic sectors and geographic regions.

An impairment assessment is performed at each reporting date, individually for major customers and collectively for groups of smaller receivables with similar risk characteristics. The collective assessment is based on historical loss experience. The maximum exposure to credit risk at the reporting date equals the carrying amount of each class of financial assets. The Company does not hold collateral against these receivables. Management considers the concentration of credit risk to be low, given that customers operate in diverse jurisdictions, industries, and largely independent markets.

SALONA COTSPIN LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2025

NOTE No. 2.3 & 4 PROPERTY, PLANT AND EQUIPMENT												(Rs. in Lakhs)	
No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
		As on 01.04.2024	Additions / Acquisitions through Business Combinations	Deletions / Disposals	As on 31.03.2025	Upto 01.04.2024	For the Period	With Drawn on Account of Disposal	Upto 31.03.2025	As on 31.03.2025	As on 31.03.2024		
A TANGIBLE ASSETS													
1	FREE HOLD LAND	2164.20	05.69		2169.89	0.00		0.00		2169.89	2164.20		
2	BUILDING	894.86	1330.45		2225.31	501.96	28.32	530.28		1695.03	392.90		
3	PLANT & EQUIPMENTS	11826.24	2984.15	11.81	14798.57	7491.33	707.96	8188.07	11.22	6610.50	4334.91		
4	FURNITURE & FIXTURES	54.11	01.82		55.93	49.89	03.86	53.74		02.19	04.23		
5	VEHICLES	292.07	28.09		320.16	152.08	25.54	177.62		142.54	139.99		
6	OFFICE EQUIPMENTS	138.28	10.67		148.95	135.78	06.49	142.27		06.69	02.50		
	TOTAL A	15369.77	4360.87	11.81	19718.82	8331.04	772.16	9091.97	11.22	10626.85	7038.73		
B INTANGIBLE ASSETS **													
7	COMPUTER SOFTWARE	33.47	10.69	0.00	44.16	23.91	01.68	25.60		18.57	09.56		
	TOTAL B	33.47	10.69	0.00	44.16	23.91	01.68	25.60	0.00	18.57	09.56		
C CAPITAL WORK-IN-PROGRESS													
8	BUILDING	1224.66		1224.66	0.00			0.00		0.00	1224.66		
	PLANT & EQUIPMENTS	2338.29	1819.37	2338.29	1819.37	1819.37		0.00		1819.37	2338.29		
	TOTAL C	3562.95	1819.37	3562.95	1819.37	0.00	0.00	0.00	0.00	1819.37	3562.95		
D INTANGIBLE ASSETS UNDER CONSTRUCTION													
	COMPUTER SOFTWARE	0.00	0.00		0.00			0.00		0.00	0.00		
	TOTAL D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
	CURRENT YEAR FIGURES (TOTAL (A+B+C+D))	18966.19	6190.93	3574.76	21592.35	8354.95	773.84	9117.57	11.22	12464.78	10611.23		
	PREVIOUS YEAR FIGURES	11750.24	7720.25	0.00	18966.19	7688.75	686.21	8354.95	0.00	10611.23	4081.49		

NOTES TO BALANCE SHEET AS AT 31ST MARCH 2025

NOTE NO. 5 : NON - CURRENT INVESTMENTS

A. Classifications:

(Rs. in Lakh)

No	Particulars	As at 31st March 2025	As at 31st March 2024
a	Investments in Equity Instruments	0.49	1.06
		0.49	1.06

B. Break up details for Investments:

1) Details for Investments in Equity

(Rs. in Lakh)

No	Name of the Script	No of Shares / Units	Cost of Acquisition	Carrying amount As at 31st March 2025	Carrying amount As at 31st March 2024
i)	Equity Instruments:				
	Non-trade Quoted				
1	Union Bank of India 272 Equity shares of Rs.10/- each (Previously 272 equity shares of Rs.10/- each)	272	0.30	0.34	0.42
	Trade - Unquoted				
1	1420 Equity Shares in Echanda Urja Private Limited	6420	0.64	0.14	0.64
	Sub Total	11,892	0.94	0.49	1.06

2) Abstract of Investments in Equity

(Rs. in Lakh)

No	Particulars	As at 31st March 2025	As at 31st March 2024
a	Aggregate amount of quoted investments	0.34	0.42
b	Market Value of Quoted Investments	-	-
c	Aggregate amount of unquoted investments	0.14	0.64
	Net Carrying amount of Investments	0.49	1.06

NOTE NO. 6 : LONG - TERM LOANS AND ADVANCES

A. Classifications:

(Rs. in Lakh)

No	Particulars	As at 31st March 2025	As at 31st March 2024
1	Unsecured and Considered good Other Loans and Advances	15.00	17.50
	Total	15.00	17.50

Other loans and advances

(Rs. in Lakh)

No	Particulars	As at 31st March 2025	As at 31st March 2024
1.	Rental Advance for Office Premises & Ware House	15.00	17.50
	Total	15.00	17.50

NOTE NO. 7 : OTHER NON - CURRENT ASSETS

(Rs. in Lakh)

No	Particulars	As at 31st March 2025	As at 31st March 2024
1	Capital Advances	104.85	856.79
2	Security Deposits	203.31	105.51
		308.16	962.29

B. Disclosures:
1) Capital advances

(Rs. in Lakh)

No	Particulars	As at 31st March 2025	As at 31st March 2024
l)	Unsecured, considered Good Advances for acquisition of capital assets/ expenditure	104.85	856.79
	Total	104.85	856.79

2) Security Deposits:

(Rs. in Lakh)

No	Particulars	As at 31st March 2025	As at 31st March 2024
l)	Unsecured, considered Good Deposits with Statutory Authorities	203.31	105.51
	Total	203.31	105.51

Security deposits are placed with Electricity and other Statutory authorities.

NOTE NO. 8 : INVENTORIES

(Rs. in Lakh)

No	Particulars	As at 31st March 2025	As at 31st March 2024
	Inventory on Hand		
a)	Raw Materials	4,092.39	3525.00
b)	Work in Progress	739.44	628.17
c)	Finished Goods	1,684.21	1674.16
d)	Stores & Spares	63.68	104.59

NOTE NO. 9 : TRADE RECEIVABLES

(Rs. in Lakh)

No	Particulars	As at 31st March 2025	As at 31st March 2024
a)	Outstanding for a period exceeding six months -Unsecured, considered good	0.00	0.00
	Sub Total	0.00	0.00
b)	Others		
	-Unsecured, considered good	11,720.25	14417.53
	-Doubtful	0.00	0.00
		11,720.25	14417.53
	Less: Provision for Bad and Doubtful Debts	0.00	4.77
	Sub Total	11,720.25	14412.76
	Total	11,720.25	14412.76

Trade Receivable ageing Schedule as at 31st March 2025

(Rs. in Lakh)

No	Particulars	Outstanding for following period from due date of payment				
		1 year	1-2 Years	2-3 Years	More than 3 Years	Total
i)	Undisputed Trade Receivables - Considered good	11,656.51	56.58	1.62	5.54	11,720.25
ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-
iii)	Undisputed Trade Receivables - Credit Impairs	-	-	-	-	-
iv)	Disputed Trade Receivables - Considered good	-	-	-	-	-
v)	Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-
vi)	Disputed Trade Receivables - Credit impaired	-	-	-	-	-

Trade Receivable ageing Schedule as at 31st March 2025

(Rs. in Lakh)

No	Particulars	Outstanding for following period from due date of payment				
		1 year	1-2 Years	2-3 Years	More than 3 Years	Total
i)	Undisputed Trade Receivables - Considered good	14,405.59	1.62	5.54	0.00	14,412.76
ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-
iii)	Undisputed Trade Receivables - Credit Impairs	-	-	-	-	-
iv)	Disputed Trade Receivables - Considered good	-	-	-	-	-
v)	Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-
vi)	Disputed Trade Receivables - Credit impaired	-	-	-	-	-

NOTE NO. 10 : CASH AND CASH EQUIVALENTS
A. Classification:

(Rs. in Lakh)

No	Particulars	As at 31st March 2025	As at 31st March 2024
a)	Cash on hand	8.52	4.90
b)	Balances with banks:		
	- Balances in Current accounts	2.70	0.90
	- In earmarked accounts Unpaid dividend accounts	11.86	9.68
c)	Other bank deposits - Margin Money Deposits held under lien by Banks	188.28	99.75
	Total	211.36	115.23

NOTE NO. 11 : SHORT - TERM LOANS AND ADVANCES
A. Classification:

Due by directors / officers and due by Firms or Private Limited Companies in which any director is a partner or a director is NIL

Unsecured and Considered good

(Rs. in Lakh)

No	Particulars	As at 31st March 2025	As at 31st March 2024
1	Advance Towards in Direct Taxes (Net)	563.10	-
2	Advances to Staff and Other Operatives	7.08	6.11
3	Others	0.90	0.90
	Total	571.08	7.01

NOTE NO. 12 : OTHER CURRENT ASSETS
A. Classifications:

(Rs. in Lakh)

No	Particulars	As at 31st March 2025	As at 31st March 2024
a)	Other current assets	3,578.67	3864.23
	Total	3,578.67	3864.23

B. Disclosures:
Other Current Assets :

(Rs. in Lakh)

No	Particulars	As at 31st March 2025	As at 31st March 2024
	BREAKUP FOR OTHER CURRENT ASSETS		
	Export:		
	Duty Draw Back Receivable	106.07	116.57
	RODTEP Receivables	396.59	948.35
	IGST EXPORT SALES RECEIVABLE A/C	488.91	550.94
	Others:		
	Accrued Income	6.12	6.12
	Bank Commitment charges receivables	3.26	
	Evening Peak Energy & Demand Charges Receivable	2.14	2.14
	Income tax Refund Due	2.80	2.80
	TDS deducted and Paid on Staff Salary	1.29	1.09
	Prepaid Expenses	50.82	33.93
	Trade Advances	822.85	813.81
	WEG Unit Banking Account	87.61	119.41
	WEG Income Receivable	58.11	-
	GST Input credit available	1,552.11	1269.06
		3,578.67	3,864.23

NOTE NO. 13 : SHARE CAPITAL
(i) Particulars of each class of share capital:
(Rs. in Lakh)

Particulars	As at 31st March 2025	As at 31st March 2024
Authorised: 6000000 Equity Shares of Rs.10/- each	600.00	600.00
	600.00	600.00
Issued Capital: 5262400 Equity Shares of Rs.10/- each	526.24	526.24
	526.24	526.24
Subscribed, Called Up and Paid Up Capital 5262400 Equity Shares of Rs.10/- each fully paid up	526.24	526.24
	526.24	526.24
Forfeited Shares 88700 Nos - (Previous Year 88700 Nos) - Originally Paid-up	6.65	6.65
	532.89	532.89

(ii) Particulars of each class of share capital:
(Rs. in Lakh)

Particulars	No. of shares		As at 31st March 2025	As at 31st March 2024
	As at 31st March 2025	As at 31st March 2024		
At the commencement of the year	5,262,400	5,262,400	526.24	526.24
At the close of the year	5,262,400	5,262,400	526.24	526.24

- | | | | |
|---|---|-----|-----|
| a | No Shares have been issued during the year | Nil | Nil |
| b | No shares have been Bought back during the year | Nil | Nil |
| c | No shares have been forfeited during the year | Nil | Nil |

iii) Specified details on each class of shares for a period of five years immediately preceding the date as at which Balance sheet is prepared:

- a Aggregate Number and class of Shares allotted for contract without payment being received in cash.
There were no shares allotted for contract without payment being received in cash during the reporting period nor in the preceding five years
- b Aggregate number and Class of shares allotted as fully paid by way of bonus shares (Fully paid-up)
No bonus shares were allotted during the reporting period nor in the preceding five years.
- c Aggregate number and Class of shares bought back.
No shares were bought back during the reporting period nor in the preceding five years.

(iii) Details of Shareholders holding more than five percent of equity shares:

Name of the Person	As at 31st March 2025		As at 31st March 2024	
	% of holding	Number of shares	% of holding	Number of shares
1 Shyamlal Agarwala	8.16%	429393	8.16%	429393
2 Manoj Kumar Jhajharia	5.93%	312188	5.93%	312188
3 Pramod Kumar Jhajharia	5.97%	313966	5.97%	313966
4 Arun Kumar Jhajharia	6.28%	330671	6.28%	330671
5 Krishna Agarwal	8.47%	445901	8.47%	445901
6 Pista Devi Jhajharia	6.18%	325403	6.18%	325403

- v) Rights, Preferences and restrictions attaching to each class of shares including restrictions on distribution of dividends and repayments of capital:

The Company has only one class of share namely equity shares having a par value of Rs.10 each.

Each shareholder is eligible for one vote for every share held. The dividend approved by the shareholders in any annual general meeting and in case of any interim dividend declared, is payable to the equity shareholders in proportion to their holding. The equity shareholders are eligible to receive the remaining assets of the company on the occurrence of an event, requiring repayment of capital, in proportion of their shareholding.

- vi) Terms of any securities convertible into Equity/Preference Shares issued along with earliest date of conversion in descending order starting from earliest such date:

There are no securities convertible into equity or preference shares

- vii) Shares reserved for issue under option and Contract/ Commitments for the sale of shares / disinvestment including terms and amounts:

There are no shares reserved under any option

(viii) Share holding of Promoters

Promoter Name	As at 31st March 2025			As at 31st March 2024		
	No.of Shares	% of Total Shares	% Change during the Year	No.of Shares	% of Total Shares	% Change during the Year
Krishna Agarwal	445901	8.47%	0.00%	445901	8.47%	0.00%
Shyamlal Agarwala	429393	8.16%	0.00%	429393	8.16%	0.00%
Arun Kumar Jhajharia	330671	6.28%	0.00%	330671	6.28%	0.00%
Pistadevi Jhajharia	325403	6.18%	0.00%	325403	6.18%	0.00%
Pramod Kumar Jhajharia	313966	5.97%	0.00%	313966	5.97%	0.00%
Manoj Kumar Jhajharia	312188	5.93%	0.00%	312188	5.93%	0.00%
Mahesh Agarwal	259800	4.94%	0.00%	259800	4.94%	0.00%
Sheli Agarwal	226622	4.31%	0.00%	226622	4.31%	0.00%
Sabita Agarwal	224291	4.26%	0.00%	224291	4.26%	0.00%
Indu Agarwal	193000	3.67%	0.00%	193000	3.67%	0.00%
Raghav Agarwal	124726	2.37%	0.00%	124726	2.37%	0.00%
Saloni Agarwal	118534	2.25%	0.00%	118534	2.25%	0.00%
Shyamlal Agarwal Huf	41000	0.78%	0.00%	41000	0.78%	0.00%
Santosh Kumar Agarwal	30000	0.57%	0.00%	30000	0.57%	0.00%
Umesh Kumar Agarwal	30000	0.57%	0.00%	30000	0.57%	0.00%
Sunita Devi Agarwal	20000	0.38%	0.00%	20000	0.38%	0.00%
Kavita Kejriwal	16001	0.30%	0.00%	16001	0.30%	0.00%
Parvati Agarwal	14600	0.28%	0.00%	14600	0.28%	0.00%
Anshu Agarwal	10212	0.19%	0.00%	10212	0.19%	0.00%
Manoj Kumar Jhajharia (HUF)	16000	0.30%	0.00%	16000	0.30%	0.00%
Pramod Kumar Jhajharia (Huf)	12200	0.23%	0.00%	12200	0.23%	0.00%
Arun Kumar Jhajharia (Huf)	30200	0.57%	0.00%	30200	0.57%	0.00%
Mahesh Kumar Agarwal (HUF)	3000	0.06%	0.00%	3000	0.06%	0.00%
Umesh Kumar Agarwal (Huf)	3000	0.06%	0.00%	3000	0.06%	0.00%

NOTE NO. 14 : OTHER EQUITY

(i) Particulars of each class of share capital:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	A RESERVES:		
	General Reserve		
	Balance as Per Last Balance Sheet	15.00	15.00
	Transfer From Statement Of Profit & Loss	0.00	0.00
	Closing Balance-Total Of Reserves	15.00	15.00
2	B SURPLUS:		
	Statement of Profit and Loss after all allocations and appropriations:-		
	Opening Balance (i)	7428.90	6870.08
	Add : Profit after tax for the year (ii)	313.31	612.74
	Total (iii = i+ii)	7,742.21	7,482.82
	Less: (a) Transfer to Reserve	0.00	0.00
	(b) Equity Dividend paid for the year 2023-24	52.62	63.15
	Total (iv)	52.62	63.15
	Total of Surplus (v = (iii) - (iv))	7,689.59	7,419.67
	Other Comprehensive Income	20.23	9.23

NOTE NO. 15 : LONG TERM BORROWINGS

A. Classifications:-

No.	Particulars	As at 31st March 2025	As at 31st March 2024
	Secured:		
(a)	Term Loans - From Banks	6385.12	7563.68
(b)	Long term maturities of Finance Lease Obligation	85.11	86.27
	Unsecured:		
(c)	Other Loans and Advances	22.00	64.78
	Total Per Balance Sheet	6,492.23	7,714.72

B. Other Disclosures:

(a) (i) Term Loans from Banks

(Rs. in Lakh)

No.	Particulars	Limit sanctioned	Terms of repayment	As at 31st March 2025	As at 31st March 2024
1	Secured : Union Bank of India Term Loan (UGECL)	768.46	Repayable in 36 equated monthly principal installments after a moratorium period of 24 months	336.20	528.32
	Term Loan (WIND MILL)	1331.25	Repayable in 84 equated monthly principal installments after a moratorium period of 12 months	950.93	1141.11
2	State Bank of India TERM LOAN (SOLAR PLANT) Roof Top	420.00	Repayable in 120 equated monthly principal installments after a moratorium period of 12 months	220.77	264.29
3	TERM LOAN (SOLAR PLANT) Ground Mounting	1001.00	Repayable in 156 equated monthly principal installments after a moratorium period of 12 months	730.98	815.68
	Term Loan (GECL)	79.12	Repayable in 48 equated monthly principal installments after a moratorium period of 12 months	0.00	1.88
	Term Loan (GECL)	181.00	Repayable in 48 equated monthly principal installments after a moratorium period of 24 months	66.67	113.30
	TERM LOAN (SOLAR PLANT) ground mounting - 2	790.00	Repayable in 108 equated monthly principal installments after a moratorium period of 12months	605.42	701.54
	TERM LOAN (SOLAR PLANT) Roof Top	588.00	Repayable in 108 equated monthly principal installments after a moratorium period of 12months	478.15	527.71
	HDFC Bank Limited Term Loan	572.80	Repayable in 60 equated monthly principal installments after a moratorium period of 9 months	124.57	233.75

(a) (i) Term Loans from Banks

(Rs. in Lakh)

No.	Particulars	Limit sanctioned	Terms of repayment	As at 31st March 2025	As at 31st March 2024
	Term Loan	3600.00	Repayable in 84 equated monthly principal installments after a moratorium period of 12 months	2871.43	3236.11
	Total Per Balance Sheet			6,385.12	7,563.68

(a) (ii) Term Loans from Banks

Nature of Security and Details of Guarantee

- The above facilities are secured on first charge on the specific fixed assets acquired besides a charge on all other fixed assets
- All the above facilities pursuant to an agreement rank pari passu amongst the bankers and the company.
- Managing Director and Joint Managing Director have furnished their personal guarantee to bankers for the loans so availed and the guarantee is for the amount outstanding to the said bankers.
- The details of security listed above also covers for current maturities of long term debts for the above term loans
- The Company has not defaulted in the payment of Principal and interest during the year
- Term Loans were applied for the purpose they were obtained. Further, Short Term Loans availed have not been utilised for Long term purposes by Company
- Quarterly retruns or statements of Current assets filed by the Company for the sanctioned borrowings with banks or financial institutions are not materially difference with that of books of accounts.

(b) Long Term Maturity of Finance Lease Obligations:-

(Rs. in Lakh)

No.	Name of the Financiar	As at 31st March 2025	As at 31st March 2024
	Secured		
1	Kotak Mahendra Prime Ltd	5.34	0.09
2	Kotak Mahendra Bank Ltd	5.22	5.22
3	HDFC Bank Ltd	37.88	25.31
4	Punjab National Bank Ltd	36.66	55.65
	Total Per Balance Sheet	85.11	86.27

The Hire Purchase finance credits have been secured by the hypothecation of the vehicles acquired for which necessary endorsement for the hypothecation is made in vehicle registration certificate furnished by the Regional Transport Authority

(c) Other Loans & Advances

(Rs. in Lakh)

No.	Nature of Loan	As at 31st March 2025	As at 31st March 2024
1	Loans from Shareholders Unsecured	-	-
	Inter-corporate Loans	22.00	64.78
	Total Per Balance Sheet	22.00	64.78

(Terms of repayment - exceeding 24 months and carrying rate of interest of 12% per annum)

(Amount of Loan Repayable per period is variable and depends upon the amount availed earlier)

NOTE NO. 16 : LONG -TERM PROVISIONS

A. Classifications:-

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	<u>Provision for Employee Benefits</u>		
	Provision for Gratuity	142.09	146.82
	Total Per Balance Sheet	142.09	146.82

NOTE NO.17 : DEFERRED TAX LIABILITIES (NET)

A. Classifications:-

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
A.	Deferred Tax Liability		
	Opening Balance	667.04	418.21
	Add : Additions during the year	155.70	248.83
		822.74	667.04
	Less: Reversed During the year	0.00	0.00
		822.74	667.04
B	Deferred Tax Asset	79.60	58.31
	Add : Additions during the year	0.01	21.29
		79.61	79.60
	Less: Reversed During the year	0.00	0.00
	79.61	79.60	
	Deferred Tax Liability	743.13	587.44
	MAT Credit Entitlement	137.87	276.80
	Deferred Tax Liability (Net)	605.26	310.64

NOTE NO. 18 : SHORT -TERM BORROWINGS
A. Classifications
(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
(a)	Loans repayable on demand		
	i) From Banks	16015.12	17020.04
(b)	Borrowings		
	i) Current maturities of Long Term Debt	1327.48	921.29
	ii) Current Maturities of Finance Lease Obligations	26.13	24.48
	Total Per Balance Sheet	17,368.72	17,965.81

B. Other Disclosure
(i) Loans Repayable on Demand from Bank
(Rs. in Lakh)

No.	Particulars	Limit Sanctioned	As at 31st March 2025	As at 31st March 2024
1	Cash Credit From Banks:			
	CSB Bank Ltd	600	162.07	-50.33
	State Bank of India	3,000	28.62	-16.50
	Union Bank of India	1,000	89.19	104.50
	HDFC Bank Ltd	5,000	4530.33	63.05
	ICICI Bank Ltd	1,700	73.07	-5.97
2	Packing credit loans:			
	CSB Bank Ltd	(sub-limit)	0.00	75.00
	State Bank of India	(sub-limit)	2734.91	2749.99
	Union Bank of India	(sub-limit)	178.99	1244.58
	HDFC Bank Ltd	(sub-limit)	0.00	3245.71
	ICICI Bank Ltd	(sub-limit)	1509.93	1407.65
3	Foreign Bills Purchased by Banks:	-		
	CSB Bank Ltd	1000	541.37	405.03
	State Bank of India (Sub Limit)	(2800)	0.00	415.72
	Union Bank of India	700	0.00	151.15
	HDFC Bank Ltd	6,500	5070.09	4358.20
	ICICI Bank	1,500	1096.53	2872.26
	Total Per Balance Sheet	21,000	16015.12	17020.04

(ii) Nature of Security and terms of guarantee

- a The above facilities are secured by way of hypothecation and / or pledge of stocks in trade, besides a first charge on its fixed assets
- b All the above facilities are pursuant to an agreement rank Pari passu amongst the bankers and the company has created an equitable mortgage by deposit of the title deeds for the credit facilities availed. The equitable mortgage is registered with the Registrar of Assurances, while a charge is registered with the Registrar of Companies.
- c Managing Director, Joint Managing Director and Director have furnished their personal guarantee to bankers for the loans so availed and the guarantee is for the amount outstanding to the said bankers.

NOTE NO. 19 : TRADE PAYABLES

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Micro Small & Medium Enterprises	0.00	188.80
2	Others	1617.39	1276.95
	Total Per Balance Sheet	1617.39	1465.75

Trade Payables ageing schedule: As at 31.03.2025

Particulars	Outstanding for following period from the due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME					
II) Others	1349.80	19.90	26.17	221.51	1617.39
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-

Trade Payables ageing schedule: As at 31.03.2024

Particulars	Outstanding for following period from the due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
I) MSME	188.80				188.80
I) Others	1053.53	1.90	193.46	28.06	1276.95
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-

Note: Dues to Micro and Small Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT). The Disclosure pursuant to the samid MSMED Act as follows:

(Rs. in Lakh)

Particulars	As at 31st March 2025	As at 31st March 2024
a) The Principal amount remaining unpaid to any supplier at the end of the year.	-	188.80
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the seller		
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006		
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.		
f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance of a deductible		

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per intimation received from them on request made by the company.

NOTE NO. 20 : OTHER CURRENT LIABILITIES

A. Classifications:

(Rs. in Lakh)

Particulars	As at 31st March 2025	As at 31st March 2024
a Interest accrued and due on borrowings	31.60	55.27
b Unpaid dividends	11.86	9.68
c Other Payables		
Liability For Expenses	149.01	138.60
Statutory Liabilities	339.14	263.58
Advances From Customers	390.65	249.45
Total Per Balance Sheet	922.27	716.58

NOTE NO. 21 : SHORT - TERM PROVISIONS

A. Classifications:

(Rs. in Lakh)

Particulars	As at 31st March 2025	As at 31st March 2024
1 <u>Provision for Employee Benefits</u>		
Provision For Bonus	29.57	40.94
Provision For Gratuity	14.26	17.25
	43.83	58.19

NOTE NO. 22 : CURRENT TAX LIABILITIES - NET

A. Classifications:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Others		
	a. Provision For Proposed Dividends	-	-
	b. Provision For Taxation (net)	-	-
		-	-

NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

NOTE NO. 23 : REVENUE FROM OPERATIONS

A. Classifications:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Sale of Products	61492.58	67439.58
2	Other Operating Revenues	4723.06	4786.21
	Total Per Statement of P & L	66,215.64	72,225.79

B. Other Disclosures

(i) Other operating revenues

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Export Incentives:	2792.42	3160.50
2	Other Miscellaneous Income	14.72	0.00
3	Foreign Exchange Fluctuation	696.53	653.14
4	Export Freight & Insurance	841.44	707.61
5	WEG Unit third party sale	377.95	264.95
	Total Per Statement Of P & L	4,723.06	4,786.21

NOTE NO. 24 : OTHER INCOME

A. Classifications:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Interest Income	15.07	25.27
2	Dividend Income	0.01	0.01
3	Other Non- Operating Income (Net of Expenses directly attributable to such Income) (Refer note (iii) below)	0.41	0.01
	Total Per Statement of P & L	15.49	25.29

B. Other Disclosures:
(i) Interest Income
(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	From Current Investments		
	Interest Receipts:		
	Banks Fixed Deposits	08.42	11.67
	Energy Security Deposit	06.48	5.82
2	From Others		
	Interest Receipts-Other parties	0.17	7.79
	Total Per Statement of P & L	15.07	25.27

(ii) Dividend Income
(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	<u>From Others:</u>		
	From Long Term Investments		
	Equity Instruments	0.01	0.01
	Total Per Statement of P & L	0.01	0.01

(iii) Other Non Operating Income
(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Profit on sale of Fixed Assets	0.41	0.01
	Total Per Statement of P & L	0.41	0.01

NOTE NO. 25 : COST OF MATERIALS CONSUMED
(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Raw Materials	12337.17	12217.27
2	Other Consumables	48.60	51.17
	Total Per Statement of P & L	12,385.78	12,268.43

A. Disclosures

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Consumption of Raw Materials Cotton:		
	Opening Stock Of:		
	Raw Materials	3525.00	3782.79
	Work-in Progress	60.49	53.28
	Add: Purchases during the year	12723.60	11966.68
	16,309.09	15,802.76	
	Less: Closing stock of :		
	Raw Materials	3910.57	3525.00
	Work-in Progress	61.36	60.49
	Consumption of raw materials	12,337.17	12,217.27
2	Consumption of Other Consumables		
	Packing Consumables:		
	Opening stock	10.73	10.26
	Add: Purchases during the year	43.76	51.64
		54.49	61.89
	Less: Closing stock	05.88	10.73
	Consumption of other materials	48.60	51.17

NOTE NO. 26 : PURCHASE OF STOCK-IN-TRADE

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Yarn	43370.61	49789.47
2	Fabric	931.75	2228.23
3	Garments	0.00	2.30
		44,302.36	52,020.00

NOTE NO. 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
a	Inventories at the commencement of the year	2241.84	1738.74
b	Less: Inventories at the close of the year	2230.99	2241.84
	Total Per Statement of P & L	10.85	-503.10

Disclosure on Changes in Inventories:
(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Opening Stock:		
	Finished Goods - Yarn	1006.71	886.94
	Finished Goods - Fabrics	382.10	302.22
	Finished Goods - Garments	237.46	314.09
	Work in Process	567.68	176.18
	By-Product - Waste Cotton	47.88	59.32
		2241.84	1738.74
2	Less: Closing Stock:		
	Finished Goods - Yarn	1262.97	1006.71
	Finished Goods - Fabrics	169.87	382.10
	Finished Goods - Garments	104.95	237.46
	Work in Process	524.31	567.68
	By-Product - Waste Cotton	168.89	47.88
		2230.99	2241.84

NOTE NO. 28 : EMPLOYEE BENEFIT EXPENSES
(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Salaries & Wages	597.89	565.29
2	Contribution to Provident and Other Funds	43.38	40.52
3	Staff Welfare Expenses	557.55	456.23
4	Managerial Remuneration	237.56	246.46
	Total Per Statement of P & L	1,436.39	1,308.50

Disclosure on Employee Benefit Expenses:

No.	Particulars	As at 31st March 2025	As at 31st March 2024
(i)	Staff Welfare Expenses		
	Medical Expenses Reimbursed/Insurance Premium	242.65	48.50
	Water Expenses	8.99	6.40
	Workmen & Staff Welfare Expenses	232.06	339.16
	Canteen Expenses	73.85	62.17
			557.55

NOTE NO. 29 : FINANCE COSTS

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Interest Expenses (Refer note (I) below)	945.91	890.08
2	Other Borrowing Costs (Refer note (ii) below)	938.95	631.30
	Total Per Statement of P & L	1884.86	1521.39

Disclosure on Finance Cost:

No.	Notes	As at 31st March 2025	As at 31st March 2024
(i)	Interest Expense:		
	Interest on borrowings from Banks	933.41	858.06
	Interest on borrowings from Others	03.54	24.15
	Finance Charges on Finance Lease	08.96	7.87
	Total Per Statement Of P & L	945.91	890.08
(ii)	Other Borrowing Costs		
	Bill Discounts / premiums on borrowings	888.37	584.53
	Bank Charges	50.58	46.78
	Total Per Statement Of P & L	938.95	631.30

NOTE NO.30 : DEPRECIATION AND AMORTISATION EXPENSES

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Depreciation	772.16	684.95
2	Amortization Expense	01.68	1.26
	Total Per Statement Of P & L	773.84	686.21

NOTE NO. 31 : OTHER EXPENSES

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Manufacturing Expenses (Refer note (I) below)	1391.91	1114.26
2	Administrative Expenses (Refer note (ii) below)	511.24	466.63
3	Repairs and Maintenance (Refer note (iii) below)	293.10	244.43
4	Sales and Distribution Expenses (Refer note (iv) below)	2587.70	2152.36
5	Miscellaneous Expenses (Refer note (v) below)	99.58	131.68
	Total Per Statement of P & L	4883.53	4109.37

Disclosure on Other expenses
(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
	Notes		
(i)	Manufacturing Expenses		
a	Power and Fuel	757.17	466.79
b	Consumption of Stores and Spare Parts	234.51	230.48
c	Other Manufacturing Expenses	400.23	416.99
	Total Per Statement Of P & L	1391.91	1114.26
(ii)	Administrative Expenses		
a	Rent	21.83	21.26
b	Rates and taxes, excluding taxes on income	27.53	17.99
c	Payments to Auditors		
	a) for Audit	04.00	4.00
	b) for Taxation Matters	01.25	9.00
	c) for Other Services	04.00	4.05
	d) for Cost Audit	0.00	0.25
	e) for Internal Audit	01.26	0.90
d	Insurance	36.36	28.41
e	Sitting Fees To Other Non whole Time Directors	01.90	0.71
f	Provision for doubtful Debts (Expected credit loss)	0.00	4.77
g	Travelling Expenses	242.26	203.37
h	Communication Expenses	16.80	24.64
i	Printing & Stationery	09.71	10.80
j	Donation	05.47	6.40
k	General Expenses	24.67	17.56
l	Professional & Legal Fees	60.19	57.38
m	Security Service Charges	53.77	55.13
n	Subscription		
	Trade Associations	0.24	0.00
	Total	511.24	466.63
(iii)	Repairs and Maintenance		
a	Buildings	80.08	62.00
b	Machinery	69.77	50.04
c	Wind Mills	69.38	70.69
d	Vehicles	61.06	49.05
e	Others	12.81	12.65
	Total Per Statement Of P & L	293.10	244.43

Disclosure on Other expenses
(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
(iv)	Sales and Distribution Expenses		
a	Consumption of Other Packing Materials		
	Opening Stock	08.57	10.68
	Add: Purchases during the year	106.49	86.03
		115.07	96.71
	Less: Closing Stock	14.69	8.57
	Consumption of Other Packing Materials	100.38	88.14
b	Advertisement Charges	03.84	2.35
c	Commission Payments on sales / services	106.76	151.95
d	Commission Payments on Export Sales	656.38	487.32
e	Discounts Allowed	17.28	7.83
f	Other Sales Expenses	126.67	91.74
g	Export Sales Expenses	1576.38	1323.02
	Total Per Statement Of P & L	2587.70	2152.36
(v)	Miscellaneous Expenses		
	Others	99.58	131.68
	Total Per Statement of P & L	99.58	131.68

NOTE NO. 32 : CURRENT TAX
(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Current tax	92.33	138.93
	Total Per Statement of P & L	92.33	138.93

OTHER NOTES

I. ADDITIONAL INFORMATION TO BALANCE SHEET

A. Contingent Liabilities:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
a)	Claims against the Company not acknowledged as Debt	-	-
b)	Guarantees given to customs department against import of Capital goods	-	-
c)	Other money for which the Company is contingently liable	-	-

B. Commitments:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
a)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for	-	-
b)	Uncalled liability on shares and other investments partly paid	-	-
c)	Other Commitments	-	-

C. Proposed Dividends:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
a)	On Equity Shares:		
	Total Amount of Proposed Dividend	52.62	52.62
	Number of Shares	52.62	52.62
	Amount of Dividend per Share	1.00	1.00

D. Dues to Micro, Small & Medium Enterprises:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
	The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March 2025 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act.		

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	-	188.80
b)	The amount of interest paid by the Company along with the amount of the payments made to the supplier beyond the appointed day during the period.	NIL	NIL
c)	The amount of interest due and payable for the period of delay in making payment((which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	NIL	NIL
d)	The amount of interest accrued and remaining unpaid at the end of the period	NIL	NIL
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	NIL	NIL

II. ADDITIONAL INFORMATION TO STATEMENT OF PROFIT AND LOSS:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Adjustments to the carrying amount of Investments (Any adjustments to carrying amount of Investments pursuant to diminution in value of the Investment (or reversal thereof) should be disclosed here.)	-	-
2	Net Gain / (Loss) on Foreign currency transaction (other than considered as finance cost) normally arising from settlement / restatement of monetary items.	696.53	653.14
3	Payments to Auditors Statutory Auditor's Remuneration		
	(a) For Audit	4.00	4.00
	(b) For Taxation matters,		
	Direct Tax	1.25	9.00
	Indirect Tax	0.00	0.00
	(c) For other services,	4.00	4.05
		9.25	17.05

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
	Cost Auditor's Remuneration (a) For Audit	0.00	0.25
		0.00	0.25
	Total Payments to auditor	9.25	17.30
4	Amounts Spent Towards Corporate Social Responsibility	39.36	60.09
5	Turnover		
i)	Indigenous		
	Cotton Yarn	7476.96	7777.41
	Knitted Fabrics	767.52	1000.32
	Garments	20.7	40.62
	Cotton	810.41	199.66
ii)	Export		
	Cotton Yarn	5206.87	6029.83
	Knitted Fabrics	4395.41	3490.78
iii)	By Products-Waste		
	Indigenous	1616.08	2203.57
	Export	0.00	56.23
iv)	Traded Goods		
	Cotton Yarn Export	40286.79	44581.38
	Fabrics Export	911.84	2059.77
	Total	61492.58	67439.58
6	Closing Inventory		
	Finished Goods		
	Cotton Yarn	1262.97	1006.71
	Hosiery Knitted Cloth	169.87	382.10
	By Product	168.89	47.88
	Garments	104.95	237.46
	Work in Process	524.31	567.68
	Total	2230.99	2241.84

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
7	Opening Inventory		
	Finished Goods		
	Cotton Yarn	1006.71	886.94
	Hosiery Knitted Cloth	382.10	302.22
	By Product	47.88	59.32
	Garments	237.46	314.09
	Work in Process	567.68	176.18
	Total	2241.84	1738.75

Note: A company falling in more than one category will make the above disclosures, to the extent relevant.

8.	Break Up for Consumption			
	a) Raw Materials			
	Indigenous	Rs.	12,337.15	12217.27
		%	83%	100%
	Imported	Rs.	2.460	-
		%	17%	0%
	Total		14,797.15	12217.27
	b) Stores and Spares			
	Indigenous	Rs.	182.64	223.51
		%	78%	97%
Imported	Rs.	51.87	6.97	
	%	22%	3%	
Total		234.51	230.48	
9	Value of imports calculated on C.I.F basis by the company during the Financial Year in respect of			
	I. Raw materials;	2,911.84	-	
	II. Components and spare parts;	51.87	5.20	
	III. Capital goods	-	-	
10	Expenditure in foreign currency:			
	Purchase of Raw Materials	2,911.84	-	
	Purchase of Fabrics & Yarn	-	-	
	Purchase of spares	51.87	5.20	
	Purchase of Capital Goods	-	-	
	Interest & Bank charges	36.65	-	
	Commission on exports	531.53	300.66	
	Expenses	90.60	9.79	

		As at 31st March 2025	As at 31st March 2024
11	The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related		
	i) Total No.of Non-resident Shareholders No.	-	-
	ii) Total No. of Shares held No.	-	-
	iii) Total Amount of Dividend due / paid No. (Paid in Rupee)	-	-
	iv) Year to which the Dividend Related	-	-
12	Earnings in foreign exchange classified under the following heads, namely:-		
	I. Export of goods calculated on F.O.B. basis;	50800.91	56217.99
	II. Royalty, know-how, professional and consultation fees;	-	-
	III. Interest and dividend;	-	-
	IV. Other income, indicating the nature thereof	-	-
13	POWER & FUEL COST IS AS UNDER		
	Electricity Charges incurred	1,415.54	1187.48
	Fuel Consumed	5.07	2.57
	Total	1,420.60	1190.05
	Less: Wind & Solar Energy generated & Captively Consumed	663.43	723.26
	Net debit to P&L	757.17	466.79
14	CORPORATE SOCIAL RESPONSIBILITY (CSR)		
	(a) Amount required to be spent by the Company during the Year	37.51	36.51
	(b) Amount of expenditure is incurred	39.36	60.09
	(c) Shortfall at the end of the Year	-	-
	(d) Total Previous Years shortfall	-	-
	(e) Reason for shortfall	Promoting education of Poor children, Promoting Health care, animal welfare, Consturcition of Govt. School & Rural Works	
	(f) Nature of CSR		
	(g) Details of related party transactions	N.A.	N.A.
	(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	N.A.	N.A.

III. DISCLOSURES PURSUANT TO ACCOUNTING STANDARDS
1. DISCLOSURES PURSUANT TO IND AS 19: RETIREMENT BENEFITS

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
i)	Defined Contribution Plans The Company makes Provident Fund, Pension Fund and Insurance fund contributions to defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. In case of provident, pension fund and Insurance Fund the contributions as specified under the law are paid to the Regional Provident Fund Commissioner and the Central Provident Fund under the Employees Pension Scheme.		
	Payment to Defined Contribution Benefit Plans:		
	Contribution to Provident Fund	9.49	8.24
	Contribution to Employees Pension Fund	20.41	18.60
	Contribution to Deposit Linked Insurance Fund	1.24	1.12
	Contribution to Employees State Insurance Fund	10.83	11.45
	Contribution to Tamil Nadu Labour Welfare Fund	0.16	0.18
ii)	Defined benefit plans The company has an unfunded defined benefit gratuity plan. Every employee who has qualified and completed five years or more of service gets a gratuity on separation equal to 15 days salary (last drawn salary) for each completed year of continuous service or part thereof in excess of six months, subject to a maximum laid down by law. The company has undertaken an actuarial valuation in respect of gratuity liability for its employees and provides for it in its books of accounts; but does not contribute the amount to any fund or trust.		
	Opening balance of accrued gratuity liability	79.26	75.94
	Add: Provision for the year	18.41	17.93
		97.67	93.87
	Less: Payments during the year	2.04	14.61
	Less: Actuarial (Gain) recognised for the period	28.12	-
	Closing balance	67.51	79.26
2.	DISCLOSURES PURSUANT TO IND AS 23: BORROWING COSTS Borrowing costs capitalised during the year	389.75	178.83
3.	DISCLOSURES PURSUANT TO IND AS 108 : OPERATING SEGMENTS REPORTING The company operates only on one segment which is the company's primary segment i.e.	Cotton Textiles	Cotton Textiles

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
	i) Key Management Personnel: Shyamlal Agarwala Managing Director Manoj Kumar Jhajharia Joint Managing Director Pramod Kumar Jhajharia Chief Executive Arun Kumar Jhajharia Director Raghav Agarwal Director		
	ii) Enterprises that have a member of key management in common with the company: Shristi Cotspinn Private Limited Sri Sadhyaa Exports Private Limited		
	2 Transactions with related parties: Nature of transactions		
	a) Key Management Personnel:		
	i) Rent payments to Related Parties-Administrative office (Relative of Managing Director)	11.16	9.50
	ii) Remuneration to Managing Director	103.83	113.22
	iii) Remuneration to Joint Managing Director	73.73	80.24
	iv) Remuneration to Director	60.00	53.00
	v) Sitting fees to other Directors	1.90	0.78
	vi) Travelling reimbursement to Other Directors	0.80	0.46
	vii) Remuneration to chief executives:		
	Salary	11.78	11.78
	Company's contribution to PF and Other funds	0.22	0.22
		12.00	12.00
	BREAK UP OF MANAGERIAL REMUNERATION PAID MANAGING DIRECTOR		
	Salary	48.00	42.00
	Perquisites	48.00	43.20
	Gratuity Provision	2.31	19.62
	Commission to Managing Director	5.53	8.40
		103.83	113.22
	JOINT MANAGING DIRECTOR		
	Salary	36.00	30.00
	Perquisites	36.00	31.20
	Gratuity Provision	1.73	19.04
		73.73	80.24
	DIRECTOR		
	Salary	60.00	53.00
		60.00	53.00

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
	b) Enterprises that have a member of key management personnel in common with the company :		
	Sale of Goods		
	Shristi Cotspinn Private Limited	1,132.66	2221.00
	Sri Sadhyaa Exports Private Limited	-	1.74
	Purchase of Goods		
	Shristi Cotspinn Private Limited	2,077.62	4171.97
5.	DISCLOSURES PURSUANT TO IND AS 33: EARNINGS PER SHARE		
	Net Profit after tax Before other Comprehensive Income (A)	313.31	612.74
	Number of equity shares (B)	5262400	5262400
	Basic EPS (A/B)	5.95	11.64
	Number of equity shares (B1)	5262400	5262400
	Diluted EPS (A/B1)	5.95	11.64
6.	DISCLOSURES PURSUANT TO IND AS 12: INCOME TAXES		
	In terms of Accounting Standard 22 working for Deferred Tax Asset has been recognised on account of prudence and the estimated reliability within a reasonable point of time.		
	Net Deferred Tax Asset/Liability in respect of the year ending 31st March 2025 and earlier credited / debited to profit & loss account and Net Deferred Tax Liability as on 31st March, 2025 are computed as below:		
	Deferred Tax Liability:		
	On Depreciation	157.61	248.83
	On Deferred Revenue expenditure	0.00	
		157.61	248.83
	Deferred Tax Asset:		
	1. Fiscal Provisions		
	A. Provision For Bonus	0.00	11.39
	B. Provision For Tax on Electricity Self Generation	7.99	5.09
	C. Commission To managing Director	0.00	0.00
	2. Disallowed U/s.40A(7)	5.68	3.48
	3. Disallowance of Perquisites	0.00	0.00
	4. Provision For Doubtful Debts	0.01	1.33
	5. Unabsorbed Loss C/F	0.00	0.00
	6. MAT Credit Carried forward for Set off		0.00
		13.67	21.29

(Rs. in Lakh)

No.	Particulars	As at 31st March 2025	As at 31st March 2024
	Net Deferred Tax Liability	143.93	227.54
	Deferred Tax Liability at the beginning	667.04	135.43
	Net Deferred Tax Liability debited to Statement of Profit and Loss	-	-
	Net Deferred Tax Liability credited to Statement of Profit and Loss	523.11	(92.11)
7.	OTHER DISCLOSURES		
a	The company has contributed to trade related research institutions by way of annual subscriptions	0.24	0.00
b	In the opinion of the Board of Directors: the assets other than fixed assets and non-current investments, do have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated. Amounts are required to be transferred to Investor Education & Protection Fund		-
c	Previous year figures have been reworked and regrouped to conform to the current year classification to make it comparable.		
8	Other Statutory Information		
a	No funds have been Loans or advances or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to Promoters, Directors, KMPs and the related parties either severally or jointly with any other person or entities.		
	Details of Borrowings Secured against current assets		
b	The Company has been sanctioned with working Capital Limits in exceeds of Rs.5.00 Crore, in aggregate, during the year from banks or financial institutions on the basis of security of current assets. The quarterly returns/statements filed by the Company with such banks and financial institutions are generally in agreement with the books of accounts of the Company except as follows:		
c	No funds have been received by the company from any Promoters, Directors, KMPs and the related parties either severally or jointly with any other persons or entities		
d	The Company does not have any Benami Property, where any proceedings has been initiated or pending against the Company for holding any Benami Property.		
e	The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.		

- f The Company does not have any transaction which is 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.)
- g The Company has no transactions with struck off companies during the year.
- h The Company has not been declared as wilful defaulters by any bank or financial institution or Government or any Government authority
- i The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- j No schemes of arrangements have been applied or approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013
- k The Company is in compliance with the number of layers prescribed under clause(87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended)
- l The Company have 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:
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

9. Ratio as per the Schedule III requirements:

SL. No.	Ratio	Numerator	Denominator	For the Year ended 31/03/2025	For the Year ended 31/03/2024	% of variance	Reasons
1	Current Ratio (Times)	Current Assets	Current Liabilities	1.15	1.24	-0.09	NA
2	Debt Equity Ratio	Total Debt	Shareholder's Equity	2.89	3.22	-0.33	Decreased in Profit
3	Debt Service Coverage Ratio	Net Profit after tax + non Cash operating expenses/Income	Debt service	1.85	2.51	-0.66	Decreased in Profit
4	Return on Equity %	Net Profits after Tax	Average Shareholder's equity	3.86%	7.96%	-4.10%	Decreased in Profit
5	Inventory Turnover ratio(Times)	Sales	Average Inventories	9.83	11.65	-1.82	Due to Decrease in Turn over
6	Trade Receivable Turnover Ratio (Times)	Revenue from Operations	Average Trade Receivables	4.71	5.06	-0.35	NA
7	Trade Payable Turnover Ratio (Times)	Net Credit Purchases	Average Trade Payables	36.99	32.75	4.24	Due to Decrease in Turn over
8	Net Capital Turnover Ratio (Times)	Revenue from Operations	Average Working Capital	20.66	15.11	5.55	Due to Decrease in Turn over
9	Net Profit %	Net Profit after Tax	Revenue from Operations	0.51%	0.85%	0.00	Due to Decrease in Profit
10	Return on Capital Employed %	Earnings before Interest and Tax	Capital Employed	7.59%	6.95%	0.64%	Due to Decrease in Profit
11	Return on Investments %	Total Return	Average Investment	0.01%	0.01	0.00	NA
12	Interest Coverage Ratio	Earnings before Interest and Tax	Interest Expenses	1.29	1.55	-0.26	Due to Decrease in Profit

See accompanying notes to the financial statements
Subject to our report of even date attached

For and on Behalf of the Board

for GOPALAIYER AND SUBRAMANIAN
Chartered Accountants (FRN 000960S)

Shyamal Agarwala
Managing Director
DIN 00003055

Manoj Kumar Jhajharia
Joint Managing Director
DIN 00003076

M. Venkatesh Prasath (Membership No. 264906)
Partner

Rajkumari R
Company Secretary

M.S.Selvaraj
Chief Financial Officer

Date : 28th May, 2025
Place : Coimbatore