Salona Cotspin LIMITED

"Shree Sakthi Kunj"
9, Ramalinga Nagar, IV Cross, S.B. Colony,
Coimbatore - 641 011. Tamil Nadu, INDIA
Off : 0422 - 2454415
Email : info@salonagroup.com
Web : www.salonagroup.com

August 28, 2026

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,

Sub: Intimation under Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulations 30 and 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed soft copy of Company's Annual Report for Financial Year 2025-26 along with Notice relating to 32nd Annual General Meeting of the Shareholders (AGM Notice) to be held on Wednesday, September 23, 2026 at 11.00 AM (IST) through Video Conferencing/Other Audio Visual Means. The Annual Report along with AGM Notice are in the process of being sent today, i.e., August 28, 2026 by email to all members whose Email ID's are registered with the Company/Depository Participants for communication purposes, all in compliance of relevant Circulars of Ministry of Corporate Affairs. The Copy of aforesaid Notice and Annual Report is also available at website of the Company, www.salonacotspin.com/investors/ at following paths.

Notice	https://www.salonacotspin.com/wp-content/uploads/2026/08/32nd-AGM-Notice.pdf
Annual Report	https://www.salonacotspin.com/wp-content/uploads/2026/08/32nd-Annual-Report.pdf

Information at glance:

Particulars	Details
Date of sending the Notice via email	Friday, August 28, 2026
Day, Date and Time of AGM	Wednesday, September 23, 2026 @11 A.M
Cut-off date for e-voting	Sep 16, 2026
E-voting start date	Sep 20,2026 9AM Onwards
E-voting end date	Sep 22, 2026 5pm

Yours Truly,
For Salona Cotspin Limited

R. Rajkumari

Rajkumari R
Company Secretary & Compliance Officer

SALONA COTSPIN LIMITED COIMBATORE - 641 011

SPINNING YARN TO PERFECTION

Salona Cotspin LIMITED

32nd Annual Report 2025-2026

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that a company can serve the notice / documents including Annual Report by sending e-mail to its members. To support this green initiative of the Government in full measure, the Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses and in case of Members holding shares in demat, with the depository through concerned Depository Participants.

INVITATION TO ATTEND 32nd ANNUAL GENERAL MEETING

NOTICE OF 32nd AGM OF THE COMPANY

Dear Members,

You all are cordially invited to attend 32nd Annual General Meeting ("AGM") of Salona Cotspin Limited scheduled to be held on Wednesday, September 23, 2026 at 11:00 A.M (IST) through video conference.

Information at glance:

S.No	Particulars	Details
1	Day, date and time of AGM	Wednesday, September 23, 2026 @11 A.M
2	Mode of AGM	VC/OAVM
3	Cut-off Date for E-voting	Sep 16, 2026
4	EVSN	260817020
5	E-voting start date	Sep 20,2026 9AM Onwards
6	E-Voting end date	Sep 22, 2026 5pm

CORPORATE INFORMATION

CIN : L17111TZ1994PLC004797

Board of Directors
Mr. Shyam Lal Agarwala
Chairman

Mr. Manoj Kumar Jhajharia
Managing Director

Mr. Arunkumar Jhajharia
Director

Mr. Raghav Agarwal
Director

Mr. Prabu
Director

Mr. Hari Desikan Ganesh
Director

Mrs. Harshidaa Dhiresh Raichura
Director

Mr. Gaurav Jain
Director

Chief Financial Officer
M.S Selvaraj

Company Secretary
CS Rajkumari R

Statutory Auditors
M/s. Gopalaiyer and Subramanian
Chartered Accountants
Coimbatore

Cost Auditor
B Venkateswar
Cost Accountant
Coimbatore

Secretarial Auditor
Ramanathan Kannan
Company Secretary
Chennai

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
Website: www.salonacotspin.com

UNIT-1
SF.No.74/12 & 75/3 Sathy Road,
Pungampalli village,
Sathyamangalam – 638402

UNIT-2
SF No. 77/1, Kannampalayam Road
Kannampalayam Village,
Sulur Taluk – 641 402

REGISTRAR & SHARE TRANSFER AGENTS
MUFG Intime India Pvt. Ltd.,

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Notice is hereby given that the 32nd Annual General Meeting of the Company is scheduled to be held on September 23, 2026 at 11:00 AM IST through Video Conferencing/OAVM (Other Audio-Visual Means) to transact the following businesses.

ORDINARY BUSINESS:

1. Adoption of the Audited Financial Statements of the Company for the financial year ended 31st March 2026 together with the report of Board of Directors and the Auditors thereon.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT the audited Financial Statements of the Company for the financial year ended 31st March 2026, including statement of Profit & Loss (including other comprehensive income), along with the statement of cash flow and statement of changes in equity for the financial year ended 31stMarch 2026, the Balance Sheet as at that date, the report of the Board of Directors and the Auditors thereon.

2. To declare Dividend of Rs.0.60 per Equity Share for the financial year ended 31st March 2026.

To receive consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT a dividend of Rs.0.60/- per equity share be and is hereby declared for the financial year ended 31st March 2026.

3. To appoint a Director in place of Mr. Raghav Agarwal (DIN: 06981525), who retires by rotation and being eligible, offers himself for re-appointment.

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

Explanation: Based on the terms of appointment, Mr. Raghav Agarwal (DIN: 06981525) who has been on the Board of the Company 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.

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Raghav Agarwal (DIN: 06981525), 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 Auditor of the Company, for the financial year ending March 31, 2027, 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 (Firm Registration No: 100753) 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 2026-2027 at a remuneration of Rs. 30,000/- (Rupees Thirty 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. Change in Designation and Appointment of Mr.Manoj Kumar Jhajharia (DIN: 00003076) as the Managing Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (the **“Act”**) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Articles of Association of the Company, Regulation 17, Regulation 26A and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Audit Committee, and subject to such other approvals, the consent of the members of the company be and is hereby accorded for the appointment of Mr. Manoj Kumar Jhajharia (DIN: 00003076) as the Managing Director of the Company with effect from July 01, 2026 for a term of five years up to July 30, 2031.

RESOLVED FURTHER THAT the remuneration payable to Mr Manoj Kumar Jhajharia (DIN:00003076) shall be for a period of three (3) years from July 01, 2026 to June 30, 2029 notwithstanding the fact that the annual remuneration payable to him in any financial year during his tenure along with the remuneration payable to other Executive Directors may exceed the limits as set out under the Listing Regulations or the Act for the time being in force.

- Basic Salary : Rs. 3,50,000/- per month.
- Perquisites : Rs. 42,00,000/- per annum.
- Commission : Not exceeding 1% of the Net profits of the Company.

Reimbursement of Medical expenses incurred in India or abroad for himself and family.

Car, Telephone, Cell Phone, PC/laptop shall be provided and their maintenance and running expenses shall be met by the Company for official purpose only.

Reimbursement of actual travelling, boarding and lodging expenses and other amenities as may be incurred by him from time to time, in connection with the Company's business.

Provision of Company car with driver for use on Company's business and telephone facility at his residence will not be considered as perquisites.

In addition to the above remuneration, he shall also be entitled to the following benefits which shall not be counted for the purpose of Ceiling as per Section II of Part II of Schedule V.

Provident Fund: Company's Contribution towards Provident Fund as per the Employees Provident Fund Act.

Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service.

During his tenure as Managing Director, he shall not be liable to retire by rotation. In the event of loss or inadequacy of profits in any financial year, in compliance with Schedule V of the Companies Act, 2013, compensation / perquisites as mentioned above shall be paid as minimum remuneration.

The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or the Committees thereof.

Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of the Managing Director, the Company has no profits, or its profits are inadequate, the Company will pay remuneration by way of salary including perquisites and allowances as specified under Section II of Part II of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT pursuant to Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the 'Act') read with Schedule V of the Act and the Rules made thereunder, including any amendment(s), modification(s) or reenactment(s) thereof for the time being in force, approval of the members of the Company, be and is hereby accorded for payment of managerial remuneration to Mr. Manoj Kumar Jhajharia (DIN: 00003076), Managing Director of the Company.

RESOLVED FURTHER THAT in his capacity as Managing Director, Mr. Manoj Kumar Jhajharia (DIN: 00003076), is entitled to exercise all powers as are exercisable by the Managing Director of the Company as permissible under the provisions of the Act, and any other statutes in order to manage the affairs of the Company.

RESOLVED FURTHER THAT any of the Executive Directors and/or the Company Secretary of the Company be and are hereby authorized, jointly and/or severally, to file necessary forms with the Registrar of Companies, make necessary filings and disclosures with the Stock Exchanges and other statutory authorities and to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution.

6. Change in designation of Mr. Shyam Lal Agarwala from Chairman and Managing Director to Executive Chairman (Non-Independent) of the Company and approval of the remuneration payable to him

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

"**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 read with the rules made thereunder, the provisions of the Articles of Association of the Company and such other applicable laws, regulations and approvals, if any, and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of the members of the Company be and is hereby accorded for change in designation of Mr. Shyam Lal Agarwala (DIN: 00003055) from Chairman & Managing Director to Executive (Non-Independent) Chairman of the Company, with effect from July 01, 2026 for a period of 5 (Five) consecutive years and whose term of office shall not be liable to retirement by rotation.

RESOLVED FURTHER THAT pursuant to provisions of Sections 197, 198, 188 and other applicable provisions of the Companies Act, 2013 ("the Act"), the underlying rules (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), provisions of Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board, the consent of the members of the Company be and is hereby accorded for payment of Rs. 48,00,000/- (Rupees Forty-Eight Lakhs only) to Mr. Shyam Lal Agarwala (DIN: 00003055) from July 01, 2026 till June 30, 2029.

During his tenure as Executive Chairman, he shall not be liable to retire by rotation. In the event of loss or inadequacy of profits in any financial year, in compliance with Schedule V of the Companies Act, 2013, compensation / perquisites as mentioned above shall be paid as minimum remuneration. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or the Committees thereof.

RESOLVED FURTHER THAT pursuant to Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the 'Act') read with Schedule V of the Act and the Rules made thereunder, including any amendment(s), modification(s) or reenactment(s) thereof for the time being in force, approval of the members of the Company, be and is hereby accorded for payment of managerial remuneration to Mr. Shyam Lal Agarwala (DIN:00003055), Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including Committee(s) of the Board), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

7. To Approve the Remuneration of Mr. Raghav Agarwal, Director (DIN: 06981525) of the Company

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

RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(6)(e) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Articles of Association of the Company and subject to such other approvals, as may be necessary, the consent of the members of the Company be and is hereby accorded for the remuneration of Mr. Raghav Agarwal, Executive Director (DIN: 06981525), for the period commencing from 13th August 2026 to 31st July, 2029, on the terms and conditions as set out in the Explanatory Statement annexed to this Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter, vary, and modify the said terms and conditions of remuneration in such manner as may be agreed between the Board and Mr. Raghav Agarwal, within the overall limits approved herein and in accordance with the provisions of the Act and SEBI LODR Regulations.

RESOLVED FURTHER THAT the terms of appointment and remuneration payable to Mr Raghav Agarwal (DIN: 06981525) are as under :

- Basic Salary : Rs. 3,00,000/- per month.
- Perquisites : Rs. 36,00,000/- per annum.
- Commission : Not exceeding 1% of the Net profits of the Company.

Reimbursement of Medical expenses incurred in India or abroad for himself and family.

Car, Telephone, Cell Phone, PC/laptop shall be provided and their maintenance and running expenses shall be met by the Company for official purpose only.

Reimbursement of actual travelling, boarding and lodging expenses and other amenities as may be incurred by him from time to time, in connection with the Company's business.

Provision of Company car with driver for use on Company's business and telephone facility at his residence will not be considered as perquisites.

In addition to the above remuneration, he shall also be entitled to the following benefits which shall not be counted for the purpose of Ceiling as per Section II of Part II of Schedule V.

Provident Fund: Company's Contribution towards Provident Fund as per the Employees Provident Fund Act.

Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service.

The perquisites shall be valued as per Income Tax Act, 1961, wherever applicable.

RESOLVED FURTHER THAT pursuant to his contribution to the Company's sustained growth, the remuneration payable to Mr. Raghav Agarwal shall comprise of fixed pay, perquisites, commission, allowances and such other benefits, as detailed in the Notice and Explanatory Statement, provided that the aggregate remuneration payable shall not exceed the overall limits prescribed under Section 197 of the Act read with Schedule V thereto, or as may be approved by the shareholders from time to time.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of Mr. Raghav Agarwal, the aforesaid remuneration shall be paid as minimum remuneration in accordance with the provisions of Section II of Part II of Schedule V to the Act, including any statutory modification(s) or re-enactment thereof, for the time being, be in force.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary, revise, or alter the remuneration within the overall limits approved herein, in accordance with the provisions of the Act and SEBI LODR Regulations."

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper, or expedient to give effect to this resolution, including filing of necessary forms with the Registrar of Companies and other regulatory authorities, and to do all acts, deeds, matters and things in connection therewith.

8. To consider and, if thought fit, approve the Appointment of Mr. Ramasamy M Shanmugam (DIN: 11880982), as an Independent Director (Non-executive) of the Company to hold office for first term of two 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, 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. Ramasamy M Shanmugam (DIN: 11880982) who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on August 13, 2026 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, and in respect of whom the company has received a notice in writing under section 160 of the act from a member proposing his candidature for the office of director, as a Non-Executive Independent Director of the Company to hold office for a first term of two years with effect from September 23, 2026 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.

9. To consider and, if thought fit, approve the material related party transaction proposed to be entered into during the financial year 2026-27 and to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the applicable provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, applicable provisions of the Companies Act, 2013 read with the rules framed thereunder (including any statutory amendment(s) or re-enactment(s) thereof, for the time being in force, if any), the Company's Policy on Related Party Transactions, and pursuant to the approval of the Audit Committee and the recommendation of the Board of Directors of the Company ("Board"), the approval of members be and is hereby accorded for entering into and/or carrying out and/or continuing with existing contracts/ arrangements/transactions or modification(s) of earlier contracts/ arrangements/ transactions or as fresh and independent transaction(s) or otherwise (whether individually or series of transaction(s) taken together or otherwise), with M/s. Shristi Cotspinn Private Limited, an entity falling within the definition of 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for an amount not exceeding Rs. 100 Crores (Rupees One Hundred Crores Only) from the Annual General Meeting to be held in the year 2026 till the Annual General Meeting to be held in the year 2027, on such terms and conditions as detailed in the explanatory statement to this resolution 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.

RESOLVED FURTHER THAT the Board of Directors (including its Committee(s) thereof) be and are hereby 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, settle all questions, difficulties or doubts that may arise in this regard."

By order of the Board
For Salona Cotspin Limited

Date : August 13, 2026
Place : Coimbatore

Rajkumari R
Company Secretary

NOTES:

1. The Ministry of Corporate Affairs vide its General Circular No. 20/2020 dated May 5, 2020 and General Circular No.03/2025 dated September 22,2025 permitted the conduct of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Corporate Office of the Company. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and the MCA Circulars, the AGM of the Company is being held through VC / OAVM.

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.

Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (in PDF/JPEG format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorisation shall be sent to the Scrutiniser by email through its registered email address **bk.scrutiniser@gmail.com** with a copy marked to the Company at **cs@salonacotspin.com** and to evoting.cdslindia.com.

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 Thursday, 17th September 2026 to Wednesday, 23rd September 2026 (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 Wednesday, 16th September 2026.

7. Pursuant to Section 393 of the Income tax Act, 2025, the Company shall be required to deduct tax at source (TDS) from dividends paid to Shareholders at the prescribed rates set out therein. For the prescribed rates for various categories, shareholders are requested to refer to the Income Tax Act, 2025 and the amendments thereof. Shareholders are requested to update their Residential Status, Category as per Income Tax Act ("IT Act"), Permanent Account Number ("PAN") with the Company/ RTA (in case of shares being held in physical mode) and depositories (in case of shares being held in demat mode) immediately. A resident individual Shareholder having PAN and entitled to receive dividend amount exceeding ₹10,000/- and who is not liable to pay Income Tax, can submit a yearly declaration

in Form No. 121, to avail the benefit of non-deduction of tax at source by sending an email to **cs@salonacotspin.com** **or** **rnt.helpdesk@in.mpms.mufg.com** on or before September 23, 2026. Shareholders are requested to note that in case their PAN is not registered with the DP/Company, tax will be deducted at the applicable higher rate.

Non-resident Shareholders can avail beneficial rates under the relevant tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form No. 41, and any other document which may be required to avail the tax treaty benefits by sending an email to cs@salonacotspin.com or **rnt.helpdesk@in.mpms.mufg.com**. The aforesaid declarations and documents need to be submitted by a Shareholder on or before Wednesday, September 23, 2026.

8. The Company has fixed September 16, 2026 as the 'Record Date' for determining entitlement of members to receive dividend for the FY 2025-26, 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 Wednesday, September 16, 2026, subject to applicable TDS.

9. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations 2025, the Company shall make the payment of Dividend to the Shareholders only in Electronic mode and payment of Dividend by way of cheque / warrant have been dispensed with.

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. Pursuant to the SEBI Master Circular dated 6th February 2026, and the operational guidelines issued by the Securities and Exchange Board of India, listed entities are mandated to effect the issuance of securities only in dematerialised (demat) form for various investor service requests (including transfer, transmission, transposition, and issue of duplicate certificates). Accordingly, for all valid service requests, the Company/ Registrar and Share Transfer Agent (RTA) will now directly credit the shares to the demat account provided by the Shareholder.

B. Further, as per SEBI Master Circular dated 6th February 2026, Members holding shares in physical form, whose folio(s) lack Permanent Account Number (PAN), contact details, bank account details or updated specimen signature, will be eligible for payment of dividend only through electronic mode with effect 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 relevant ISR forms with the Registrar and Share Transfer Agent to ensure receipt of dividend. Members may also note that in the absence of any of the aforementioned details, they will not be able to lodge grievances or avail any investor services until all required information and documents are duly submitted.

A copy of the aforementioned circular(s) is/are available on the Company's website **www.salonacotspin.com/investor-downloads/**

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 "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 rnt.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, “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 through email at **cs@salonacotspin.com** 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.**

24. 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: **https://www.salonacotspin.com/invester-downloads**

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 ('CFO') is the Nodal Officer of the Company for the purpose of verification of such claims.

25. In line with the aforesaid MCA Circulars and SEBI Circulars, the Notice calling the AGM along with the Annual Report for the year 2025-26 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 2025-26 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 **https://www.nseindia.com/get-quote/equity/SALONA/Salona-Cotspin-Limited** 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.**

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

27. 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.

28. 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.

29. 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).

30. 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.

31. 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.

32. 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 16, 2026 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. Wednesday, September 16, 2026, 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 Sunday, September 20, 2026 at 9.00 a.m. and will end on Tuesday, September 22, 2026 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. Wednesday, September 16, 2026 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. Wednesday, September 16, 2026 .

vii. The Company has appointed Mr. B. Krishnamoorthi, Partner of M/s S.Krishnamoorthy & Co. Chartered Accountant, (M.No. 020439 & C.P. 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 of the Company 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.

34. 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.mufg.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 Sunday, September 20, 2026 at 9.00 a.m. and will end on Tuesday, September 22, 2026 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. Wednesday, September 16, 2026 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 facility.

(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 Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	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 & 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 & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website **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 & 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 also able to directly access the system of all e-voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following 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 & voting during the meeting.

Type of Shareholders	Login Method
	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** Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **https://www.evoting.nsdl.com/** either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider 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 & voting during the meeting. 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.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	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's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 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 meeting 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 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). Shareholders 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. If both the details are not recorded with the depository or the 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, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(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 : 260817020 for Salona Cotspin Limited 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 & 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 Shareholders 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 & 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 favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders 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 Scrutinizer and to the Company at the email address viz; **cs@salonacotspin.com,** if they have voted from individual tab & 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 & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM 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 : 260817020 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 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 AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the 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 shareholders 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 & mobile no. with your respective Depository Participant (DP)
3. 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.

If you have any queries or issues regarding attending AGM & 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 21 09911

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 21 09911.

EXPLANATORY STATEMENT IN TERMS OF REGULATION 36(5) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 102 OF THE COMPANIES ACT, 2013

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 2026-27, at a remuneration of Rs. 30,000/- (Rupees Thirty Thousand Only) 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 2026-27.

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.

Item no. 8

Based on recommendation of Nomination and Remuneration Committee, the Board approved the appointment of Mr. Ramasamy M Shanmugam (DIN: 11880982) as an Additional Director (Non-executive, Independent) of the Company w.e.f. August 13, 2026 for an initial term of two years.

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. Shanmugam R M 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. Shanmugam R M 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 also received a declaration from Mr. Shanmugam R M (DIN: 11880982) 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. Shanmugam R M (DIN: 11880982), 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. 8 of this Notice for the approval of the Members.

Except Mr. Shanmugam R M 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.5,6,3,8

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT/ REMUNERATION

(Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule V to the Companies Act, 2013 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India)

The Nomination and Remuneration Committee (“NRC”), at its meeting held on June 30, 2026, after considering the performance evaluation, qualifications, experience, leadership capabilities, industry knowledge and overall contribution of Mr. Manoj Kumar Jhajharia to the growth and development of the Company, recommended has elevated to the position of Managing Director effective July 01, 2026 as Managing Director for a term of five (5) years with effect from July 1, 2026 to June 30, 2031.

The Board and the NRC have noted Mr. Manoj Kumar Jhajharia's strategic leadership in driving the Company's business objectives, operational excellence and long-term growth initiatives. He has provided direction in key areas including production strategy, market development, cost competitiveness, capital allocation and customer engagement, while fostering a high-performance culture centered on accountability, employee engagement and merit-based performance across the organization. His pragmatic and people-centric leadership has helped maintain cordial industrial relations and strengthen relationships with employees, customers, lenders, suppliers and other stakeholders of the Company. Through effective leadership and strategic oversight, he has enhanced the Company's operational resilience, organizational agility and long-term competitiveness, thereby supporting sustainable value creation for all stakeholders.

Except Mr.Manoj Kumar Jhajharia, being the appointee, Mr. Shyam Lal Agarwala, Chairman, Mr Arunkumar Jhajharia, Director and Mr. Raghav Agarwal, Director, being relatives of the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

As per the requirement of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Clause 1.2.5 of the Secretarial Standard – 2 (Revised) as issued by the Institute of Company Secretaries of India, a statement containing the requisite details of the concerned Director(s) is given below:

Sri Manoj Kumar Jhajharia

Name	**Manoj Kumar Jhajharia**
DIN	00003076
Date of Birth/Age/ Nationality	25-04-1968/58/Indian
Date of Appointment on Board	Since its inception
Qualification	BBM
Expertise / Experience in specific functional areas	With a graduation in Business Management, he is a pioneering and visionary leader in the textile industry, with over three decades of experience and counting. As the Managing Director, he is a strategic, dynamic, and inspirational pillar of the company, playing a pivotal role in its growth and continued success. He has been awarded and rewarded and is a recognised name in the textile industry who thrives for innovation and sustainability.
Terms and conditions of appointment	As per the Resolution as stated in Item No. 5 of the Notice.
Details of Remuneration on last drawn	Information disclosed in the Corporate Governance Report annexed to the Annual Report.
Board Position Held	Joint Managing Director
Remuneration proposed for appr oval	As specified in Item No.5 of the Notice
Directorship held in other companies	Shristi Cotspinn Private Limited
Inter-se relationship with other Directors / Key Managerial Personnel	Son of Mr Shyam Lal Agarwala, Brother of Mr Arunkumar Jhajharia, Father of Mr Raghav Agarwal
Listed entities from which director has resigned in past 3 years	NIL
Chairmanship / Membership of the Committees of the Board of other Companies in which he is Director	Member of Stakeholders Relationship Committee
No. of shares held in the Company	322,188

Sri Shyam Lal Agarwala

Name	**Shyam Lal Agarwala**
DIN	00003055
Date of Birth/Age/ Nationality	25-07-1945/81/Indian
Date of Appointment on Board	Since its inception
Qualification	Commerce graduate
Expertise / Experience in specific functional areas	With over five decades of extensive knowledge and experience in the textile industry, possesses a deep understanding of both the domestic and export markets. As Chairman, his leadership and expertise have been instrumental in shaping the industry's growth and success.
Terms and conditions of appointment and remuneration proposed for approval	As per the Resolution as stated in Item No. 6 of the Notice.
Details of Remuneration on last drawn	Information disclosed in the Corporate Governance Report annexed to the Annual Report.
Board Position held	Managing Director
Directorship held in other companies	Shristi Cotspinn Private Limited
Inter-se relationship with other Directors / Key Managerial Personnel	Father of Mr Manoj Kumar Jhajharia & Mr Arunkumar Jhajharia
Listed entities from which director has resigned in past 3 years	NIL
Chairmanship / Membership of the Committees of the Board of other Companies in which he is Director	Member of Stakeholders Relationship Committee
No. of shares held in the Company	429,393

Sri Raghav Agarwal

Name	**Raghav Agarwal**
DIN	06981525 / Executive
Date of Birth/Age/ Nationality	31 yrs / 22.10.1994/Indian
Date of Appointment on Board	14.11.2022
Qualification	Postgraduate in International Business
Expertise / Experience in specific functional areas	A forward-thinking leader with a keen understanding of the evolving textile landscape, he is committed to driving sustainable growth through innovation, technology, and responsible business practices. His emphasis on operational excellence, environmental stewardship, and continuous improvement supports the Company's strategic objectives while strengthening its position in an increasingly dynamic and competitive global market.

Terms and conditions of appointment and remuneration proposed for approval	Refer Notice No.3 and Explanatory Statement
Details of Remuneration on last drawn	Information disclosed in the Corporate Governance Report annexed to the Annual Report.
Directorship held in other companies	Sri Sadhyaa Exports Private Limited
Inter-se relationship with other Directors / Key Managerial Personnel	Son of Mr Manoj Kumar Jhajharia & Nephew of Mr Arunkumar Jhajharia
Listed entities from which director has resigned in past 3 years	NIL
Chairmanship / Membership of the Committees of the Board of other Companies in which he is Director	NIL
No. of shares held in the Company	134,726

Sri Shanmugam R M

Name	**Ramasamy M Shanmugam**
DIN	11880982
Date of Birth/Age/ Nationality	04-05-1972/54/Indian
Date of Appointment on Board	13.08.2026
Qualification	B.Com
Expertise / Experience in specific functional areas	He holds a management degree in business and has extensive experience in the construction materials industry, through his business operated under the name “Terramart by Shanmugam & Co.” His entrepreneurial experience, practical business acumen and understanding of the construction materials sector are expected to bring a valuable and independent perspective to the Company’s deliberations. His experience in managing business operations and making strategic decisions is expected to complement the existing expertise of the Board and contribute meaningfully to the Company’s governance, strategic direction and sustainable growth. His appointment as an Independent Director is therefore expected to add value to the Company through his practical industry knowledge, business insights and independent judgment.
Terms and conditions of appointment and remuneration proposed for approval	Refer Notice No.8 and Explanatory Statement
Details of Remuneration on last drawn	Not Applicable
Directorship held in other companies	NIL

Inter-se relationship with other Directors / Key Managerial Personnel	NIL
Listed entities from which director has resigned in past 3 years	NIL
Chairmanship / Membership of the Committees of the Board of other Companies in which he is Director	NIL
No. of shares held in the Company	NIL
Details of remuneration sought to be paid	He is entitled for payment of sitting fees for attending the meetings of the Board and its Committees

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V TO THE ACT.

I. General Information:

Nature of Industry	**Textiles**
Date or expected date of commencement of commercial production	The Company incorporated on January 18, 1994.
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable
Financial Performance based on given indicators	See table below
Foreign Investment or collaborations, if any:	NIL

Rs. In Lakhs

Particulars	FY 25-26	FY 24-25	FY 23- 24
Revenue from Operations	59,381.62	66,215.64	72,225.79
Profit/Loss for the before Tax	478.97	553.52	840.28
Profit/Loss after Tax	156.14	313.31	612.74

II. Information about the Directors:

S.No	Particulars	Shyam Lal Agarwala	Manoj Kumar Jhajharia	Raghav Agarwal
1	Background details	Kindly refer to the Notice section		
2	Past Remuneration	Kindly refer to the Corporate Governance Report		
3	Recognition or awards	For nearly five decades, he has been both a member and/ or Chairman of various prestigious industrial bodies / association. He has also been suitably recognised by various forums/ industrial bodies/ association(s) for his contribution towards industrial growth and development	1. Awarded with Global Leadership Award for Industrial Development" for outstanding contribution on occasion of National Seminar on National Economic Development & Social Responsibilities – Feb 2011, New Delhi. 2. Indira Gandhi Priyadarshini Award – Nov 2010 by All India National Unity conference at New Delhi. 3. Awarded with "Indian Business Leadership Award" on occasion of National Seminar on National Economic Development & Social Responsibilities – Sep 2020, New Delhi. 4. National conclave on Textile Fibre to Fashion – Headed the Panel.	1. Represents the Company at various national and international industry exhibitions, expos, forums, and other business platforms, with a strong focus on advancing sustainability and fostering a responsible and sustainable future. 2. Serves as a member of the Supplier Advisory Group of Textile Exchange, contributing to industry-level initiatives and strategic discussions relating to sustainability, responsible sourcing, and the advancement of sustainable practices across the textile value chain.
4	Job Profile and his suitability	As detailed in the Notice and Explanatory statement		
5	Remuneration proposed	Details of remuneration proposed have been disclosed in Item No. 6, 5 & 3 of the Notice		
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, responsibility shouldered and the industry standard, the remuneration paid/ proposed to be paid is commensurate with the remuneration packages paid to board members in a similar role in other Companies.		

S. No	Particulars	Shyam Lal Agarwala	Manoj Kumar Jhajharia	Raghav Agarwal
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	He is the Father of Mr Manoj Kumar Jhajharia & Mr Arunkumar Jhajharia and Grand Father of Mr. Raghav Agarwal. He is not related to any other Director and/or Key Managerial Personnel of the Company.	He is the Son of Mr Shyam Lal Agarwala, Father of Mr Raghav Agarwal, & brother of Mr Arunkumar Jhajharia. He is not related to any other Director and/or Key Managerial Personnel of the Company.	He is the Grandson of Mr Shyam Lal Agarwala, son of Mr Manoj Kumar Jhajharia & nephew of Mr Arunkumar Jhajharia. He is not related to any other Director and/or Key Managerial Personnel of the Company.

III. Other Information

1. Reasons for loss or inadequate profits

   Not applicable, as the Company has earned a profit during the year. However, the Company foresees a situation where it may have loss or inadequacy of profits in the ensuing financial years owing to economic and business slowdown caused by various external factors.

2. Steps taken or proposed to be taken for improvement.

   Not applicable.

3. Expected increase in productivity and profits in measurable terms.

   Not applicable.

IV: Disclosures:

(i) The disclosures as required on all elements of remuneration package such as salary, benefits, bonuses, pensions, details of fixed components shall be made in the Corporate Governance Report attached to the Annual Report of the Company for the financial year 2025-26 and subsequently.

(ii) The Company has not committed any default in payment of dues to any bank or public financial institution or nonconvertible debenture holders or any other secured creditor.

1. The above information is as on the date of this Notice.
2. In addition to the above, other requisite details, have already been provided in the Corporate Governance Report, annexed to the Board's Report which is forming part of the Annual Report.
3. None of the above Directors are disqualified under the Companies Act, 2013 (as amended) or disqualified and/or debarred by virtue of any order passed by the Securities and Exchange Board of India, Ministry of Corporate Affairs, any Court or any such other Statutory Authority, to be appointed / re-appointed / continue as a director in any company.
4. Please refer to the website of the Company for the latest committee positions.

Item No.9

The Audit Committee of the Company, on the basis of relevant details provided by the management, as required under the SEBI Circular dated October 13, 2025, read with SEBI Circular dated June 26, 2025 and Section III-B of the SEBI Master Circular dated November 11, 2024, and revised Industry Standards on “Minimum Information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions (“RPT Industry Standards”), has reviewed and approved the said transaction(s), subject to approval of the Members, while noting that such transaction shall be on arms' length basis and in the ordinary course of business and are in accordance with the Related Party Policy of the Company.

The Board of Directors recommend the said resolution, as set out in item nos. 9 of this Notice, for your approval.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve the said resolutions.

Mr. Shyam Lal Agarwala, Mr. Manoj Kumar Jhajharia, Mr.Arun Kumar Jhajharia, Mr. Raghav Agarwal and their relatives are deemed to be concerned or interested in these resolutions. None of the other Directors, Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested, financially or otherwise, in the proposed resolution, as set out in Item nos. 9 of this Notice.

The details as required under Regulation 23 of the SEBI Listing Regulations read with SEBI Circular bearing reference no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/135 dated October 13, 2025 and read with SEBI Circular bearing reference no. SEBI/HO/CFD/CFD-PoD- 2/P/ CIR/2025/93 dated June 26, 2025, as per revised Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions” are given .

a) Information as placed before the Audit Committee in the format as specified in the RPT Industry Standards, to the extent applicable

Part - A

A(1). Basic details of the related party.

S.No	Particulars of the information	Information provided by the management
1	Name of the related party	Shristi Cotspinn Private Limited
2	Country of incorporation of the related party	India
3	Nature of business of the related party	Yarn, cotton

A(2). Relationship and ownership of the related party

S.No	Particulars of the information	Information provided by the management
1	Relationship between the listed entity and the related party — including nature of its concern (financial or otherwise) and the following: Shareholding of the listed entity, whether direct or indirect in the Related Party. Explanation: Indirect shareholding shall mean shareholding held through any person, over which the listed entity / related party has control.	The related party is a private limited company entity and promoters of the Company are common and interested. The nature of interest is financial. The Company does not hold any shares directly in the related party.

A3. Details of previous transactions with the related party

<table>
<tr><th>S.No</th><th>Particulars of the information</th><th>Information provided by the management</th></tr>
<tr><td>1</td><td>Total amount of all the transactions undertaken by the listed entity with the related party during the last financial year.</td><td><table><tr><td>S. No</td><td>Nature of Transactions</td><td>FY 2025-26 (Rs.)</td></tr><tr><td>1</td><td>Purchase of Goods</td><td>19,35,49,712</td></tr><tr><td>2</td><td>Sale of Goods</td><td>30,40,26,648</td></tr></table></td></tr>
<tr><td>2</td><td>Total amount of all the transactions undertaken by the listed entity with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.</td><td>Not Applicable</td></tr>
<tr><td>3</td><td>Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity during the last financial year.</td><td>There were no instances of defaults made by the related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the Company during the last financial year.</td></tr>
</table>

A(4). Amount of the proposed transaction:

S.No	Particulars of the information	Information provided by the management
1	Amount of proposed transactions being placed for approval in the meeting of the Audit Committee / Shareholders.	Up to Rs.100 Crores
2	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a Material Related Party Transaction?	Yes
3	Value of the proposed transactions as a percentage of the listed entity's Annual Turnover for the immediately preceding financial year.	16.95%
4	Value of the proposed transactions as a percentage of Subsidiary's Annual Standalone Turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction).	Not applicable.

5	Value of the proposed transactions as a percentage of the Related Party's Annual Consolidated Turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.	27.32% (based on the latest Audited Financial Statements for the FY 2024-25).
6	Financial performance of the related party for the immediately preceding financial year: Explanations: The above information is to be given on standalone basis.	<table><tr><td>Particulars</td><td>FY 24-25 (Rs. In Lakhs)</td></tr><tr><td>Turnover</td><td>36616.58</td></tr><tr><td>Profit after Tax</td><td>212.68</td></tr><tr><td>Net worth</td><td>4,125.74</td></tr></table>

A(5). Basic details of the proposed transaction

S.No	Particulars of the information	Information provided by the management
1	Specific type of the proposed transaction (e.g. sale of goods / services, purchase of goods / services, giving loan, borrowing etc.).	Sale of goods, purchase of goods
2	Details of each type of the proposed transaction.	Purchase – Yarn, fabric, cotton & hank yarn Sales – Yarn, cotton, fabric & hank yarn
3	Tenure of the proposed transaction (tenure in number of years or months to be specified).	From the conclusion of 32nd Annual General Meeting till the conclusion of 33rd Annual General Meeting to be held in the year 2027 which is approximately 13 months.
4	Whether omnibus approval is being sought?	Yes
5	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up Financial Year-wise.	The proposed transaction is sought from the conclusion of 32nd Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company for an amount of up to Rs.100 Crores.
6	Justification as to why the Related Party Transactions proposed to be entered into are in the interest of the listed entity.	The transaction is proposed to be undertaken on an arms' length basis in accordance with the business requirements of the Company and in the normal course of business. Nature and scope of transaction are proper considering the operations of the Company. Size of the transaction is reasonable in relation to the prevailing market / Industry trend.

7	Details of the Promoter(s) / Director(s) / Key Managerial Personnel of the listed entity who have interest in the transaction, whether directly or indirectly. Explanation: Indirect interest shall mean interest held through any person over which an individual has control. A. Name of the Director / Key Managerial Personnel. B. Shareholding of the Director / Key Managerial Personnel, whether direct or indirect, in the related party.	Mr Shyam Lal Agarwala, Chairman Mr Manoj Kumar Jhajharia – Managing Director 12,25,000 shares held by Mr Shyam Lal Agarwala, Mr. Manoj Kumar Jhajharia, Mr. Arunkumar Jhajharia & Mr. Raghav Agarwal.
8	A copy of the valuation or other external party report, if any, shall be placed before the Audit Shareholders.	Not applicable.
9	Other information relevant for decision making.	NIL

Part - B

B(1). Disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances

S.No	Particulars of the information	Information provided by the management
1	Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.	Not applicable, as the related party provides customised / tailor made products / services / solutions to the Company
2	Basis of determination of price.	Cost Plus Margin Method / Comparable Uncontrolled Price Method
3	In case of Trade advance (of upto 365 days or such period for which such advances are extended as per normal trade practice), if any, proposed to be extended to the related party in relation to the transaction, specify the following: a. Amount of Trade advance. b. Tenure c. Whether same is self-liquidating?	NIL

b) Justification as to why the proposed transactions are in the interest of the listed entity, basis for determination of price and other material terms and conditions of RPT.

As stated above and in the explanatory statement to Item No. 9 of the Notice.

c) Whether the Audit Committee has reviewed the certificates provided by the CEO/ Managing Director/ Whole-time Director/ Manager and CFO of the Listed Entity as required under the RPT Industry Standards.

The Audit Committee has reviewed the certificate provided by the Whole-time Director and Chief Financial Officer as required under the RPT Industry Standards.

d) Whether the material RPT or any material modification thereto, has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the Shareholders for approval.

The Material Related Party Transactions with Shristi Cotspinn Private Limited has been approved by the Audit Committee, and the Board of Directors recommend the proposed transaction for the approval of the Shareholders.

e) Web-link and QR Code, through which Shareholders can access the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT.

Not applicable, as no such valuation report or other reports by external parties have been relied upon by the Audit Committee while approving the transaction.

f) Affirmation that, in its assessment, the redacted disclosures still provides all the necessary information to the public Shareholders for informed decision-making.

Not applicable, as there is no information which has been redacted by the Audit Committee and the Board of Directors.

g) Any other information that may be relevant.

Nil.

By Order of the Board of Directors
For Salona Cotspin Limited

Place: Coimbatore
Date : August 13, 2026

Rajkumari R
Company Secretary

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors' are pleased to present the 32nd Annual Report along with Audited financial statements of your Company for the financial year ended March 31, 2026. ("FY 2025-26/ FY 26").

FINANCIAL PERFORMANCE

The Audited Financial Statements of your Company as on March 31, 2026, are prepared in accordance with the relevant applicable Indian Accounting Standards ("Ind AS") and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the provisions of the Companies Act, 2013 ("Act").

The summarised financial highlights for the financial year ended March 31, 2026 is depicted below:

(Rs. in Lakh)

Particulars	2025-2026	2024-2025
INCOME		
Revenue from operations	59,381.61	66,215.64
Other Income	56.26	15.49
Total Income	**59,437.87**	**66,231.13**
Profit before Depreciation, Finance Costs, Exceptional Items and Tax Expense	3,487.49	3,212.22
Less: Depreciation/Amortization/Impairment	1,011.25	773.84
Profit before Finance Costs, Exceptional Items and Tax Expense	2,476.24	2,438.38
Less: Finance Costs	1,997.27	1,884.86
Profit before Exceptional Items and Tax Expense	478.97	553.52
Exceptional Items	Nil	Nil
Profit before Tax Expense	**478.97**	**553.52**
Less: Taxes Expense (Current & Deferred)	322.83	240.21
Profit for the Year	156.14	313.31
Add: Other Comprehensive Income	16.42	20.23
Balance of Profit for Earlier Years	7,709.82	7,428.90
Less: Transfer to Reserves	Nil	Nil
Less: Dividend paid on Equity Shares	52.62	52.62
Balance carried over to Balance sheet	7,829.76	7,709.82

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.0.60 (6%) per Equity Share of Rs. 10 each for FY 2025-26. The dividend is subject to the approval of shareholders at the ensuing Annual General Meeting (AGM). The Dividend, if approved by the shareholders, would involve a cash outflow of up to Rs. 31.57 Lakhs.

TRANSFER TO RESERVES

The Company has not transferred any sum to the General Reserve during the financial year ended March 31,2026.

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

During the financial year 2025-26, your Company has transferred unclaimed and unpaid dividends pertaining to year 2017-18 to IEPF. The details of the shares already transferred to the IEPF, year wise amounts of unclaimed / un-paid dividends lying in the unpaid dividend account up to the year, and the corresponding shares, which are liable to be transferred, is available on your Company's website at www.salonacotspin.com/investors.

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 industry, the Spinning segment continues to face structural challenges arising from the volatility in cotton (raw material) prices relative to yarn (finished goods) prices. Despite these market dynamics, Salona Cotspin Limited remains firmly committed to its growth agenda and to further strengthening its leadership position in the industry through operational efficiency, prudent risk management, and strategic initiatives.

REVIEW OF OPERATIONS

During the year under review, the Company produced 73.64 lakh kilograms of cotton yarn as against 48.89 lakhs kilograms in the previous year, registering a significant increase in production. However, the Company's turnover declined to Rs.56,013.30 lakhs from Rs.61,492.58 lakhs in the preceding year.

The turnover includes export sales of Rs.40,728.19 lakh as compared to Rs.50,800.91 lakh in the previous year, representing a decline of 19.83%. Further, the export turnover from traded goods decreased substantially from Rs.41,198.63 lakh in the previous year to Rs.29,777.69 lakh during the year under review.

FINANCES

During the year under review, the Company's Reserves and Surplus increased to Rs. 7,844.76 Lakhs from Rs. 7,724.82 Lakhs in the previous year. The Company has duly met all its financial obligations towards its bankers in respect of Term Loan and Working Capital facilities and has remained regular in servicing its debt commitments.

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 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, 2026, prepared in accordance with Section 92(3) of the Act is made available on the website of your Company **www.salonacotspin.com/investors/**

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 (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 and Secretarial Auditor of your Company have not reported any instances of fraud as required under Section 143(12) of the Act.

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

The Nomination and Remuneration Committee of the Board of Directors has been formed and has been empowered and authorised to exercise powers as entrusted under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (both as amended from time to time). The Company has a policy on Directors' / Senior Management appointments and remuneration which specifies criteria for determining the qualification, positive attributes for Senior Management and Directors. The policy also specifies the criteria for the determination of Independence of a Director and other matters provided under sub-Section (3) of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Policy is available on the Company's website at: **https://www.salonacotspin.com/policies/**

PUBLIC DEPOSITS

There were no outstanding deposits within the meaning of Section 73 and 74 of the Act read with rules made thereunder at the end of FY26 or the previous financial years. Your Company did not accept any deposit during the year under review.

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.

DECLARATION FROM INDEPENDENT DIRECTORS

Your Company has received declarations from all the Independent Directors of your Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as an Independent Director. The Independent Directors have also given declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

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 each individual Director, Board as a whole, Committees of the Board, Independent Directors, Non-Independent Directors and the Chairman of the Board based on the criteria of evaluation as specified by the Securities and Exchange Board of India (SEBI). Based on these criteria the performance evaluation process has been undertaken. The Independent Directors of the Company had also convened a separate Meeting for this purpose on February 09, 2026. The results from this evaluation process has been communicated to the Chairman of the Board of Directors.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As of March 31, 2026, your Company's Board had Eight members comprising of three Executive Directors, one Non-Executive & Non-Independent Director and four Independent Directors including one Independent Woman Director. The details of Board and Committee composition, tenure of Directors, and other details are available in the Corporate Governance Report.

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.

Another agenda item is placed before the shareholders for the appointment of Mr. Shanmugam R M (DIN :11880982) – 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 two years as detailed in the resolution.

Mr. Gaurav Jain (DIN:10719870) will be demitting office on September 19, 2026 as an Independent Director as he has expressed his unwillingness to continue in view of his pre-occupation. The Board expresses its gratitude and sincere thanks for the contributions made by him during his tenure on the Board.

APPOINTMENT/CESSATION/CHANGE IN DESIGNATION OF DIRECTORS

During the year under review, following changes took place in the Directorships:

Appointment : Mr. Gaurav Jain (DIN:10719870) was appointed as Additional Director (Non-Executive and Independent) on the Board of your Company w.e.f. August 23, 2025, for first term of a year. His appointment was approved by the shareholders in the Annual General Meeting held on September 19, 2025.

Re-appointment: Mr Hari Desikan Ganesh, (DIN: 08710451) was reappointed in the 31st Annual General Meeting held on September 19, 2025 for a term of five (5) consecutive years with effect from September 19, 2025, by the shareholders of the Company and will continue to hold the position of an independent director till September 19, 2030.

Cessation: Mrs. Meenakumari Shanmugam (DIN: 07143889) ceased as an Independent Director of your Company w.e.f. September 20, 2025 upon completion of her tenure. Your Board places on record deep appreciation for valuable services and guidance provided by her during her tenure of Directorship.

Re-appointment of Director retiring by rotation : In accordance with the provisions of Section 152 of the Act, read with rules made thereunder and Articles of Association of your Company, Raghav Agarwal, Director, (DIN: 06981525) is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

Your Board, on the recommendation of Nomination and Remuneration Committee (NRC) of your Company, recommends the re-appointment of Raghav Agarwal as a Director for your approval. Brief details, as required under Secretarial Standard-2 and Regulation 36 of SEBI Listing Regulations, are provided in the Notice of ensuing AGM.

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, Executive Chairman
- Mr. Manoj Kumar Jhajharia, Managing Director
- Mr. M.S Selvaraj, Chief Financial Officer
- Ms. CS 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

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

In Compliance with Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015, the Independent Directors met on February 09, 2026, 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 Board of Directors has adopted CSR Policy and the same is posted on the Company's website https://www.salonacotspin.com/wp-content/uploads/2026/05/CSR-Policy.pdf. A report in the prescribed format detailing the CSR expenditure for the financial year 2025-26 is attached herewith as **Annexure - 4** and forms a part of this Annual 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

Your Company is committed to maintain highest standards of corporate governance practices. The Corporate Governance Report, as stipulated by SEBI Listing Regulations, forms part of this Annual Report along with the required certificate from the Statutory Auditor, 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.

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 the transactions of the Company, entered into with its related parties are at arm's length basis and have taken place in the ordinary course of business. Further, the Company has complied with the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for transactions entered into with the related parties.

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had obtained the approval of the Shareholders to enter into material related party transactions with one of its related parties at the AGM held on September 19, 2025.

During FY26, your Company has not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act, in Form AOC 2, is not applicable.

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), Coimbatore were re-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.

The 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 AUDITOR AND SECRETARIAL AUDITOR'S REPORT

Pursuant to the provisions of Section 204 of the Act, read with the rules made thereunder and Regulation 24A of SEBI Listing Regulations, Mr. Ramanathan Kannan, Practicing Company Secretary (C.P No.17220; Peer Reviewed Certificate No. 2803/2022) were appointed as the Secretarial Auditor of your Company to undertake Secretarial Audit for a term of five years till the conclusion of 36th Annual General Meeting (AGM) of your Company to be held in the year 2030.

The Secretarial Auditor has confirmed that he is not disqualified and is eligible to hold office as Secretarial Auditor of the Company.

The Secretarial Audit Report for the year under review is provided as **Annexure – 2** of this report. The Report does not contain any qualifications, reservation, or adverse remark which require explanations/ comments by the Board.

COST AUDITOR

During the year under review, in accordance with Section 148(1) of the Act, your Company has maintained the accounts and cost records, as specified by the Central Government. Such cost accounts and records are subject to audit by Mr. B. Venkateswar (M.No.27623), Cost Accountant, Cost Auditor of the Company for FY 2025-26.

The Board has re-appointed Mr. B. Venkateswar (M.No.27623)., Cost Accountant, Coimbatore as Cost Auditor of your Company to conduct cost audit for the FY 2026-27. A resolution seeking approval of the Shareholders for ratifying the remuneration payable to the Cost Auditors for FY 2026-27 is provided in the Notice of the ensuing AGM.

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 – 3** 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 (ICCs) to consider and resolve the complaints related to sexual harassment. There were 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 – 1** of this report.

During the year, the Company generated 71.66 lakh units (net) of wind power as against 58.92 lakh units in the previous year. The Company's ground-mounted solar power plant located at Thaligai Village, Velagoundampatti, Namakkal District, Tamil Nadu, generated 48.95 lakh units for captive consumption compared to 33.82 lakh units in the previous year. Further, the Company's wind power generator in Gujarat generated 57.08 lakh units during the year as against 71.44 lakh units in the previous year.

The captive consumption of power generated from the Company's wind and solar energy facilities resulted in a significant reduction in power costs, thereby improving the operational efficiency and enhancing 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 and the processes, technology controls are being enhanced in-line with the threat scenarios.

Your Company's technology environment is enabled with real time security monitoring with requisite controls at various layers starting from end user machines to network, application and the data.

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.

SHAREHOLDER OUTREACH INITIATIVES :

SAKSHAM NIVESHAK – SECOND 100 DAYS CAMPAIGN

The Investor Education and Protection Fund (“IEPF”) Authority, Ministry of Corporate Affairs (“MCA”) through their communication dated March 27, 2026, requested companies to re-initiate a Second 100 days Campaign- “Saksham Niveshak”, to reach out to shareholders whose dividend remain unpaid/unclaimed. This campaign is scheduled from April 01, 2026 to July 09, 2026 and is designed to proactively engage with shareholders and facilitate the following:

1) Updation of KYC details, including bank mandates, nominee registration, and contact information.

2) Claiming of unpaid/unclaimed dividends for the financial years 2018–19 to 2024-25.

3) Prevention of transfer of shares and dividends to IEPFA, by ensuring rightful claimants update their records and claim entitlements directly from the Company.

This initiative is part of our commitment to transparency, investor facilitation, and compliance with the Companies Act, 2013 and SEBI guidelines. We urge all eligible shareholders to take timely action to avoid the transfer of their shares and dividends to the IEPF.

The Company had sent intimations to shareholders by sending letters through Speed Post to their registered addresses, has advertised it in Newspapers like Business Standard (All Edition), Trinity Mirror and Makkal Kural. A specimen of the letters sent are hosted on the NSE Website and on the website of the Company https://www.salonacotspin.com/iepf-and-unclaimed-dividends/.

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.

OPENING OF SPECIAL WINDOW

Pursuant to SEBI Circular dated January 30, 2026 SEBI has opened a special window for re-lodgement of transfer requests for physical shares, in accordance with SEBI Circular No. HO/38/13/11(2)2026-MIRSDPOD/I/3750/ 2026 dated January 30, 2026 for a period of one year from February 05,2026 to February 04, 2027 for the re-lodgement of transfer requests for physical share certificates. The facility is applicable to cases which were lodged prior to deadline of April 01, 2019 and the original share transfer were rejected/ returned/ not attended due to deficiencies in the documents/process/or otherwise.

The Company has advertised in newspapers like Business Standard (All Edition), Trinity Mirror and Makkal Kural for the eligible shareholders to utilize this opportunity and submit the documents to the Company's Registrar and Share Transfer Agent ('RTA').

The Circular can be accessed at https://www.sebi.gov.in/legal/circulars/jan-2026/ease-of-doing-investment-special-window-for-transfer-and-dematerialisation-of-physical-securities_99411.html

GENERAL DISCLOSURES

Your Directors' state that during the year under review:

1. You 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.

5. No one time settlement of loan was obtained from the banks or financial institutions.

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

Shyam Lal Agarwala
Chairman
DIN : 00003055

Place : Coimbatore
Date : August 13, 2026

ANNEXURE – 1

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	31.03.2026	31.03.2025
Wind Electricity Unit Generation (Units in Lakhs)	71.66	58.92
Solar Power Unit Generation (Units in Lakhs)	48.95	33.82

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

(Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Earnings Total Foreign Exchange earned: F.O.B. Value of Exports of Finished and Traded goods	40,728.19	50,800.91
Expenditure Remittance in Foreign Exchange: Purchase of Capital goods, Spares, Commission on Exports and interest on foreign currency loan	4,592.36	3,622.49

For and on behalf of the Board of Directors

Place : Coimbatore
Date : August 13, 2026

Shyam Lal Agarwala
Chairman
DIN : 00003055

ANNEXURE – 2

FORM NO. MR -3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026

[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 2026 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 2026 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 (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(d) 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.**

(e) 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.**

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

(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, Essential Commodities 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:

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. Mrs. Meenakumari Shanmugam (DIN: 07143889) ceased to be director with effect from 20.09.2025 consequent to the completion of her second term of five years as an Independent Director.
2. Mr. Gaurav Jain (DIN: 10719870), has been appointed as an Independent Director with effect from 23.08.2025.

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

f) 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: 22.07.2026

Ramanathan Kannan
Practicing Company Secretary
FCS:7446; CP:17220
Peer Review Certificate No.2803/2022
UDIN: F007446H000906951

Annexure 'A'

To

The Members,
M/s. Salona Cotspin Limited [CIN: L17111TZ1994PLC004797]
SF.No.74/12 & 75/3, Sathy Road,
Pungampalli Village, Sathyamangalam,
Tamilnadu – 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: 22.07.2026

Ramanathan Kannan
Practicing Company Secretary
FCS:7446; CP:17220
Peer Review Certificate No.2803/2022
UDIN: F007446H000906951

ANNEXURE – 3

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 2026 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 2026.

S.No.	Director	Category	Ratio to median remuneration	% increase
1	SHYAM LAL AGARWALA	Managing Director	7.17:1	-24.65
2	MANOJ KUMAR JHAJHARIA	Joint Managing Director	4.49:1	-33.64
3	ARUNKUMAR JHAJHARIA	Director	2.75:1	-
4	RAGHAV AGARWAL	Director	2.75:1	-
6	PRABHU	Director	0.05:1	-
7	HARSHIDAA DHIRESH RAICHURA	Director	0.05:1	-
8	HARI DESIKAN GANESH	Director	0.05:1	-
9	GAURAV JAIN	Director	0.02:1	-
10	MEENAKUMARI.S $	Director	0.03:1	NA
11	M.S SELVARAJ	Chief Financial Officer	1.41:1	1.45
12	RAJKUMARI R	Company Secretary	-	-

NA – Not Applicable

1. $ Ceased to be a Director of the Company w.e.f September 20, 2025.
2. Percentage increase in the median remuneration of employees in the financial year: 30.29%
3. Number of permanent employees on the rolls of Company as on 31st March 2026: 623

   No. of Male Employees – 332 ; No. of Female Employees – 291.

   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: 30.29%
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 : August 13, 2026

Shyam Lal Agarwala
Chairman
DIN : 00003055

ANNEXURE – 4

Annual Report on Corporate Social Responsibility (CSR) activities for Financial Year ended 31st March 2026

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 - Not Applicable pursuant to sub-section 9 of Section 135 of the Companies Act, 2013.

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.

4. The web-link where the Composition of the CSR committee, the CSR Policy and the CSR projects approved by the board are disclosed on the website of the Company:

   CSR Policy : **https://www.salonacotspin.com/policies/**

   Manner in which the amount was spent during the financial year is detailed below: **https://www.salonacotspin.com/other-documents/**

5. Rs. (In Lakhs)

(a)	Average Net Profit of the Company as per Section 135(5)	1171.43
(b)	Two percent of the average net profit of the Company as per section 135(5)	23.42
(c)	Surplus arising out of the CSR projects or programs, or activities of the previous financial years	Nil
(d)	Amount required to be set off for the financial year, if any	Nil
(e)	Total CSR obligation for the financial year [(5b) +(5c) -(5d)]	23.44

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

7. Whether any Capital assets have been created /acquired through Corporate Social Responsibility amount spent in the financial year : No

8. 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

For and on behalf of the Board of Directors

Shyam Lal Agarwala
Chairman
DIN : 00003055

Place : Coimbatore
Date : August 13, 2026

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

The Indian spinning industry forms the backbone of the country's textile value chain and occupies a unique position due to its close linkage with agriculture, particularly cotton cultivation, and its longstanding association with India's rich textile heritage. As one of the world's largest producers of cotton yarn, the Indian spinning sector serves a diverse customer base across domestic and international markets.

The industry is highly labour-intensive and generates substantial employment across farming, ginning, spinning, and allied activities. Its inherent strength lies in the availability of a large raw material base, especially cotton, supported by an extensive spinning infrastructure and skilled workforce. The sector is also a significant contributor to India's export earnings through the export of cotton yarn and value-added textile products.

The growth prospects of the spinning industry are closely linked to global economic conditions, demand from key textile-consuming markets, and the overall performance of downstream textile segments. However, the industry continues to face challenges arising from volatility in cotton prices, fluctuations in demand, and increasing global competition. Sustained growth, therefore, depends on the availability of quality cotton at stable and competitive prices, operational efficiency, and the ability to adapt to changing market dynamics.

In this environment, the Company remains committed to continuously upgrading its manufacturing capabilities, improving yarn quality, enhancing productivity, and optimising costs. The Company will continue to focus on producing high-quality yarn that meets evolving customer requirements, strengthening its presence in export markets, and creating long-term value through sustainable and profitable growth.

Opportunities and Threats:

Opportunities

1. Strong Customer Relationships and Market Presence

The Company has built long-standing relationships with reputed customers in both domestic and international markets through consistent product quality, timely deliveries, and customer-centric service practices. These enduring partnerships provide a stable demand base, enhance customer loyalty, and create opportunities for market expansion and product diversification.

2. Experienced Management and Industry Expertise

With over five decades of experience in cotton procurement, spinning operations, and understanding market trends in yarn and fabrics, the management possesses deep industry knowledge and strong supplier and customer networks. This experience enables the Company to navigate market cycles effectively, optimise raw material sourcing, and respond swiftly to evolving customer requirements and global market dynamics.

Threats

1. Volatility in Cotton and Yarn Prices

The Indian textile industry remains susceptible to fluctuations in cotton and yarn prices arising from variations in crop output, government policies, and global demand-supply conditions. Such volatility can impact raw material costs, inventory valuations, and profitability, while intensifying competition within the spinning sector.

2. Global Market and Trade Uncertainties

India's textile sector is increasingly influenced by international market conditions, including changes in global demand, pricing trends, trade policies, currency movements, and geopolitical developments. These factors may affect export competitiveness, alter supply-demand dynamics, and exert pressure on operating margins and overall business performance.

Product-wise Performance

The Company's primary product portfolio comprises cotton yarn and knitted fabrics catering to the hosiery and knitted garment industries. During the year, the Company continued to focus on maintaining and enhancing the quality of its products through continuous process improvements and technological upgradation. This commitment to quality and innovation has enabled the Company to effectively meet evolving customer requirements, adhere to industry standards, and strengthen its market position in a competitive business environment.

Outlook

In view of the highly competitive market environment, the Company continues to implement consolidation strategies with a focus on cost optimization, enhancement of productivity, diversification of markets, and maintaining stringent quality standards. These initiatives form part of the Company's ongoing efforts to strengthen its operational efficiency, enhance competitiveness, and achieve sustainable growth.

Risks and Concerns:

While banks may continue to adopt a liberal approach in extending credit facilities, the increasing cost of borrowings and higher interest rates could exert pressure on the Company's margins and profitability. Cotton, the principal raw material for the textile industry, is predominantly cultivated under rain-fed conditions and is therefore highly susceptible to the vagaries of the monsoon. As a result, cotton prices remain volatile in both domestic and international markets.

Any disruption in the availability of cotton, supply chain constraints, or significant fluctuations in cotton prices may materially impact the Company's cost structure and adversely affect its profitability. Further, power constitutes a critical component of manufacturing costs, and any fluctuation in its availability, reliability, or tariff rates could have a significant bearing on the Company's operational efficiency and financial performance.

The Company continues to closely monitor these risks and adopts appropriate procurement, financial, and operational strategies to mitigate their potential impact on its business and long-term sustainability.

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 adequate internal control systems commensurate with the size, scale, and nature of its operations. These systems are designed to safeguard the Company's assets against unauthorized use or disposition, ensure the accuracy and reliability of financial and operational information, and promote compliance with applicable laws, regulations, and internal policies.

The internal control framework ensures that all transactions are properly authorized, accurately recorded, and reported in a timely manner. The Company has also implemented a robust internal audit mechanism, which periodically reviews the adequacy and effectiveness of internal controls and recommends improvements wherever necessary. The Audit Committee regularly reviews the findings of the internal auditors and monitors the implementation of corrective actions, thereby further strengthening the overall control environment.

In addition, the Company maintains a well-defined organizational structure with clearly established authority levels, documented policies, and standard operating procedures to facilitate efficient conduct of business and ensure effective governance and risk management.

G. CAUTIONARY STATEMENT:

Certain statements contained in this Report may be considered forward-looking statements within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions, expectations, and projections regarding future events and are subject to various risks and uncertainties. Actual results, performance, or achievements may differ materially from those expressed or implied in such forward-looking statements due to factors beyond the control of the Company's management, including changes in economic conditions, government policies, market dynamics, and other unforeseen developments. Readers are therefore cautioned not to place undue reliance on these forward-looking statements.

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

Number of people employed – 623

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. 156.14 lakh, compared to Rs. 313.31 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 increased from 4.71 to 5.69 primarily due to a reduction in turnover during the year.
- Inventory Turnover Ratio decreased from to 9.83 to 9.01, attributable to a decline in turnover during the year.
- Interest Coverage Ratio decreased from 1.29 to 1.24, reflecting an increase in term loans and borrowings during the year.
- Debt-Equity Ratio decreased from 2.89 to 2.26, driven by an increase in term loans and borrowings during the year.
- Return on Net Worth increased from 7.59 to 8.83%, due to higher finance costs leading to a reduction in earnings during the year.

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March 2026 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

Your Company believes that good Corporate Governance is fundamental to achieving long-term sustainable growth and enhancing stakeholder value. The Company's governance framework rests on the pillars of integrity, transparency and accountability.

We recognise that sustainable value creation extends beyond financial performance. It requires a Board that provides thoughtful oversight, a management team that operates with discipline and foresight, and a culture where ethical conduct is non-negotiable at every level of the organisation. The Company remains steadfast in its adherence to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, treating regulatory compliance as the floor, not the ceiling, of good governance.

As the textile industry continues to evolve amidst changing market dynamics and heightened stakeholder expectations, your Company remains committed to strengthening its governance architecture — one that is resilient, forward-looking, and worthy of the confidence reposed in it.

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 not less than 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.

Board of Directors as on March 31, 2026:

The Details of the composition of the Board, category of Directors, and their attendance at Board Meetings and the last Annual General Meeting are set out below.

BOARD MEETINGS

The Board met 6 times during the financial year on 28th May 2025, 25th July 2025, 11th August 2025, 23rd August 2025, 14th November 2025 and 09th February 2026. The gap between any two meetings of the Board has always been within 120 days.

DIRECTOR NAME	CATEGORY	BOARD MEETINGS ATTENDED	ATTENDANCE AT LAST AGM – Sep 19, 2025
Mr. Shyam Lal Agarwala	Executive	6	✓
Mr. Manoj Kumar Jhajharia	Executive	6	✓
Mr. Arunkumar Jhajharia	Executive	6	✓
Mr. Raghav Agarwal	Non-Executive	3	✓
Mr. Prabu Damodaran	Independent	6	✗
Mr. Hari Desikan Ganesh	Independent	6	✓
Mrs. Harshidaa Raichura	Independent	6	✓
Mr. Gaurav Jain	Independent	2	✓

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

*Excludes Directorships in Foreign Companies and Private Companies.

Mrs. Meenakumari Shanmugam – completed her two terms as an Independent Director on the Board on September 20, 2025.

Based on the disclosures 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) Disclosure of relationship between Directors inter-se: Excepting the independent directors, other Directors of the Company are related to each other.

(iii) Shareholding of Non-Executive Directors:

Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March 2026 is as under:

Director	Raghav Agarwal	Prabu	Hari Desikan Ganesh	Harshidaa Dhiresh Raichura	Gaurav Jain
No. of Shares	134,726	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.

(iv) 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. The details of familiarisation programme are available on the website of the Company : https://www.salonacotspin.com/wp-content/uploads/2026/02/Familiarisation-Programme-FY-25-26.pdf

Separate Meeting of Independent Directors : The Independent Directors held a meeting on 09th February 2026, 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.

v) 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. As per the requirements of the Companies Act, 2013, all the Independent Directors of the Company have registered themselves in the Independent Director's Data Bank as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014. 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.

vi) 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.

vii) 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.

Chart/matrix depicting Skills/Core Competencies

Director Name	Manufacturing & Supply Chain Operations	International Business Exposure	Strategy & Planning	Leadership & Management	Technology & Digital	Investor Relations	Textile Technology & Sustainability
Shyam Lal Agarwala	✓	✓	✓	✓	✓	✓	✓
Manoj Kumar Jhajharia	✓	✓	✓	✓	✓	✓	✓
Arunkumar Jhajharia	✓	✓	✓	✓	✓	✓	✓
Raghav Agarwal	✓	✓	✓	✓	✓	✓	✓
Prabu	✓	✓	✓	✓	✓	✓	✓
Hari Desikan Ganesh	✓	✓	✓	✓	✓	✓	✓
Gaurav Jain	✓	✓	✓	✓	✓	✓	
Harshidaa Dhiresh Raichura		✓	✓	✓	✓	✓	

viii) Meetings of Board held during the financial year 2025-26:

The Company's Governance Policy requires the Board to meet at least four times in a financial year. During the Financial year 2025-26, the intervening period between two Board Meetings was well within the maximum gap of 120 days prescribed under the Listing Regulations.

Six meetings of the Board were held, as follows:

Dates of meeting	May 29, 2025	July 25, 2025	Aug 11, 2025	Aug 23, 2025	Nov 14, 2025	Feb 09, 2026
Strength	8	8	8	8	8	8
Present	7	7	8	8	7	8

COMMITTEES OF THE BOARD

Currently, there are Three (3) committees viz., the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

(A) AUDIT COMMITTEE

(i) Brief Description of Terms of Reference

The Audit Committee was 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. 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.

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 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 May 29, 2025, Aug 11, 2025, Nov 14, 2025, Feb 09, 2026.

The Composition of the Audit Committee and the attendance details of Members is as follows:

	Date of the meeting and attendance details			
Name of the Members	**May 29,2025**	**Aug 11, 2025**	**Nov 14, 2025**	**Feb 09, 2026**
Mr. Hari Desikan Ganesh(C)	✓	✓	✓	✓
Mrs. Meenakumari .S (M) (upto 31.08.2025)	✓	✓	NA	NA
Mr. Prabu (M)	✓	✓	✓	✓
Mr. Arunkumar Jhajharia (M)	✓	✓	✓	✓
Mrs. Harshidaa Dhiresh Raichura (M) (w.e.f 01.09.2025)	NA	NA	✓	✓

(C) – Chairperson (M) - Member

Note: Mrs. Meenakumari.S, Non-Executive Independent Director ceased to be a member of the Committee w.e.f 1st September 2025.

The Chairperson of the Audit Committee had attended the Annual General Meeting held on September 19, 2025.

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.

(B) 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 was 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 one (1) time, August 23, 2025.

(ii) Composition of the Committee, Meetings and attendance

Date of the meeting and attendance details	
Name of the Members	**Aug 23, 2025**
Mr. Prabhu (C)	✓
Mrs. Meenakumari.S (M) (upto 31.08.2025)	✓
Mr Hari Desikan Ganesh (M)	✓
Mrs Harshidaa Dhiresh Raichura (M) w.e.f 01.09.2025	NA

(C) – Chairperson (M) - Member

Note: Mrs. Meenakumari.S, Non-Executive Independent Director ceased to be a member of the Committee w.e.f 1st September 2025.

The Chairperson of the Committee had not attended the Annual General Meeting due to his pre-occupation.

C. 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 (5) of the Companies Act, 2013 ("the Act") and Regulation 20 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. The Committee is empowered to oversee the redressal of investors' complaints pertaining to share transfer, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfers and transmission of shares and other miscellaneous complaints. In addition, the Committee looks into other issues, including the status of dematerialization/re-materialization 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 January 19, 2026 during the year under review.

(ii) COMPOSITION, MEETINGS AND ATTENDANCE DURING THE FY 2025-26

	Date of the meeting and attendance details
Name of the Members	**Jan 19, 2026**
Mr. Hari Desikan Ganesh - C	✓
Mr.Shyam Lal Agarwala – M	✓
Mr Manoj Kumar Jhajharia - M	✓

(C) – Chairperson (M) - Member

The Chairperson of the Stakeholders Relationship Committee had attended the Annual General Meeting held on September 19, 2025.

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.

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:

Name of the Senior Management Personnel	Designation	Details of change
Mr M.S Selvaraj	Chief Financial Officer	NIL
Mr P.C Abraham	General Manager (Technical)	
Mr Kirubakaran	General Manager (Marketing)	
Ms Rajkumari R	Company Secretary & Compliance Officer	

REMUNERATION TO DIRECTORS

Details of remuneration paid to the Directors for the year ended 31st March 2026 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 (INR)
Mr. Shyam Lal Agarwala	48,00,000	23,20,000	2,30,769	4,78,966	78,29,735
Mr. Manoj Kumar Jhajharia	36,00,000	11,20,000	1,73,077	-	48,93,077
Mr. 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 2026 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 Hari Desikan	-	-	58,000	25,000	83,000
Mr Prabu	-	-	58,000	25,000	83,000
Mrs. Meenakumari.S #	-	-	34,000	15,000	49,000
Mrs.Harshidaa Raichura	-	-	54,000	25,000	79,000
Mr. Gaurav Jain	-	-	20,000	10,000	30,000

#Completed her tenure as Independent Director on September 20, 2025.

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.

GENERAL BODY MEETINGS

- Details of previous three AGM's of the Company and the Special Resolutions passed thereat are as under:

AGM	YEAR	VENUE	DATE	TIME	Special Resolutions passed, if any
31st	2025	Through VC/OAVM	19.09.2025	12.15	1. Re-appointment of Mr Hari Desikan Ganesh as Independent Director for second term of five consecutive years. 2. Appointment of Mr Gaurav Jain as Independent Director for a term of a year.
30th	2024		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.

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

EXTRA ORDINARY GENERAL MEETING

No Extra-ordinary General Meeting took place during the financial year 2025-26

POSTAL BALLOT

No special resolution was passed through postal ballot during the financial year 2025-26. Further, no resolution has been proposed to be conducted through postal ballot.

B. MEANS OF COMMUNICATION

The quarterly results and annual results are published in “Trinity Mirror”, Business Standard (All Edition), 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.

GENERAL MEMBERS INFORMATION:

	32nd Annual General Meeting	
1	Day & Date Time Mode	Wednesday, September 23, 2026 11:00 AM. (IST) VC/OAVM The meeting shall be held through video conferencing/any other audio-visual means pursuant to the relaxations provided by Ministry of Corporate Affairs (MCA) vide their General Circular No.03/2025 dated Sep 22, 2025 . Deemed venue of the meeting shall be the Administrative Office of the Company.
2	Voting Mechanism	Remote e-voting and e-voting during the AGM
3	Remote E-voting period	Commencement of Remote e-voting: Sunday, September 20, 2026, 9 A.M (IST) Conclusion of Remote e-voting: Tuesday, September 22, 2026, 5 P.M (IST)
4	Cut-off date for E-voting	Wednesday, September 16, 2026
5	Link to participate in the AGM	For Individual Shareholders holding shares in demat mode with NSDL: **https://eservices.nsdl.com** For Individual Shareholders holding shares in demat mode with CDSL: **https://www.cdslindia.com/**

		Members can join the AGM through VC/OAVM mode 15 minutes before the scheduled time of the commencement of the AGM i.e. by 10:30 A.M. (IST) by following the procedure mentioned in the Notice of the AGM and this mode will be available throughout the proceedings of the AGM.
6	CIN	L17111TZ1994PLC004797
7	ISIN	INE498E01010
8	SYMBOL	SALONA
9	Financial Year	The Company's financial year begins on 1st April and ends on 31st March.
10	Dividend payout, if declared	Not later than October 23, 2026
11	Listing on Stock Exchanges https://www.nseindia.com/getquote/equity/SALONA/Salona-Cotspin-Limited	The Company's Equity shares are listed on National Stock Exchange of India Limited. Address: Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. In terms of Regulation 14 of the SEBI Listing Regulation, the requisite listing fees have been paid for FY 2026-2027.
12	Registrar and Share Transfer Agent	MUFG Intime India Private Limited
13	Address E-mail IDs Contact Number Toll-Free Number Website For Shareholder queries Common Email ID for Investors Self-service portal for Investors SEBI Registration No.	M/s. MUFG Intime India Private Limited "Surya", 35 Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028, Tamil Nadu rnt.helpdesk@in.mpms.mufg.com coimbatore@in.mpms.mufg.com 0422-4958995, 0422 – 2539835 / 836 1800 1020 878 www.in.mpms.mufg.com https://web.in.mpms.mufg.com/helpdesk/Service_Request.html Investor.helpdesk@in.mpms.mufg.com https://swayam.in.mpms.mufg.com/ INR000004058

14	Share Transfer System	The Board of Directors has delegated the power of share transfer to the Registrar and Share Transfer Agent, **MUFG Intime India Private Limited** (address mentioned above). Largely, the entire equity capital of the Company is held in dematerialised form. The Company's shares are compulsorily traded in dematerialised form and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold the Company's shares with any of the depository participants, registered with the depositories.
15	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
16	Dematerialisation of Shares and Liquidity	97.18% shares of your Company are held in the electronic mode.
17	Green Initiative	To support the 'Green Initiative', Members who have not yet registered their email addresses are kindly requested to register the same with their depository participants in case the shares are held by them in electronic form and with the Company's Registrar and Share Transfer Agent, in case the shares are held by them in the physical form. In compliance with the circulars issued by Ministry of Corporate Affairs ('**MCA'**) and the Securities and Exchange Board of India, ('**SEBI'**) Notice of the AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those members whose email addresses are registered with the Company's Registrar and Share Transfer Agent/Depositories. Members may note that the Notice and Annual Report 2025-26 will be available on the Company's website viz. www.salonacotspin.com, on the NSE www.nseindia.com and on the website of CDSL https://www.evotingindia.com/homepage.jsp for their reference.
18	Bank Details for Electronic Shareholding	Members are requested to notify their Depository Participant about the changes in the bank details and

		furnish complete details of their bank accounts, including the MICR codes of their banks, to their Depository Participants.
19	KYC Details	The members are requested to note that the Securities and Exchange Board of India vide its circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated March 16, 2023, now rescinded due to issuance of Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 for Registrars to an Issue and Share Transfer Agents dated May 17, 2023 read with SEBI/ HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 and SEBI/ HO/ MIRSD/ POD-1/ P/ CIR/ 2024/81 dated June 10, 2024 , as amended from time to time, has prescribed common and simplified norms for processing investor's request by Registrars to an Issue and Share Transfer Agents and norms for furnishing Permanent Account Number ("PAN"), Know Your Customer ("KYC") details and nomination details by the holders of physical securities. A copy of the SEBI Circular has been uploaded on the investors' section of the Company's website, https://www.salonacotspin.com. Hence, Members are requested to furnish PAN, postal address, email address, mobile number, specimen signature, bank account details and nomination by holders of physical securities and to furnish the documents/details, as given below: Form No. ISR-1 - request for registering PAN, KYC details or changes / updation thereof. https://www.salonacotspin.com/wp-content/uploads/ 2025/04/ISR-1_-Request-form-for-Registering-PanBankKYC.pdf Form No. ISR-2 - confirmation of signature of securities holder by the banker https://www.salonacotspin.com/wp-content/uploads/ 2025/04/ISR-2_Bank_verification-for-Sign.pdf Form No. ISR-3 - declaration form for opting-out of nomination by holders of physical securities. https://www.salonacotspin.com/wp-content/uploads/ 2025/04/ISR-3-_Opt-Out.pdf Form No. SH-13 - nomination form

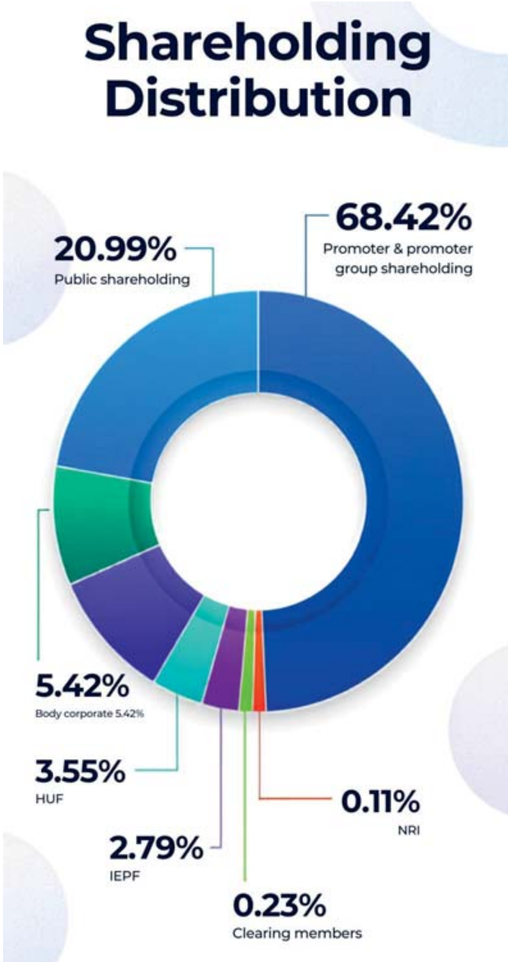
		Form No. SH-14 - cancellation or variation of nomination The members of the Company holding shares in physical form shall provide the following documents/details to M/s. MUFG Intime India Private Limited, the Registrars to an Issue and Share Transfer Agent of the Company: PAN Nomination (for all eligible folios) in Form No. SH-13 or submit declaration to “Opt-Out” in Form No. ISR-3. Note: Any cancellation or change in nomination shall be provided in Form No. SH-14. Contact details including postal address with PIN code, mobile number, e-mail address, Bank account details including bank name and branch, bank account number, Indian Financial System Code (“IFSC”). Specimen signature. Any service request shall be entertained by Registrar and Share Transfer Agent only upon registration of the PAN, KYC details and the nomination by holders of physical securities. Members may also refer to **https://web.in.mpms.mufg.com/client-downloads.html** for various forms available as per their requirements.
20	Investor Complaints to be addressed to	Registrar and Share Transfer Agent, or to Compliance Officer, at the relevant address, as mentioned earlier.
21	Address for correspondence	Registrar and Share Transfer Agent, or to Compliance Officer, at the relevant address, as mentioned earlier.
22	Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, Conversion date and likely impact on equity	None
23	Commodity price risk or foreign exchange risk and hedging activities	Not Applicable
24	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 Vadambhacherri Village, Palladam Taluk Kozhumankondan Village, Palani Taluk Deri Village, Jamnagar District, Gujarat
25	Solar Locations	(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.
26	Credit Ratings	The Company does not have any debt instrument or a fixed deposit program or any scheme or proposal involving mobilisation of funds either in India or abroad that requires a credit rating.

27. Distribution of Shareholding as on March 31, 2026:

Range	No. of Shareholders	% of Total Shareholders	No.of Shares	% held
Upto 500	2403	88.87	193382	3.67
501-1000	130	4.81	113639	2.16
1001 - 2000	73	2.7	115635	2.20
2001 - 3000	23	0.85	60103	1.14
3001 - 4000	14	0.52	49188	0.93
4001 - 5000	7	0.26	32622	0.62
5001 - 10000	8	0.29	65297	1.24
10001 and above	46	1.70	4632534	88.03
Total	2731	100.00	5262400	100

28. Shareholding Pattern as on March 31, 2026



OTHER DISCLOSURES:

a.	During the year, there were no materially significant related party transactions that would have potential conflict with the interest of the Company at large.
b.	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.
c.	The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
d.	The Company does not have any subsidiary/ies.
e.	The policy of the Company relating to Related Party Transactions is available on the Company's website: https://www.salonacotspin.com/policies/

OTHER DISCLOSURES:

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 January 30, 2026 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.	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.
h.	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.
i.	The total fees paid during the financial year 2025-26 by the Company to M/s Gopalaiyer & Subramanian, Statutory Auditors including certification is Rs.4.25 Lakhs.
j.	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 2025-26, no complaint was received by the Committee. As such, there are no complaints pending as at the end of the financial year.
k.	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
l.	Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.
m.	There has been no instance of non-compliance of any requirement of Corporate Governance Report as stated above.
n.	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
o.	The Company is fully compliant with the complied with all the Corporate Governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
p.	The Company has not raised any funds through Preferential allotment or Qualified institutions Placement as specified under Regulation 32(7A) and 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.
q.	There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

r.	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.
s.	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 29, 2026 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
t.	CODE OF CONDUCT All Board Members and Senior Management Personnel have affirmed their compliance with the Code of Conduct for the year under review.
u.	CERTIFICATE OF COMPLIANCE It is confirmed that the Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) and (t) 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 and 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 2025-26.

Place : Coimbatore
Date : May 29, 2026

Shyam Lal Agarwala
Chairman & Managing Director
DIN : 00003055

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
Reg. off: 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 2026 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:

S.No.	Name	DIN	Date of Appointment	Date of Cessation
01	SHYAM LAL 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	MEENAKUMARI SHANMUGAM	07143889	30-03-2015	$
05	HARI DESIKAN GANESH	08710451	25-06-2020	Continuing
06	PRABHU	05342906	14-11-2022	Continuing
07	RAGHAV AGARWAL	06981525	14-11-2022	Continuing
08	HARSHIDAA DHIRESH RAICHURA	10832996	12-11-2024	Continuing
09	GAURAV JAIN	10719870	23-08-2025	Continuing

$ Ceased to be a director with effect from 20.09.2025, 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 : 26/05/2026

Ramanathan Kannan
FCS 7446; CP No.17220
Peer Review Certificate No. 2803/2022
ICSI Unique Code: I2016TN1516800
UDIN:F007446H000491270

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Board of Directors
Salona Cotspin Limited
Coimbatore – 641011.

We have examined the compliance of conditions of Corporate Governance by Salona Cotspin Limited ('the Company') for the year ended March 31, 2026 as stipulated under Regulation 17 to 27 and clause(b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

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 2026.

We further 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.

Place : Coimbatore
Date : 29/05/2026

For Gopalaiyer and Subramanian
Chartered Accountants
(Firm Regn No: 000960S)

M Venkatesh Prasath
Partner
Membership No : 264906
UDIN: 26264906JTEGIW7639

INDEPENDENT AUDITOR'S REPORT

To The Members **SALONA COTSPIN LIMITED,** Coimbatore ('the Company')

Report on the Audit of the Ind AS 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, 2026 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, 2026, 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, 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, 2026 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2026 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 2026, 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 has duly disclosed the pending litigations which would impact its financial position in Note No. I (a) of Other Notes to the Ind AS Financial Statements.

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: 26264906JTEGIW7639

Date : 29/05/2026
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, 2026 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)*
30th June 2025	Inventory	4873.51	6881.38	(2007.87)
	Trade receivables	7680.6	13128.66	(5448.06)
30th September 2025	Inventory	4085.74	5971.48	(1885.74)
	Trade receivables	7553.88	12139.7	(4585.82)
31st December 2025	Inventory	4014.28	4847.81	(833.53)
	Trade receivables	7568.36	10397.16	(2828.80)
31st March 2026	Inventory	4594.86	5859.41	(1264.55)
	Trade receivables	6275.49	7970.61	(1695.12)

Note for variance:

(1) The quarterly statements submitted to the lending banks are prepared based on provisional management records within the timelines prescribed by the lending banks. Accordingly, the inventory values reported therein are subject to subsequent accounting adjustments and reconciliations. Further, such statements are prepared in accordance with the drawing power computation methodology prescribed by the banks, whereby certain categories of inventory are excluded or considered at values different from those recognised in the books of account prepared in accordance with the applicable Indian Accounting Standards. Consequently, differences exist between the inventory values reported to the banks and those appearing in the books of account.

(2) Trade receivables reported in the quarterly statements submitted to the banks are prepared for the purpose of determining drawing power and therefore exclude receivables that are not eligible as per the lending banks' stipulations. The books of account, however, recognise trade receivables in accordance with applicable Indian Accounting Standards. Accordingly, differences exist between the amounts reported to the banks and those appearing in the books of account.

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, 2026 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and the records of the Company examined by us, the following statutory dues have not been deposited as at March 31, 2026 on account of disputes. The details of such dues are as follows:

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount involved (₹)	Forum where dispute is pending
Goods and Services Tax Act	Goods and Services Tax	FY 2018-19	13,08,804	First Appellate Authority - Commissioner (Appeals)
Goods and Services Tax Act	Goods and Services Tax	FY 2019-20	12,17,658	First Appellate Authority - Commissioner (Appeals)
Goods and Services Tax Act	Goods and Services Tax	FY 2020-21	54,178	First Appellate Authority - Commissioner (Appeals)
Goods and Services Tax Act	Goods and Services Tax	FY 2021-22	97,29,178	First Appellate Authority - Commissioner (Appeals)
Goods and Services Tax Act	Goods and Services Tax	FY 2022-23	47,84,239	First Appellate Authority - Commissioner (Appeals)
Goods and Services Tax Act	Goods and Services Tax	FY 2023-24	23,87,620	First Appellate Authority - Commissioner (Appeals)
Goods and Services Tax Act	Goods and Services Tax	FY 2024-25	88,662	First Appellate Authority - Commissioner (Appeals)

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)
UDIN: 26264906JTEGIW7639

Date : 29/05/2026
Place : Coimbatore

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 of even date)

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

We have audited the internal financial controls over financial reporting of M/s Salona Cotspin Limited (“the Company”) as of March 31, 2026 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 Directors 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 31,2026, 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)
UDIN: 26264906JTEGIW7639

Date : 29/05/2026
Place : Coimbatore

Salona Cotspin Limited

AUDITED BALANCE SHEET AS AT 31st MARCH 2026

(Rs. in Lakh)

Particulars	Note No.	As at 31st March 2026	As at 31st March 2025
1	2	3	4
(1) ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	12,212.42	10,626.85
(b) Capital work-in-progress	3	238.57	1,819.37
(c) Other Intangible assets	4	33.55	18.57
(d) Financial Assets			
(i) Investments	5	0.59	0.49
(ii) Others	6	16.00	15.00
(iii) Trade Receivables		37.33	63.74
(e) Other non-current assets	7	348.98	308.16
		12,887.44	**12,852.17**
(2) Current assets			
(a) Inventories	8	5,859.41	6,579.72
(b) Financial Assets			
(i) Trade receivables	9	7,933.28	11,656.51
(ii) Cash and cash equivalents	10	8.81	11.22
(iii) Bank balances other than (ii) above		217.03	200.14
(iv) Loans	11	9.49	7.98
(c) Current Tax Asset (Net)		525.20	563.10
(d) Other current assets	12	2,984.45	3,578.67
		17,537.67	**22,597.34**
Total Assets		**30,425.11**	**35,449.51**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	532.89	532.89
(b) Other Equity	14	7,844.75	7,724.82
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	5,277.44	6,492.23
(ii) Trade payables		267.00	267.59
(b) Provisions	16	153.34	142.09
(c) Deferred tax liabilities (Net)	17	712.81	605.26
		14,788.22	**15,764.89**

(Rs. in Lakh)

Particulars	Note No.	As at 31st March 2026	As at 31st March 2025
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	13,687.25	17,368.72
(ii) Trade payables	19		
i) total outstanding dues of micro enterprises and small enterprises		7.36	0.00
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		835.00	1,349.80
iii) Other Financial Liabilities	20	57.61	43.46
(b) Other current liabilities	21	1,006.13	878.81
(c) Provisions	22	43.54	43.83
(d) Current Tax Liabilities (Net)	23	0.00	0.00
		15,636.89	**19,684.62**
Total Equity and Liabilities		**30,425.11**	**35,449.51**

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)

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

Shyam Lal Agarwala
Managing Director
DIN: 00003055

Manoj Kumar Jhajharia
Joint Managing Director
DIN: 00003076

Date : 29th May 2026
Place : Coimbatore

Rajkumari R
Company Secretary

M.S. Selvaraj
Chief Financial Officer

Salona Cotspin Limited

AUDITED STATEMENT OF PROFIT & LOSS FOR THE FINANCIAL YEAR ENDED 31st MARCH 2026

(Rs. in Lakh)

	Particulars	Note No.	Year Ended 31st March 2026	Year Ended 31st March 2025
I	Revenue From Operations	24	59,381.62	66,215.64
II	Other Income	25	56.26	15.49
III	**Total Income (I+II)**		**59,437.87**	**66,231.13**
IV	**EXPENSES**			
	Cost of materials consumed	26	16,616.57	12,385.78
	Purchases of Stock-in-Trade	27	33,669.97	44,302.36
	Changes in inventories of finished goods, Stock-in-Trade and Work-in-Progress	28	-1,206.63	10.85
	Employee benefits expense	29	2,003.96	1,436.39
	Finance costs	30	1,997.27	1,884.86
	Depreciation and amortization expense	31	1,011.25	773.84
	Other expenses	32	4,866.52	4,883.53
	Total expenses (IV)		**58,958.91**	**65,677.61**
V	**Profit/(loss) before exceptional items and Tax (I-IV)**		**478.97**	**553.52**
VI	Exceptional Items		-	-
VII	**Profit/(loss) before tax (V-VI)**		**478.97**	**553.52**
VIII	Tax expense:			
	(1) Current tax	33	83.75	92.33
	(2) Deferred tax	17	239.08	147.88
IX	**Profit (Loss) for the period from Continuing Operations (VII-VIII)**		**156.14**	**313.31**
X	Profit/(loss) from discontinued operations			-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	**Profit/(loss) for the period (IX+XII)**		**156.14**	**313.31**
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to Profit or Loss		22.74	28.05
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-6.33	-7.82
	B (i) Items that will be reclassified to Profit or Loss		-	-
	(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)		**172.55**	**333.54**

(Rs. in Lakh)

	Particulars	Note No.	Year Ended 31st March 2026	Year Ended 31st March 2025
XVI	Earnings per equity share (for continuing Operation):			
	(1) Basic		2.97	5.95
	(2) Diluted		2.97	5.95
XVII	Earnings per equity share (for discontinued Operation):			
	(1) Basic		0.00	0.00
	(2) Diluted		0.00	0.00
XVIII	Earnings per equity share (for discontinued & Continuing Operations)			
	(1) Basic		2.97	5.95
	(2) Diluted		2.97	5.95

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)

Shyam Lal Agarwala
Managing Director
DIN: 00003055

Manoj Kumar Jhajharia
Joint Managing Director
DIN: 00003076

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

Date : 29th May 2026
Place : Coimbatore

Rajkumari R
Company Secretary

M.S. Selvaraj
Chief Financial Officer

Salona Cotspin Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2026

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
A	**Cash flow from operating activities:**		
	Net Profit before taxation and extra ordinary items	501.71	581.57
	Adjustments for:		
	Depreciation	1,011.25	773.84
	Deferred Expenses written off		
	Profit on sale of fixed assets	(12.48)	(0.41)
	Profit on sale of Investments		-
	Interest and financial charges paid	1,997.27	1,884.86
	Dividend Income	(0.01)	(0.01)
	Interest receipts	(35.48)	(15.07)
	Direct Taxes		
	Operating profit before working capital changes	**3,462.25**	**3,224.78**
	Adjustments for working capital changes		
	(Increase)/Decrease in Operating assets		
	Inventories	720.31	(647.80)
	Trade receivables	3,749.64	2,692.51
	Loans and Advances - short term	(1.51)	(0.97)
	Other Current Assets	577.34	194.85
	Current Tax Assets	(99.97)	(131.02)
	Other non-current assets	(40.82)	656.63
	Increase/(Decrease) in Operating liabilities		
	Trade payables	(508.03)	151.64
	Other Current Liabilities	141.47	205.68
	Short term Provisions	(0.29)	(14.36)
	Loans and Advances - long term	(1.00)	-
	Long Term Provisions	11.24	(4.72)
	Net cash from operations	**8,010.64**	**6,327.22**
	Less : income tax paid	83.75	46.60
	Net cash flow from operating activities (A)	**7,926.89**	**6,373.82**
B	**Cash flow from investing activities:**		
	Purchase of Fixed Assets	(1,110.69)	(2,627.98)
	Purchase of Investment	(0.10)	-
	Sale of Fixed Assets	92.16	1.00
	Sale of Investments		0.57
	Advance for Capital Goods		
	Deferred Revenue Expenditure		
	Interest receipts	35.48	15.07
	Dividend Income	0.01	0.01
	Net cash from investing activities (B)	**(983.14)**	**(2,611.33)**

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
C	**Cash flow from financing activities:**		
	Proceeds from long term borrowings	115.10	400.55
	Repayment of long term borrowings	(1,329.89)	(1,580.27)
	Proceeds/(Repayment) from short term borrowings	(3,681.48)	(597.09)
	Increase/(Decrease) in Secured Loan		
	Increase/(Decrease) in long term borrowings		-
	Increase/(Decrease) in Unsecured Loan		(42.78)
	Increase/(Decrease) in short term borrowings	-	
	Interest and financial charges paid	(1,997.27)	(1,884.86)
	Increase In share Capital		
	Dividend Paid	(52.62)	(52.62)
	Net cash from financing activities	**(6,946.16)**	**(3,757.07)**
	Net increase/(decrease) in cash and cash equivalents	(2.41)	5.42
	Cash & cash equivalents at the beginning of the year	11.22	5.80
	Cash & cash equivalents at the close of the year	8.81	11.22
	Cash and Cash equivalents at the close of the year comprise of		
	Cash on hand	8.50	8.52
	Cash at bank in current accounts	0.32	2.70
		8.81	11.22
		(0.00)	(0.00)

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)

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

Shyam Lal Agarwala
Managing Director
DIN: 00003055

Manoj Kumar Jhajharia
Joint Managing Director
DIN: 00003076

Date : 29th May 2026
Place : Coimbatore

Rajkumari R
Company Secretary

M.S. Selvaraj
Chief Financial Officer

Salona Cotspin Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2026

A. Equity Share Capital

(Rs. in Lakh)

Balance as at 31st March 2025	532.89
Changes in equity share capital during 2025-26	-
Balance as at 31st March 2026	532.89

B. Other Equity

(Rs. in Lakh)

Particulars	Reserves and Surplus		Items of other Comprehensive Income		Total
	General Reserve	Retained Earnings	Equity Insturments through OCI	Remeasurement of Post employment benefit obligations	
Balance as at 01.04.2025	15.00	7,673.15	-3.63	40.30	7,724.82
Add: Profit for the year		156.14			156.14
Add: Changes in fair value of equity instruments throught FVTOCI (net of Tax)			0.07		0.07
Add: Remeasurement of Post employment benefit obligations				16.34	16.34
Less: Payment of Dividends		52.62			52.62
Balance as at 31.03.2026	**15.00**	**7,776.66**	**-3.56**	**56.64**	**7,844.75**

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)

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

Shyam Lal Agarwala
Managing Director
DIN: 00003055

Manoj Kumar Jhajharia
Joint Managing Director
DIN: 00003076

Date : 29th May 2026
Place : Coimbatore

Rajkumari R
Company Secretary

M.S. Selvaraj
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2026

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 statements 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 in accordance with 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 Judgements

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 (Factory)	30 Years
Building (Non-Factory)	60 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
    - o Fair Value Through Other Comprehensive Income (FVOCI); or
    - o 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

(i) 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 Taxes

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 are 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.

(r) 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 use 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.

(u) Liquidity Risk

Prudent liquidity risk management involves maintaining sufficient cash and marketable securities, along with access to funding through adequate committed credit facilities, to meet obligations as they fall due and to close out market positions. Given the dynamic nature of its operations, the Company's treasury ensures funding flexibility by keeping committed credit lines available. Management regularly monitors rolling forecasts of the Company's liquidity position—comprising undrawn borrowing facilities and cash and cash equivalents—based on expected cash flows.

NOTES TO BALANCE SHEET AS AT 31ST MARCH 2026

NOTE No. 2,3 & 4 PROPERTY , PLANT AND EQUIPMENT

No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.2025	Additions / Acquisitions through Business Combinations	Deletions / Disposals	As on 31.03.2026	Upto 01.04.2025	For the Period	With Drawn on Account of Disposal	Upto 31.03.2026	As on 31.03.2026	As on 31.03.2025
A	**TANGIBLE ASSETS**										
1	FREE HOLD LAND	2,169.89			2,169.89	-			-	2,169.89	2,169.89
2	BUILDING	2,225.31	183.84		2,409.15	530.28	68.28		598.56	1,810.59	1,695.03
3	PLANT & EQUIPMENTS	14,798.57	2,260.94	166.07	16,893.44	8,188.07	890.31	86.39	8,991.99	7,901.45	6,610.50
4	FURNITURE & FIXTURES	55.93	8.97	-	64.91	53.74	3.15		56.89	8.01	2.19
5	VEHICLES	320.16	211.19		531.35	177.62	38.03		215.64	315.71	142.54
6	OFFICE EQUIPMENTS	148.95	6.75		155.71	142.27	6.68		148.95	6.76	6.69
	TOTAL A	**19,718.82**	**2,671.70**	**166.07**	**22,224.45**	**9,091.97**	**1,006.45**	**86.39**	**10,012.04**	**12,212.42**	**10,626.85**
B	**INTANGIBLE ASSETS ****										
7	COMPUTER SOFTWARE	44.16	19.78	-	63.94	25.60	4.80		30.39	33.55	18.57
	TOTAL B	**44.16**	**19.78**	**-**	**63.94**	**25.60**	**4.80**	**-**	**30.39**	**33.55**	**18.57**
C	**CAPITAL WORK-IN-PROGRESS**										
8	BUILDING	-			-				-	-	-
	PLANT & EQUIPMENTS	1,819.37	197.17	1,819.37	197.17				-	197.17	1,819.37
	FURNITURE		41.41		41.41				-	41.41	-
	TOTAL C	**1,819.37**	**238.57**	**1,819.37**	**238.57**	**-**	**-**	**-**	**-**	**238.57**	**1,819.37**
D	**INTANGIBLE ASSETS UNDER CONSTRUCTION**	**-**			**-**				**-**	**-**	**-**
	COMPUTER SOFTWARE	-	-		-					-	-
	TOTAL D	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	CURRENT YEAR FIGURES (TOTAL (A+B+C+D))	**21,582.35**	**2,930.06**	**1,985.44**	**22,526.97**	**9,117.57**	**1,011.25**	**86.39**	**10,042.43**	**12,484.54**	**12,464.78**
	PREVIOUS YEAR FIGURES	18,966.19	6,190.93	3,574.76	21,582.35	8,354.95	773.84	11.22	9,117.57	12,464.78	10,611.23

Salona Cotspin Limited

Balance Sheet as at 31st March 2026

NOTE NO. 5 : NON - CURRENT INVESTMENTS

A. Classifications:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
a	Investments in Equity Instruments	0.59	0.49
		0.59	**0.49**

B. Break up details for Investments:

1) Details for Investments in Equity.

No.	Name of the Script	No of Shares / Units	Cost of Acquisition	Carrying amount As at 31st March 2026	Carrying amount As at 31st March 2025
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	0.45	0.34
	Trade - Unquoted				
2	1420 Equity Shares in Echanda Urja Private Limited	11,620	0.64	0.14	0.14
	Sub Total	**11,892**	**0.94**	**0.59**	**0.49**

2. Abstract of Investments in Equity

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
a	Aggregate amount of quoted investments	0.45	0.34
b	Aggregate amount of unquoted investments	0.14	0.14
	Net Carrying amount of Investments	**0.59**	**0.49**

NOTE NO. 6 : LONG - TERM LOANS AND ADVANCES

A. Classifications:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
	Unsecured and Considered good		
1	Other Loans and Advances	16.00	15.00
	Total	**16.00**	**15.00**

Other loans and advances

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1.	Rental Advance for Office Premises	16.00	15.00
	Total	**16.00**	**15.00**

NOTE NO. 7 : OTHER NON - CURRENT ASSETS

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Capital Advances	82.55	104.85
2	Security Deposits	266.43	203.31
		348.98	**308.16**

B. Disclosures:

1) Capital advances

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
i)	Unsecured, considered Good		
	Advances for acquisition of capital assets/ expenditure	82.55	104.85
	Total	**82.55**	**104.85**

2) Security Deposits:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
i)	Unsecured, considered Good Deposits with Statutory Authorities	266.43	203.31
	Total	**266.43**	**203.31**

Security deposits are placed with Electricity and other Statutory authorities.

NOTE NO. 8 : INVENTORIES

A. Classification

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
	Inventory on Hand		
a)	Raw Materials	2,230.66	4,092.39
b)	Work in Progress	803.12	739.44
c)	Finished Goods	2,738.39	1,684.21
d)	Stores & Spares	87.23	63.68
	Total	**5,859.41**	**6,579.72**

NOTE NO. 9 : TRADE RECEIVABLES

A. Classification

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
a)	Outstanding for a period exceeding six months		
	- Unsecured, considered good	-	-
	Sub Total	**-**	**-**
b)	Others		
	- Unsecured, considered good	7,970.61	11,720.25
	- Doubtful	-	-
		7,970.61	11,720.25
	Less: Provision for Bad and Doubtful Debts	-	-
	Sub Total	7,970.61	11,720.25
	Total	**7,970.61**	**11,720.25**

Trade Receivable ageing Schedule as at 31st March 2026

(Rs. in Lakh)

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) Undisputed Trade Receivables - Considered good	7,933.28	12.57	24.39	0.37	7,970.61
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)

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) 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	-	-	-	-	-

NOTE NO. 10 : CASH AND CASH EQUIVALENTS

A. Classification **(Rs. in Lakh)**

No.	Particulars	As at 31st March 2026	As at 31st March 2025
a)	Cash on hand	8.50	8.52
b)	Balances with banks:		
	- Balances in Current accounts	0.32	2.70
	- In earmarked accounts		
	Unpaid dividend accounts	13.15	11.86
c)	Other bank deposits		
	- Margin Money Deposits held under lien by Banks	203.87	188.28
	Total	**225.84**	**211.36**

NOTE NO. 11 : SHORT - TERM LOANS AND ADVANCES

A. Classifications:- **(Rs. in Lakh)**

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Other loans and advances		
	-Others	534.69	571.08
	Total	**534.69**	**571.08**

B. Other Disclosures:

(a) Unsecured and Considered good **(Rs. in Lakh)**

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Advance Towards in Direct Taxes (Net)	525.20	563.10
2	Advances to Staff and Other Operatives	8.59	7.08
3	Others	0.90	0.90
	Total	**534.69**	**571.08**

NOTE NO. 12 : OTHER CURRENT ASSETS

A. Classifications:-

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
a)	Other current assets	2,984.45	3,578.67
	Total	**2,984.45**	**3,578.67**

B. Disclosures:

Other Current Assets :-

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
	BREAKUP FOR OTHER CURRENT ASSETS		
	Export:		
	Duty Draw Back Receivable	45.06	106.07
	RODTEP Receivables	149.42	396.59
	IGST EXPORT SALES RECEIVABLE A/C	240.90	488.91
	Others:		
	Accrued Income	6.12	6.12
	Bank Commitment charges receivables	4.19	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
	Prepaid Expenses	38.26	50.82
	Trade Advances	949.39	822.85
	WEG Unit Banking Account	87.15	87.61
	WEG Income Receivable	39.84	58.11
	GST Input credit available	1,419.16	1,552.11
		2,984.45	**3,578.67**

NOTE NO. 13 : SHARE CAPITAL

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

Particulars	As at 31st March 2026	As at 31st March 2025
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	526.24	526.24
fully paid up	**526.24**	**526.24**
Forfeited Shares 88700 Nos-(Previous Year 88700 Nos)- Originally Paid-up	6.65	6.65
	532.89	**532.89**

ii) Reconciliation of number of equity shares: **(Rs. in Lakh)**

Particulars	No. of shares		As at 31st March 2026	As at 31st March 2025
	As at 31st March 2026 (Nos.)	As at 31st March 2025 (Nos.)		
At the commencement of the year	52,62,400	52,62,400	526.24	**526.24**
At the close of the year	**52,62,400**	**52,62,400**	**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.

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

No.	Name of the Person	As at 31st March 2026 (Nos.)		As at 31st March 2025 (Nos.)	
		% of holding	Number of shares	% of holding	Number of shares
1	Shyamlal Agarwala	8.16%	429393	8.16%	429393
2	Manoj Kumar Jhajharia	6.12%	322188	5.93%	312188
3	Pramod Kumar Jhajharia	6.06%	318966	5.97%	313966
4	Arun Kumar Jhajharia	6.47%	340671	6.28%	330671
5	Krishna Agarwal	8.66%	455901	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 2026			As at 31st March 2025		
	No.of Shares	% of Total Shares	% Change during the Year	No.of Shares	% of Total Shares	% Change during the Year
Krishna Agarwal	455901	8.66%	0.19%	445901	8.47%	0.00%
Shyamlal Agarwala	429393	8.16%	0.00%	429393	8.16%	0.00%
Arun Kumar Jhajharia	340671	6.47%	0.19%	330671	6.28%	0.00%
Pistadevi Jhajharia	325403	6.18%	0.00%	325403	6.18%	0.00%
Pramod Kumar Jhajharia	318966	6.06%	0.10%	313966	5.97%	0.00%
Manoj Kumar Jhajharia	322188	6.12%	0.19%	312188	5.93%	0.00%
Mahesh Agarwal	259800	4.94%	0.00%	259800	4.94%	0.00%
Sheli Agarwal	236622	4.50%	0.19%	226622	4.31%	0.00%
Sabita Agarwal	229291	4.36%	0.10%	224291	4.26%	0.00%

Promoter Name	As at 31st March 2026			As at 31st March 2025		
	No.of Shares	% of Total Shares	% Change during the Year	No.of Shares	% of Total Shares	% Change during the Year
Indu Agarwal	193000	3.67%	0.00%	193000	3.67%	0.00%
Raghav Agarwal	134726	2.56%	0.19%	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)	40200	0.76%	0.19%	30200	0.57%	0.00%
Mahesh Kumar Agarwal	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

(Rs. in Lakh)

No.	Particulars		As at 31st March 2026	As at 31st March 2025
	A RESERVES:			
1	General Reserve			
	Balance as Per Last Balance Sheet		15.00	15.00
	Transfer From Statement of Profit & Loss		-	-
	Closing Balance-Total of Reserves		**15.00**	**15.00**
	B SURPLUS:			
2	Statement of Profit and Loss after all allocations and appropriations:-			
	Opening Balance	(i)	7,709.82	7,428.90
	Add : Profit after tax for the year	(ii)	156.14	313.31
	Total	(iii = i+ii)	7,865.96	7,742.21
	Less: (a) Transfer to Reserve		-	-
	(b) Equity Dividend paid for the year 2024-25		52.62	52.62
			-	-
	Total	**(iv)**	**52.62**	**52.62**
	Total of Surplus	**(v = (iii) - (iv))**	**7,813.34**	**7,689.59**
	Other Comprehensive Income		**16.41**	**20.23**
	Total of Reserves & Surplus-Per Balance Sheet		**7,844.75**	**7,724.82**

NOTE NO. 15 : LONG TERM BORROWINGS

A. Classifications:-

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
	Secured:		
(a)	Term Loans - From Banks	5,055.23	6,385.12
(b)	Long term maturities of Finance Lease Obligation	200.21	85.11
	Unsecured:		
(c)	Other Loans and Advances	22.00	22.00
	Total Per Balance Sheet	**5,277.44**	**6,492.23**

B. Other Disclosures:

(a) (i) Term Loans from Banks

(Rs. in Lakh)

No.	Particulars	Limit sanctioned (Rupees in Lakhs)	Terms of repayment	Amount outstanding	
				As at 31st March 2026	As at 31st March 2025
	Secured :				
1	**Union Bank of India**				
	Term Loan (UGECL)	768.46	Repayable in 36 equated monthly principal installments after a moratorium period of 24 months	144.09	336.20
	Term Loan (WIND MILL)	1331.25	Repayable in 84 equated monthly principal installments after a moratorium period of 12 months	760.75	950.93
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	174.80	220.77
	TERM LOAN (SOLAR PLANT) Ground Mounting	1001.00	Repayable in 156 equated monthly principal installments after a moratorium period of 12 months	658.72	730.98
	Term Loan (GECL)	181.00	Repayable in 48 equated monthly principal installments after a moratorium period of 24 months	19.47	66.67
	TERM LOAN (SOLAR PLANT) Ground Mounting-2	790.00	Repayable in 108 equated monthly principal installments after a moratorium period of 12months	508.41	605.42
	TERM LOAN (SOLAR PLANT) Roof Top-2	588.00	Repayable in 108 equated monthly principal installments after a moratorium period of 12months	416.45	478.15
3	**HDFC Bank Limited**				
	Term Loan	572.80	Repayable in 60 equated monthly principal installments after a moratorium period of 9 months	15.39	124.57
	Term Loan	3600.00	Repayable in 84 equated monthly principal installments after a moratorium period of 12 months	2,357.14	2,871.43
	Total Per Balance Sheet			**5,055.23**	**6,385.02**

(a) (ii) Term Loans from Banks

Nature of Security and Details of Guarantee

a The above facilities are secured on first charge on the specific fixed assets acquired besides a charge on all other fixed assets

b All the above facilities pursuant to an agreement rank pari passu amongst the bankers and the company.

c The 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.

d The details of security listed above also covers for current maturities of long term debts for the above term loans.

e The Company has not defaulted in the payment of Principal and interest during the year.

f 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.

g 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 2026	As at 31st March 2025
	Secured		
1	Kotak Mahindra Prime Ltd	2.97	5.34
2	Kotak Mahindra Bank Ltd	-	5.22
3	HDFC Bank Ltd.,	163.68	37.88
4	Punjab National Bank Ltd	33.55	36.66
	Total Per Balance Sheet	**200.21**	**85.11**

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 2026	As at 31st March 2025
	Loans from Shareholders	-	-
	Unsecured		
1	Inter-corporate Loans	22.00	22.00
	Total Per Balance Sheet	**22.00**	**22.00**

(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

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Provision for Employee Benefits		
	Provision for Gratuity	153.34	142.09
	Total Per Balance Sheet	**153.34**	**142.09**

NOTE NO.17 : DEFERRED TAX LIABILITIES (NET)

(Rs. in Lakh)

No.	Particulars		As at 31st March 2026	As at 31st March 2025
A.	**Deferred Tax Liability**			
	Opening Balance		684.87	667.04
	Add : Additions during the year		546.31	155.70
			1,231.18	822.74
	Less: Reversed During the year		-	-
		(A)	**1,231.18**	**822.74**
B	**Deferred Tax Asset**		79.61	79.60
	Add : Additions during the year		300.90	0.01
			380.51	79.61
	Less: Reversed During the year		-	-
		(B)	**380.51**	**79.61**
	Deferred Tax Liability (Net)	A-B	**850.67**	**743.13**
	MAT Credit Entitlement		**137.87**	**137.87**
			712.80	**605.26**

NOTE NO. 18 : SHORT -TERM BORROWINGS

A. Classifications :

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
(a)	Loans repayable on demand		
	i) From Banks	12,306.94	16,015.12
(b)	Borrowings		
	i) Current maturities of Long Term Debt	1,327.48	1,327.48
	ii) Current Maturities of Finance Lease Obligations	52.82	26.13
	Total Per Balance Sheet	**13,687.25**	**17,368.72**

B. Other Disclosure

(i)) Loans Repayable on Demand from Bank

(Rs. in Lakh)

No.	Particulars	Limit Sanctioned	As at 31st March 2026	As at 31st March 2025
1	**Cash Credit From Banks:**			
	CSB Bank Ltd	200.00	167.15	162.07
	State Bank of India	3,000.00	164.27	28.62
	Union Bank of India	150.00	150.55	89.19
	HDFC Bank Ltd	5,000.00	1,471.15	4,530.33
	ICICI Bank Ltd	1,700.00	1,334.18	73.07
2	**Packing credit loans:**			
	CSB Bank Ltd	(sub-limit)	-	-
	State Bank of India	(sub-limit)	2,094.65	2,734.91
	Union Bank of India	1,150.00	1,093.83	178.99
	HDFC Bank Ltd	(sub-limit)	3,369.17	-
	ICICI Bank Ltd	(sub-limit)		1,509.93
3	**Foreign Bills Purchased by Banks:**	-		
	CSB Bank Ltd	300.00	67.03	541.37
	State Bank of India (Sub Limit)	(sub-limit)		-
	Union Bank of India (FDBP A/c)	1,500.00	725.56	-
	HDFC Bank Ltd	6,500.00	1,669.40	5,070.09
	ICICI Bank FDBP	1,500.00	-	1,096.53
	Total Per Balance Sheet	**21,000.00**	**12,306.94**	**16,015.12**

(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 The 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 2026	As at 31st March 2025
1	Micro Small & Medium Enterprises	7.36	-
2	Others	1,102.00	1,617.39
	Total Per Balance Sheet	**1,109.36**	**1,617.39**

Trade Payables ageing schedule: As at 31.03.2026

(Rs. in Lakh)

	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	7.36				7.36
II)	Others	842.36	6.25	13.06	247.69	1,109.36
iii)	Disputed dues - MSME	-	-	-	-	-
iv)	Disputed dues - Others	-	-	-	-	-

Trade Payables ageing schedule: As at 31.03.2025

(Rs. in Lakh)

	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	1,349.80	19.90	26.17	221.51	1,617.39
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)

	As at 31st March 2026	As at 31st March 2025
a) The Principal amount remaining unpaid to any supplier at the end of the year.	7.36	-
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 mamount 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 ech accounting year.	-	-
f) The amount of further interest due and payable even in the succeeding yers, 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 registeration of such vendors under the said Act, as per intimation received from them on request made by the company.

NOTE NO. 20 : OTHER FINANCIAL LIABILITIES

A. Classifications:- (Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
a	Interest accrued and due	44.46	31.60
b	Unpaid dividends	13.15	11.86
	Total Per Balance Sheet	**57.61**	**43.46**

NOTE NO. 21 : OTHER CURRENT LIABILITIES

A. Classifications:- (Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
c	Other Payables		
	Liability For Expenses	476.99	149.01
	Statutory Liabilities	199.68	339.14
	Advances From Customers	329.46	390.65
	Total Per Balance Sheet	**1,006.13**	**878.81**

NOTE NO. 22 : SHORT - TERM PROVISIONS

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	**Provision for Employee Benefits**		
	Provision For Bonus	40.80	29.57
	Provision For Gratuity	2.74	14.26
		43.54	**43.83**

NOTE NO. 23 : CURRENT TAX LIABILITIES - NET

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
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 2026

NOTE NO. 24 : REVENUE FROM OPERATIONS

A. Classifications:-

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Sale of Products	56,013.30	61,492.58
2	Other Operating Revenues	3,368.31	4,723.06
	Total Per Statement of P & L	59,381.62	66,215.64

B. Other Disclosures:

(i) Other operating revenues

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Export Incentives	2,038.15	2,792.42
2	Other Miscellaneous Income	17.79	14.72
3	Foreign Exchange Fluctuation	388.28	696.53
4	Export Freight & Insurance	584.63	841.44
5	WEG Unit thrid party sale	339.47	377.95
	Total Per Statement Of P & L	**3,368.31**	**4,723.06**

NOTE NO. 25 : OTHER INCOME

A. Classifications:-

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Interest Income	35.48	15.07
2	Dividend Income	0.01	0.01
3	Other Non- Operating Income (Net of Expenses directly attributable to such Income) (Refer note (iii) below)	20.76	0.41
	Total Per Statement of P & L	**56.26**	**15.49**

B. Other Disclosures:

(i) Interest Income

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
	From Current Investments		
1	Interest Receipts:		
	Banks Fixed Deposits	16.22	8.42
	Energy Security Deposit	19.27	6.48
2	From Others		
	Interest Receipts-Other parties	-	0.17
	Total Per Statement of P & L	**35.48**	**15.07**

(ii) Dividend Income

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
	From Others:		
	From Long Term Investments		
1	Equity Instruments	0.01	0.01
	Total Per Statement of P & L	**0.01**	**0.01**

(ii) Other Non Operating Income:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Profit on sale of Fixed Assets	12.48	0.41
2	Order Cancellation Charges	8.28	-
	Total Per Statement of P & L	**20.76**	**0.41**

NOTE NO. 26 : COST OF MATERIALS CONSUMED

A. Classifications:-

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Raw Materials	16,532.12	12,337.17
2	Other Consumables	84.45	48.60
	Total Per Statement of P & L	**16,616.57**	**12,385.78**

A. Disclosures:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	**Consumption of Raw Materials**		
	Cotton:		
	Opening Stock Of:		
	Raw Materials	3,910.57	3,525.00
	Work-in Progress	61.36	60.49
	Add: Purchases during the year	14,894.75	12,723.60
		18,866.67	16,309.09
	Less: Closing stock of :		
	Raw Materials	2,230.66	3,910.57
	Work-in Progress	103.89	61.36
	Consumption of raw materials	**16,532.12**	**12,337.17**
2	**Consumption of Other Consumables**		
	Packing Consumables:		
	Opening stock	5.88	10.73
	Add: Purchases during the year	85.41	43.76
		91.30	54.49
	Less: Closing stock	6.85	5.88
	Consumption of other materials	**84.45**	**48.60**

NOTE NO. 27 : PURCHASE OF STOCK-IN-TRADE

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Yarn	32,857.41	43,370.61
2	Fabric	812.56	931.75
		33,669.97	**44,302.36**

NOTE NO. 28 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
a	Inventories at the commencement of the year	2,230.99	2,241.84
b	Less: Inventories at the close of the year	3,437.62	2,230.99
	Total Per Statement of P & L	**(1,206.63)**	**10.85**

Disclosure on Changes in Inventories:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	**Opening Stock:**		
	Finished Goods - Yarn	1,262.97	1,006.71
	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
		2,230.99	**2,241.84**
2	**Less: Closing Stock:**		
	Finished Goods - Yarn	2,138.48	1,262.97
	Finished Goods - Fabrics	8.27	169.87
	Finished Goods - Garments	41.46	104.95
	Work in Process	699.24	524.31
	By-Product - Waste Cotton	550.19	168.89
		3,437.62	**2,230.99**
	Total Per Statement Of P & L	**(1,206.63)**	**10.85**

NOTE NO. 29 : EMPLOYEE BENEFIT EXPENSES

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Salaries & Wages	901.29	597.89
2	Contribution to Provident and Other Funds	56.16	43.38
3	Staff Welfare Expenses	859.28	557.55
4	Managerial Remuneration	187.23	237.56
	Total Per Statement Of P & L	**2,003.96**	**1,436.39**

Disclosure on Employee Benefit Expenses:

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
(i)	**Staff Welfare Expenses**		
	Medical Expenses /Insurance Premium & Other allowance	376.11	242.65
	Water Expenses	25.88	8.99
	Workmen & Staff Welfare Expenses	334.05	232.06
	Canteen Expenses	123.24	73.85
	Total Per Statement Of P & L	**859.28**	**557.55**

NOTE NO. 30 : FINANCE COSTS

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Interest Expenses (Refer note (i) below)	1,339.08	945.91
2	Other Borrowing Costs (Refer note (ii) below)	658.19	938.95
	Total Per Statement Of P & L	**1,997.27**	**1,884.86**

Disclosure on Finance Cost:

No.	Particulars	As at 31st March 2026	As at 31st March 2025
	Notes		
(i)	**Interest Expense:**		
	Interest on borrowings from Banks	1,317.45	933.41
	Interest on borrowings from Others	2.64	3.54
	Finance Charges on Finance Lease	18.98	8.96
	Total Per Statement Of P & L	1,339.08	945.91
(ii)	**Other Borrowing Costs**		
	Bill Discounts / premiums on borrowings	594.81	888.37
	Bank Charges	63.39	50.58
	Total Per Statement Of P & L	**658.19**	**938.95**

NOTE NO.31 : DEPRECIATION AND AMORTISATION EXPENSES

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Depreciation	1,006.45	772.16
2	Amortization Expense	4.80	1.68
	Total Per Statement Of P & L	**1,011.25**	**773.84**

NOTE NO. 32 : OTHER EXPENSES

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Manufacturing Expenses (Refer note (i) below)	1,550.13	1,391.91
2	Administrative Expenses (Refer note (ii) below)	640.92	511.24
3	Repairs and Maintenance (Refer note (iii) below)	306.68	293.10
4	Sales and Distribution Expenses (Refer note (iv) below)	2,297.86	2,587.70
5	Miscellaneous Expenses (Refer note (v) below)	70.92	99.58
	Total Per Statement Of P & L	**4,866.52**	**4,883.53**

Disclosure on Other expenses

(Rs. in Lakh)

	Notes		
(i)	**Manufacturing Expenses**		
a	Power and Fuel	1,140.04	757.17
b	Consumption of Stores and Spare Parts	213.52	234.51
c	Other Manufacturing Expenses	196.57	400.23
	Total Per Statement Of P & L	**1,550.13**	**1,391.91**
(ii)	**Administrative Expenses**		
a	Rent	28.48	21.83
b	Rates and taxes, excluding taxes on income	31.18	27.53
c	Payments to Auditors		
	a) for Audit	4.00	4.00
	b) for Taxation Matters	7.50	1.25
	c) for Other Services	1.77	4.00
	d) for Cost Audit	0.25	-
	e) for Internal Audit	0.99	1.26
d	Insurance	67.60	36.36
e	Sitting Fees To Other Non whole Time Directors	2.44	1.90
f	Travelling Expenses	199.45	242.26
g	Communication Expenses	15.24	16.80
h	Printing & Stationery	8.22	9.71
i	Donation	10.10	5.47
j	General Expenses	23.70	24.67
k	Professional & Legal Fees	165.33	60.19
l	Security Service Charges	74.66	53.77
m	Subscription		
	Trade Associations	-	0.24
	Total	**640.92**	**511.24**
(iii)	**Repairs and Maintenance**		
a	Buildings	58.40	80.08
b	Machinery	80.84	69.77
c	Wind Mills	73.34	69.38
d	Vehicles	69.51	61.06
e	Others	24.60	12.81
	Total Per Statement Of P & L	**306.68**	**293.10**

Disclosure on Other expenses

(Rs. in Lakh)

(iv)	**Sales and Distribution Expenses**		
a	Consumption of Other Packing Materials		
	Opening Stock	14.69	8.57
	Add: Purchases during the year	136.93	106.49
		151.61	115.07
	Less: Closing Stock	18.83	14.69
	Consumption of Other Packing Materials	132.79	100.38
b	Advertisement Charges	4.57	3.84
c	Commission Payments on sales / services	106.62	106.76
d	Commission Payments on Export Sales	741.05	656.38
e	Discounts Allowed	7.67	17.28
f	Other Sales Expenses	213.83	126.67
g	Export Sales Expenses	1,091.34	1,576.38
	Total Per Statement Of P & L	**2,297.86**	**2,587.70**
(v)	**Miscellaneous Expenses**	-	-
	Provision for Doubtful / Debts Advances	-	-
	Others	70.92	99.58
	Total Per Statement Of P & L	**70.92**	**99.58**

NOTE NO. 33 : (1) CURRENT TAX

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Current tax	80.78	92.33
		-	-
	Total Per Statement Of P & L	**80.78**	**92.33**

OTHER NOTES

I. ADDITIONAL INFORMATION TO BALANCE SHEET

A. Contingent Liabilities: **(Rs. in Lakh)**

No.	Particulars	As at 31st March 2026	As at 31st March 2025
a)	Claims against the Company not acknowledged as Debt	195.70	-
b)	Guarantees given to customs department against import of Capital goods	-	-
c)	Other money for which the Company is contingently liable	-	-

B. Commitments:

No.	Particulars	As at 31st March 2026	As at 31st March 2025
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:

No.	Particulars	As at 31st March 2026	As at 31st March 2025
a)	**On Equity Shares:**		
	Total Amount of Proposed Dividend	31.57	52.62
	Number of Shares	52.62	52.62
	Amount of Dividend per Share	0.60	1.00

D. Dues to Micro, Small & Medium Enterprises:

No.	Particulars	As at 31st March 2026	As at 31st March 2025
	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 2020 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		
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	7.36	-
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 2026	As at 31st March 2025
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.	388.28	696.53
3	**Payments to Auditors**		
	Statutory Auditor's Remuneration		
	(a) For Audit	4.00	4.00
	(b) For Taxation matters,		
	Direct Tax	7.50	1.25
	Indirect Tax	-	-
	(c) For company law matters,	-	-
	(d) For other services,	1.77	4.00
	(e) For Representation Services	-	-
	(f) For Service tax on Professional charges	-	-
		13.27	**9.25**
	Cost Auditor's Remuneration		
	(a) For Audit	0.25	-
	(b) For reimbursement of service tax;	-	-
		0.25	-
	Total Payments to auditor	**13.52**	**9.25**
4	Amounts Spent Towards Corporate Social Responsibility	23.44	39.36
5	**Turnover**		
i)	Indigenous		
	Cotton Yarn	11,471.75	7,476.96
	Knitted Fabrics	783.33	767.52
	Garments	28.97	20.70
	Cotton	2,157.26	810.41
ii)	Export		
	Cotton Yarn	9,767.21	5,206.87
	Knitted Fabrics	1,183.28	4,395.41
iii)	By Products-Waste		
	Indigenous	843.81	1,616.08
	Export	-	-
iv)	Traded Goods		
	Cotton Yarn Export	29,065.76	40,286.79
	Fabrics Export	711.94	911.84
	Total	**56,013.30**	**61,492.58**

(Rs. in Lakh)

No.	Particulars		As at 31st March 2026	As at 31st March 2025
6	**Closing Inventory**			
	Finished Goods			
	Cotton Yarn		2138.48	1262.97
	Hosiery Knitted Cloth		8.27	169.87
	By Product		550.19	168.89
	Garments		41.46	104.95
	Work in Process		699.24	524.31
	Total		**3437.62**	**2230.99**
7	**Opening 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**	**2241.83**

Note: A company falling in more than one category will make the above disclosures, to the extent relevant.

No.	Particulars		As at 31st March 2026	As at 31st March 2025
8	**Break Up for Consumption**			
a)	Raw Materials			
	Indigenous	Rs.	10,986.91	12,337.15
		%	74%	83%
	Imported	Rs.	3,907.83	2,460.00
		%	26%	17%
	Total		**14,894.75**	**14,797.15**
b)	Stores and Spares			
	Indigenous	Rs.	221.59	182.64
		%	96%	78%
	Imported	Rs.	9.95	51.87
		%	4%	22%
	Total		**231.54**	**234.51**
9	Value of imports calculated on C.I.F basis by the company during the Financial Year in respect of			
	I. Raw materials;		3,907.83	2,911.84
	II. Components and spare parts;		9.95	51.87
	III. Capital goods;		-	-

(Rs. in Lakh)

No.	Particulars		As at 31st March 2026	As at 31st March 2025
10	**Expenditure in foreign currency:**			
	Purchase of Raw Materials		3,907.83	2,911.84
	Purchase of Fabrics & Yarn			-
	Purchase of spares		9.95	51.87
	Purchase of Capital Goods			-
	Interest & Bank charges		143.33	36.65
	Commission on exports		637.60	531.53
	Expenses		17.89	90.60
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;		40,728.19	50,800.91
	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		2,031.58	1,415.54
	Fuel Consumed		4.34	5.07
	Total		**2,035.92**	**1,420.61**
	Less: Wind & Solar Energy generated & Captively Consumed		895.88	663.43
	Net debit to P&L		**1,140.04**	**757.18**

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
14	**CORPORATE SOCIAL RESPONSIBILITY (CSR)**		
	(a) Amount required to be spent by the Company during the Year	22.80	37.51
	(b) Amount of expenditure is incurred	23.44	39.36
	(c) Shortfall at the end of the Year	-	-
	(d) Total Previous Years shortfall	-	-
	(e) Reason for shortfall	-	-
	(f) Nature of CSR		
	Promoting education of Poor children, Promoting Health care animal welfare, Construction of Govt. School & rural Works		
	(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 2026	As at 31st March 2025
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	12.27	9.49
	Contribution to Employees Pension Fund	25.72	20.41
	Contribution to Deposit Linked Insurance Fund	1.58	1.24
	Contribution to Employees State Insurance Fund	14.78	10.83
	Contribution to Tamil Nadu Labour Welfare Fund	0.23	0.16
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		

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
	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	67.51	79.26
	Add: Provision for the year	20.91	18.41
		88.42	97.67
	Less: Payments during the year	2.59	2.04
	Less: Actuarial (Gain) recognised for the period	22.64	28.12
	Closing balance	63.19	67.51

2. DISCLOSURES PURSUANT TO IND AS 23: BORROWING COSTS

No.	Particulars	As at 31st March 2026	As at 31st March 2025
	Borrowing costs capitalised during the year	16.24	389.75

3. DISCLOSURES PURSUANT TO IND AS 108 : OPERATING SEGMENTS REPORTING

No.	Particulars	As at 31st March 2026	As at 31st March 2025
	The company operates only on one segment which is the company's primary segment i.e.	Cotton Textiles	Cotton Textiles

4. DISCLOSURES PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURES

1 In terms of the Accounting Standard 18 requiring disclosure of related parties, the following persons have been identified as Related Parties:

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
Salona Spinntex Private Limited

2 Transactions with related parties: Nature of transactions

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
a)	Key Management Personnel:		
i)	Rent payments to Related Parties - Administrative office		
	(Relative of Managing Director)	12.00	11.16
ii)	Remuneration to Managing Director	78.30	103.83
iii)	Remuneration to Joint Managing Director	48.93	73.73
iv)	Remuneration to Director	60.00	60.00
v)	Sitting fees to other Directors	2.44	1.90
vi)	Travelling reimbursement to Other Directors	0.80	0.80
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	48.00
	Perquisites	23.20	48.00
	Gratuity Provision	2.31	2.31
	Commission to Managing Director	4.79	5.53
		78.30	**103.84**
	JOINT MANAGING DIRECTOR		
	Salary	36.00	36.00
	Perquisites	11.20	36.00
	Gratuity Provision	1.73	1.73
		48.93	**73.73**
	DIRECTORS		
	Salary	60.00	60.00
		60.00	**60.00**
b)	Enterprises that have a member of key management personnel in common with the company:		
	Sale of Goods		
	Shristi Cotspinn Private Limited	3,040.27	1,132.66
	Purchase of Goods		
	Shristi Cotspinn Private Limited	1,935.50	2,077.62
	Salona Spinntex Private Limited	2.57	-

5. DISCLOSURES PURSUANT TO IND AS 33: EARNINGS PER SHARE

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
	Net Profit after tax Before other Comprehensive Income (A)	156.14	313.31
	Number of equity shares (B)	52.624	52.624
	Basic EPS (A/B)	**2.97**	**5.95**
	Number of equity shares (B1)	52.624	52.624
	Diluted EPS (A/B1)	**2.97**	**5.95**

6. DISCLOSURES PURSUANT TO IND AS 12: INCOME TAXES

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
	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 2026 and earlier credited / debited to profit & loss account and Net Deferred Tax Liability as on 31st March, 2026 are computed as below:		
	Deferred Tax Liability:		
	On Depreciation	246.57	157.61
	On Deferred Revenue expenditure	-	-
		246.57	**157.61**
	Deferred Tax Asset:		
	1. Fiscal Provisions		
	A. Provision For Bonus	0.01	-
	B. Provision For Tax on Electricity Self Generation	-	7.99
	C. Commission to Managing Director	1.33	-
	2. Disallowed U/s.40A(7)	6.15	5.68
	3 Disallowance of Perquisites	-	-
	4. Provision For Doubtful Debts	-	0.01
	5. Unabsorbed Loss C/F	-	-
	6. MAT Credit Carried forward for Set off	-	-
		7.49	**13.68**
	Net Deferred Tax Liability	239.08	143.93
	Deferred Tax Liability at the beginning	605.26	667.04
	Net Deferred Tax Liability debited to Statement of Profit and Loss	-	-
	Net Deferred Tax Liability credited to Statement of Profit and Loss	844.34	523.11

7. OTHER DISCLOSURES

(Rs. in Lakh)

No.	Particulars	As at 31st March 2026	As at 31st March 2025
a	The company has contributed to trade related research institutions by way of annual subscriptions	-	0.24
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 IEPF	1.2	1.52
c	Previous year figures have been reworked grouped 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 REQUIEMENTS :

Sl No.	Ratio	Numerator	Denominator	For the Year ended 31-03-2026	For the Year ended 31-03-2025	% of variance	Reasons
1	Current Ratio (Times)	Current Assets	Current Liabilities	1.12	1.15	-0.09	NA
2	Debt Equity Ratio	Total Debt	Shareholder's Equity	2.26	2.89	-0.33	Decreased in Profit
3	Debt Service Coverage Ratio	Net Profit after tax + non Cash operating expenses/Income	Debt service	1.02	1.85	-0.66	Decreased in Profit
4	Return on Equity %	Net Profits after Tax	Average Shareholder's equity	29.30%	3.86%	-4.10%	Decreased in Profit
5	Inventory Turnover ratio (Times)	Sales	Average Inventories	9.01	9.83	-1.82	Due to Decrease in Turn over
6	Trade Receivable Turnover Ratio (Times)	Revenue from Operations	Average Trade Receivables	5.69	4.71	-0.35	NA
7	Trade Payable Turnover Ratio (Times)	Net Credit Purchases	Average Trade Payables	39.61	36.99	4.24	Due to Decrease in Turn over
8	Net Capital Turnover Ratio (Times)	Revenue from Operations	Average Working Capital	29.47	20.66	5.55	Due to Decrease in Turn over
9	Net Profit %	Net Profit after Tax	Revenue from Operations	0.71	0.51%	0.00	Due to Decrease in Profit
10	Return on Capital Employed %	Earnings before Interest and Tax	Capital Employed	8.83	7.59%	0.64%	Due to Decrease in Profit
11	Interest Coverage Ratio	Earnings before Interest and Tax	Interest Expenses	1.24	1.29	-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)

Shyam Lal Agarwala
Managing Director
DIN: 00003055

Manoj Kumar Jhajharia
Joint Managing Director
DIN: 00003076

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

Rajkumari R
Company Secretary

M.S. Selvaraj
Chief Financial Officer

Date : May 29, 2026
Place : Coimbatore