



Salona  
Cotspin  
LIMITED

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## **BOARD OF DIRECTORS :**

**Sri Shyamlal Agarwala**  
Managing Director

**Sri Manoj Kumar Jhajharia**  
Joint Managing Director

**Sri Arun Kumar Jhajharia**  
Director

**Sri Dhiresh Jayasi**  
Director

**Smt. Meenakumari. S**  
Director

**Sri Hari Desikan Ganesh**  
Director

**Sri Raghav Agarwal**  
Director

**Sri Prabhu Damodaran**  
Director

## **AUDITORS**

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

## **BANKERS**

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

## **REGISTERED OFFICE**

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

## **ADMINISTRATIVE OFFICE**

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

## **REGISTRAR & SHARE TRANSFER AGENTS**

S.K.D.C. Consultants Limited  
(a Subsidiary of Link Intime India Pvt Ltd)  
"Surya" 35, Mayflower Avenue,  
Behind Senthil Nagar, Sowripalayam Road,  
Coimbatore - 641 028.  
Ph : +91 422 4958995, 2539835/836.

## **WIND MILLS**

Panakudi Village, Radhapuram Taluk  
Sinjuvadi Village, Pollachi Taluk  
Vadambhacherri Village, Palladam Taluk  
Kozhumankondan Village, Palani Taluk

## **SOLAR POWER PLANTS**

Roof Top : Mill Premises -  
SF No.74/12 & 75/3, Sathy Main Road,  
Pungampalli Village, Valipalayam Post, Sathy  
Taluk, Erode District.

Ground Mounting -  
SF No. 31/2, 32/1 & 2 Thaligai Village,  
Namakkal District, Tamil Nadu.



Regd. Office : S.F. No. 74/12 & 75/3, Sathy Road, Pungampalli Village, Sathyamangalam - 638 402

CIN : L17111TZ1994PLC004797 Phone : 0422 - 2454415, 2454416, 2454417

E-mail : info@salonagroup.com

Web : www.salonacotspin.com

## NOTICE OF 29<sup>th</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Twenty Ninth Annual General Meeting of the Members of the Company will be held on **Monday the 25<sup>th</sup> Day of September 2023 at 10.00 AM IST** through Video Conferencing ("VC") / Other Audio-Visual Means ("**OAVM**") to Transact the Below Business:

### **ORDINARYBUSINESS:**

1. To receive, Consider and adopt the Audited Financial Statements of the Company for the Financial Year Ended 31<sup>st</sup> March 2023, together with the Report of the Board of Directors and the Auditors thereon.
2. To Declare a Dividend on Equity Shares for the Financial Year Ended 31<sup>st</sup> March 2023.
3. To Appoint a director in the place of Shree Arunkumar Jhajharia (DIN:00003086) who Retires by Rotation and being eligible, offers himself for Re-Appointment.

### **SPECIALBUSINESS:**

4. **Appointment of Shree Raghav Agarwal as a Director of the Company**

***To Consider and if thought Fit, to pass with or without Modification(s), the Below Resolution as Special Resolution:***

**"RESOLVED THAT** pursuant to Section 149, Section 152, Section 160(1), Section 161(1), Section 197 and Section 198 and Part II of Schedule V of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Other Applicable provisions, if any (including any statutory amendments, modifications or re-enactments thereof, from Time-to-Time), Article 74 and Article 75 of the Articles of Association of the Company, the Recommendation of the Nomination and Remuneration Committee, and the Approval of the Board of Directors of the Company, Shree Raghav Agarwal (DIN: 06981525), being Appointed as an Additional Director of the Company by the Board of Directors, with effect from 14<sup>th</sup> November, 2022 holding Office up to the Date of this Annual General Meeting of the Company, being eligible for Appointment and Consent to act as a Director of the Company, and in respect of whom, Notice received from a Member under of the Act Proposing his Candidature for the Office of Director of the Company, be and hereby Appointed as a

Director (Non-Executive, Non-Independent) of the Company at a Minimum Remuneration of Rs. 2,50,000/- (Rupees Two Lakhs and Fifty Thousand only) Per Month with effect from 1<sup>st</sup> August 2023, liable to Retire by Rotation.”

**Minimum Remuneration: -**

Subject to the Limits prescribed under Section II of Part II of Schedule V to the Companies Act 2013, the above salary shall be paid as Minimum Remuneration in the Event of Loss or Inadequacy of Profits in any Financial Year, during the Tenure of Office of Shree Raghav Agarwal.

**5. Appointment of Shree Prabhu as a Director of the Company**

***To Consider and if thought Fit, to pass with or without Modification(s), the Below Resolution as an Ordinary Resolution:***

“**RESOLVED THAT** pursuant to Section 149, Section 152, Section 160(1), Section 161(1), Schedule IV of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Other Applicable provisions, if any (including any statutory amendments, modifications or re-enactments thereof, from Time-to-Time), Article 74 and Article 75 of the Articles of Association of the Company, the Recommendation of the Nomination and Remuneration Committee, and the Approval of the Board of Directors of the Company, Shree Prabhu (DIN: 05342906), being Appointed as an Additional Director of the Company by the Board of Directors, with effect from 14<sup>th</sup> November, 2022 holding Office up to the Date of this Annual General Meeting of the Company, being eligible for Appointment and Consent to act as a Director of the Company, and in respect of whom, Notice received from a Member under of the Act Proposing his Candidature for the Office of Director of the Company, be and hereby Appointed as a Director (Non-Executive, Independent) of the Company, for a Term of Five Years.”

**6. Approval of the Material Related Party Transactions**

***To Consider and if thought Fit, to pass with or without Modification(s), the Below Resolution as Special Resolution:***

“**RESOLVED THAT** pursuant to Section 2(76), Section 188 and Section 189 of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Other Applicable provisions, if any (including any statutory amendments, Modifications or re-enactments thereof, from Time-to-Time), the Company’s Policy on Related Party Transaction(s), the Recommendation of the Audit Committee, the Board of Directors of the Company be and hereby authorized to enter into Contract(s)/ Arrangement(s) / Transaction(s) with the Below Related Parties for Purchase and Sale of Cotton, Yarn, Fabrics and Garments, on such Terms and Conditions as the Board of Directors may deem Fit:

- (a) Shristi Cotspinn Private Limited, Coimbatore
- (b) Salona Spinnex Private Limited, Coimbatore
- (c) Sri Sadhyaa Exports Private Limited, Coimbatore”

**RESOLVED FURTHER THAT** the Aggregate Value of the Transactions to be entered into not exceed Rs. 200.00Crores (Two hundred Crores only) provided that the said Contract(s) / Arrangement(s) / Transaction(s) so carried Out be only at Arm’s length Basis and in the Ordinary Course of Business of the Company.”

**RESOLVED FURTHER THAT** the Board of Directors be and hereby authorized to delegate all or any of the Powers conferred on it by or under this Resolution to the Audit Committee of the Company to do all such acts, deeds and things and take such steps as may be Considered necessary or expedient to give effect to the aforesaid Resolution.”

#### 7. Increase in the Managerial Remuneration of Managing Director

***To Consider and if thought Fit, to pass with or without Modification(s), the Below Resolution as Special Resolution:***

“**RESOLVED THAT** pursuant to Section 196, Section 197, Section 198, Section 203, and Section II of Part II of Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Other Applicable provisions, if any (including any statutory amendments, Modifications or re-enactments thereof, from Time-to-Time), Article 104, Article 105, Article 106, Article 107 and Article 108 of the Articles of Association of the Company, the Recommendation of the Nomination and Remuneration Committee, Approval of the Board of Directors of the Company, and in furtherance to the Special Resolution passed in the 27<sup>th</sup> Annual General Meeting held on 16<sup>th</sup> September, 2021, Minimum Managerial Remuneration of Shree Shyamlal Agarwala (DIN 00003055), Appointed as a Managing Director of the Company from 1<sup>st</sup>July 2021 to 30<sup>th</sup>June 2026, in Consideration of his Services as Managing Director, during the aforesaid Tenure of Office, be and hereby increased as mentioned Below, with effect from 1<sup>st</sup> August 2023.

1. Salary: Rs 4,00,000 (Rupees Four Lakhs Only) Per Month to be Paid subject to Deduction of Tax at Source.
2. Perquisites: -
  - i) Gratuity at the Rate of One-Half Month Salary for Each Year of Completed Service, Payable at the Expiry of Contracted Period of Service or Extended Period of Service
  - ii) Reimbursement for Amount Incurred including Payment of Medclaim Premium, subject to a Limit of One Month Salary Per Year or Three Months’ Salary in a Block of Three Years.
  - iii) LeaveTravel Concession for Travel on Annual Leave, for Self and Family (including Dependent Children).

- iv) Provision of Car Owned and / or Maintained by the Company, both for Official and Personal use.
- v) Reimbursement of Medical Expenses for Treatment as Inpatient, for Self and Dependent Family Members.
- vi) Special Allowance in Cash, for an Amount representing the Difference between Annual Salary and the Aggregate Value of Perquisites availed as persub–Clause No. (i) to (v), which will be Paid subject to Deduction of Tax at Source.

**Minimum Remuneration: -**

Subject to the Limits prescribed under Section II of Part II of Schedule V to the Companies Act 2013, the above Salary and Perquisites shall be paid as Minimum Remuneration in the Event of Loss or Inadequacy of Profits in any Financial Year, during the Tenure of Office of Shree Shyamlal Agarwala.

**8. Increase in Managerial Remuneration of Joint Managing Director**

***To Consider and if thought Fit, to pass with or without Modification(s), the Below Resolution as Special Resolution:***

“**RESOLVED THAT** pursuant to Section 196, Section 197, Section 198, Section 203, and Section II of Part II of Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Other Applicable provisions, if any (including any statutory amendments, Modifications or re-enactments thereof, from Time-to-Time), Article 104, Article 105, Article 106, Article 107 and Article 108 of the Articles of Association of the Company, the Recommendation of the Nomination and Remuneration Committee, Approval of the Board of Directors of the Company and in furtherance to the Special Resolution passed in the 27<sup>th</sup> Annual General Meeting held on 16<sup>th</sup> September, 2021, Minimum Managerial Remuneration of Shree Manoj Kumar Jhajharia (DIN 00003076), Appointed as a Joint Managing Director of the Company from 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2026, in Consideration of his Services as Joint Managing Director, during the aforesaid Tenure of Office, be and hereby increased as mentioned Below, with effect from 1<sup>st</sup> August 2023.

1. Salary: Rs 3,00,000 (Rupees Three Lakhs Only) Per Month to be Paid subject to Deduction of Tax at Source.
2. Perquisites: -
  - i) Gratuity at the Rate of One-Half Month Salary for Each Year of Completed Service, Payable at the Expiry of Contracted Period of Service or Extended Period of Service.
  - ii) Medical Benefit – Reimbursement for Amount Incurred including Payment of Medclaim Premium, subject to a Limit of One Month Salary Per Year or Three Months’ Salary in a block of Three Years.
  - iii) Leave Travel Concession for Travel on Annual Leave, for Self and Family (including Dependent Children).
  - iv) Provision of Car Owned and/or Maintained by the Company, both for Official and Personal use.

- v) Reimbursement of Medical Expenses for Treatment as Inpatient, for Self and Dependent Family Members.
- vi) Special Allowance in Cash, for an Amount representing the Difference between Annual Salary and the Aggregate Value of Perquisites availed as Persub-Clause No. (i) to (v), which will be Paid subject to Deduction of Tax at Source.

**Minimum Remuneration: -**

Subject to the Limits prescribed under Section II of Part II of Schedule V to the Companies Act 2013, the above Salary and Perquisites shall be paid as Minimum Remuneration in the Event of Loss or Inadequacy of Profits in any Financial Year, during the Tenure of Office of Shree Manoj Kumar Jhajharia.

**9. Increase in Managerial Remuneration of Executive Director**

***To Consider and if thought Fit, to pass with or without Modification(s), the Below Resolution as Special Resolution:***

**“RESOLVED THAT** pursuant to Section 196, Section 197, Section 198, and Section II of Part II of Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Other Applicable provisions, if any (including any statutory amendments, Modifications or re-enactments thereof, from Time-to-Time), Article 104, Article 105, Article 106, Article 107 and Article 108 of the Articles of Association of the Company, Recommendation of the Nomination and Remuneration Committee, and the Approval of the Board of Directors of the Company, Minimum Managerial Remuneration of Shree Arunkumar Jhajharia (DIN 00003086), Executive Director of the Company from, in Consideration of his Services as an Executive Director, during the aforesaid Tenure of Office, be and hereby increased to Rs. 2,50,000/- (Rupees Two Lakhs and Fifty Thousand only) Per Month, with effect from 1<sup>st</sup> August 2023.

**Minimum Remuneration: -**

Subject to the Limits prescribed under Section II of Part II of Schedule V to the Companies Act 2013, the above salary shall be paid as Minimum Remuneration in the Event of Loss or Inadequacy of Profits in any Financial Year, during the Tenure of Office of Shree Arunkumar Jhajharia.

**10. Approval of Remuneration Paid to Non-Executive Director**

***To Consider and if thought Fit, to pass with or without Modification(s), the Below Resolution as Special Resolution:***

**“RESOLVED THAT** pursuant to Section 196, Section 197, Section 198, and Section II of Part II of Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Other Applicable provisions, if any (including any statutory amendments, Modifications or re-enactments thereof, from Time-to-Time), Article 104, Article 105, Article

106, Article 107 and Article 108 of the Articles of Association of the Company, Recommendation of the Nomination and Remuneration Committee, and the Approval of the Board of Directors of the Company, Remuneration of Rs. 200,000 Paid to Shree Raghav Agarwal (DIN 06981525), Non-Executive Director of the Company, in Consideration of his Services as a Non-Executive Director, from 1<sup>st</sup> April 2023 to 31<sup>st</sup> July 2023 be and hereby ratified and confirmed.”

**Minimum Remuneration: -**

Subject to the Limits prescribed under Section II of Part II of Schedule V to the Companies Act 2013, the above salary shall be paid as Minimum Remuneration in the Event of Loss or Inadequacy of Profits in any Financial Year, during the Tenure of Office of ShreeRaghav Agarwal.”

**11. Approval of Remuneration Payable to Cost Auditor**

***To Consider and if thought Fit, to pass with or without Modification(s), the Below Resolution as an Ordinary Resolution:***

“**RESOLVED THAT** pursuant to Section 148 of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules 2014, and Other Applicable provisions, if any (including any statutory amendments, Modifications or re-enactments thereof, from Time-to-Time), Recommendation of the Audit Committee, Appointment made by the Board of Directors of the Company, of Shree B. Venkateswar, Practicing Cost Accountant, Coimbatore, as the Cost Auditor of the Company, for conducting the Audit of the Cost Records for the Financial Year Ended 31<sup>st</sup> March, 2024at a Remuneration of Rs. 25,000/- (exclusive of Goods and Services Tax and Reimbursement of Out-of-Pocket Expenses Incurred in Connection with the said Audit), be and is hereby ratified and confirmed.

**By order of the Board**

**Company Secretary and Compliance Officer**

**Membership No: A61207**

Place : Coimbatore

Date : 11.08.2023



**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out Details relating to Special Business of the Meeting, is annexed hereto as Annexure - I.
2. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 Dated April 8, 2020 and 17/2020 Dated April 13, 2020, in Relation to "Clarification on passing of Ordinary and Special Resolutions by Companies under the Companies Act, 2013 and the Rules made there under on account of the threat posed by Covid -19", General Circular Nos. 20/2020 Dated May 5, 2020, and subsequent Circulars issued in this regard, the latest being 10/2022 Dated December 28, 2022 in Relation to "Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") Permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the Physical Presence of the Members at a common Venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC /OAVM. Hence, the Appointment of Proxies by the Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form, route map and Attendance Slip have not been sent through this Notice. The Registered Office of the Company shall be deemed to be the Venue for the AGM.
3. The Register of the Members and Share Transfer Books of the Company shall remain closed from 19<sup>th</sup> September 2023 to 25<sup>th</sup> September 2023 (Both Days Inclusive) in Connection with the Annual General Meeting and for the Purpose of Payment of Dividend, if Approved by the Members.
4. The Dividend as Recommended by the Board, if Declared at the Meeting will be Paid to the Members subject to Applicable TDS within stipulated Time as Per the Act.
  - a) 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 Monday, 18<sup>th</sup> September 2023 and
  - b) Whose Names appear as Beneficial Owners in the List of Beneficial Owners on 18<sup>th</sup> September 2023 to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this Purpose.
5. Sri. B. Krishnamoorthy F.C.A., Practicing Chartered Accountant (Membership No.20439) has been appointed as the Scrutinizer to scrutinize the E-Voting Process in a Fair and Transparent Manner.

**CDSL e-Voting System – Fore-voting and Joining Virtual Meetings**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the General Meetings of the Companies shall be conducted as Per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 Dated April 8, 2020, Circular No.17/2020 Dated April 13, 2020, and Circular No. 20/2020 Dated May 05, 2020. The forth coming AGM/EGM will thus be held through video conferencing (VC) or Other audio-visual means (OAVM). Hence, Members can attend and Participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars Dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the Business to be Transacted at the AGM/EGM. For this Purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating

voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the Date of the EGM/AGM will be provided by CDSL.

3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled Time of the commencement of the Meeting by Below the procedure mentioned in the Notice. The facility of Participation at the EGM/AGM through VC/OAVM will be made available to at least 1000 Members on first come first served Basis. This will not include large Members (Members 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 EGM/AGM without restriction on account of first come first served Basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the Purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 Dated April 08, 2020, the facility to Appoint Proxy to attend and cast vote for the Members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the Members such as the President of India or the Governor of a State or body Corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 Dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.salonacotspin.com](http://www.salonacotspin.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited, and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e., [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM/EGM has been convened through VC/OAVM in compliance with Applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 Dated April 8, 2020, and MCA Circular No. 17/2020 Dated April 13, 2020, and MCA Circular No. 20/2020 Dated May 05, 2020.

**INTRUCTIONS OF MEMBERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

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

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

- (i) The voting Period begins on Friday, 22<sup>nd</sup> September 2023 at 09:00 A.M and ends on Sunday, 24<sup>th</sup> September 2023 at 05:00 P.M. During this Period Members of the Company, holding Shares either in Physical Form or in Dematerialized Form, as on the cut-off Date (RecordDate), i.e., 18<sup>th</sup> September 2023 may cast their vote Electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members 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 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listed Entities are required to provide remote e-voting facility to its members, in respect of all Members' Resolutions. However, it has been observed that the Participation by the public non-institutional Members/retail Members 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 Members.

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.

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

- (iv) In Terms of **SEBI Circularno. SEBI/HO/CFD/CMD/CIR/P/2020/242 Dated December 9, 2020**, on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account Maintained with Depositories and Depository Participants. Members are advised to Update their mobile number and email Id in their demat accounts to access e-Voting facility.

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

Type Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>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 <a href="http://www.Cdslindia.com">www.Cdslindia.com</a> and click on login icon and New System Myeasi Tab.</li> <li>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 Meetingand 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.</li> <li>3) If the user is not Registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.Cdslindia.com">www.Cdslindia.com</a> and click on login and New System Myeasi Tab and then click on registration option.</li> </ol>

Type Shareholders	Login Method
	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on Registered Mobile and Email as Recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in Demat mode with <b>NSDL Depository</b></p>	<p>1) If you are already Registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the Below URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 CompanyName or e-Voting Service provider Name and you will be re-directed to e-Voting Service provider website for casting your vote during the remote e-Voting Period or joining virtual Meeting and voting during the Meeting.</p> <p>2) If the user is not Registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the Below URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Member/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on CompanyName or e-Voting Service provider Name and you will be redirected to e-Voting Service provider website for casting your vote during the remote e-Voting Period or joining virtual Meeting and voting during the Meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant Registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company Name or e-Voting Service provider Name and you will be redirected to e-Voting Service provider website for casting your vote during the remote e-Voting Period or joining virtual Meeting and voting during the Meeting</p>

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

**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 <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “members” module.
- 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](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical members and other than individual members holding shares in Demat.</b>
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat members as well as physical members) * Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details <b>OR</b> 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 to login. * If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (i) After entering these Details appropriately, click on “SUBMIT” tab.
- (ii) Members holding Shares in Physical Form will then directly reach the Company selection screen. However, Members holding Shares in dematForm will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly Note that this password is to be also used by the demat holders for voting for Resolutions of any Other Company on which they are eligible to vote, if the Company opts for e-voting through CDSLplatform. It is strongly Recommended not to Share your password with any OtherPerson and take utmost care to keep your password confidential.
- (iii) For Members holding Shares in Physical Form, the Details can be used only for e-voting on the Resolutions contained in this Notice.

- (iv) Click on the EVSN for the relevant <CompanyName> on which you choose to vote.
- (v) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire ResolutionDetails.
- (vii) After selecting the Resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly Modify your vote.
- (viii) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to Modify your vote.
- (ix) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (x) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password and enter the Details as prompted by the system.
- (xi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xii) **Additional Facility for Non – Individual Members and Custodians –For Remote Voting only.**
  - Non-Individual Members (i.e., Other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto:helpdesk.evoting@Cdslindia.com).
  - After receiving the login Details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The List of accounts linked in the login will be mapped automatically and can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF Format in the system for the scrutinizer to verify the same.
  - Alternatively, Non-Individual Members are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer - [bk.scrutiniser@gmail.com](mailto:bk.scrutiniser@gmail.com) at Sri. B. Krishnamoorthi F.C.A., Practising Chartered Accountant, Ganapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy Post, Coimbatore - 641 006 and to the Company at the email address viz; [cs@salonacotspin.com](mailto:cs@salonacotspin.com), if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending Meeting and e-Voting on the Day of the AGM/ 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 of Company will be displayed after successful login as Per the instructions mentioned above for e-voting.

3. Members 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. Members are encouraged to join the Meeting through Laptops / IPads for better Experience.
5. Further Members 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. Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance at least **5 Days prior to Meeting** mentioning their Name, demat account number/folio number, email id, mobile number at (Company email id). The Members who do not wish to speak during the AGM but have queries may send their queries in advance **5 Days prior to Meeting** mentioning their Name, demat account number/folio number, email id, mobile number at (Company email id). These queries will be replied to by the Company suitably by email.
8. Those Members who have Registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.
9. Only those Members, who are Present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are Otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the Members through the e-voting available during the EGM/AGM and if the same Members have not Participated in the Meeting through VC/OAVM facility, then the votes cast by such Members may be Considered invalid as the facility of e-voting during the Meeting is available only to the Members attending the Meeting.

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

1. For Physical Members- please provide necessary Details like Folio No., Name of Member, 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 DematMembers -, Please Update your email id and mobile no. with your respective **Depository Participant (DP)**
3. **For Individual DematMembers – Please Update your email id and mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting and joining virtual Meetings through Depository.**

If you have any queries or issues regarding attending AGM and e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@Cdslindia.com](mailto:helpdesk.evoting@Cdslindia.com) or contact toll free no. 1800 22 55 33

All grievances Connected with the facility for voting by Electronic means may be addressed to Shree Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@Cdslindia.com](mailto:helpdesk.evoting@Cdslindia.com) or call toll free no. 1800 22 55 33.

## ANNEXURE - I

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

#### ITEM NO. 4

The Board of Directors, pursuant to the Recommendation of the Nomination and Remuneration Committee of the Company, through Resolution passed in their Meeting held on 14<sup>th</sup> November 2022 has Appointed Shree Raghav Agarwal (DIN: 06981525) as an Additional Director of the Company under Non-Executive Non-Independent Director Category till the Date of the ensuing Annual General Meeting of the Company. Pursuant to the Companies Act, 2013, Approval of the Members of the Company is required for Regularization of Shree Raghav Agarwal as a Non-Executive Non-Independent Director of the Company. Accordingly, Consent of the Members is sought for passing a Special Resolution as set Out at Item No. 4 of the Notice.

None of the Directors or the Key Managerial Personnel or their Relatives Except Shree Shyamlal Agarwala and Shree Manoj Kumar Jhaharia are Concerned or Interested in this Resolution. The Board Recommends the Resolution set forth in Item No.4 for the Approval of the Members.

A Brief Resume in respect of Director seeking Regularization is given Below in Terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SNO	Particulars	Details
1	Name of the Director	Raghav Agarwal
2	DIN	06981525
3	Date of Birth & Age	22 <sup>nd</sup> October 1994 and 28 years
4	Date of Appointment and Terms of Appointment	14 <sup>th</sup> November, 2022
5	Brief Profile	Post Graduate in International Business Management and 6 years of experience in Textiles and International Marketing
6	Disclosure of Relationship between Directors	Grandson of Managing Director, Son of Joint Managing Director
7	Directorship in other Public Companies	NA
8	No. of Equity Shares held	124726



**ITEM NO.5**

The Board of Directors, pursuant to the Recommendation of the Nomination and Remuneration Committee of the Company, through Resolution passed in their Meeting held on 14<sup>th</sup> November 2022 has Appointed Shree Prabhu (DIN 05342906) as an Additional Director of the Company under Independent Director Category till the Date of the ensuing Annual General Meeting of the Company. Pursuant to the Companies Act, 2013, Approval of the Members of the Company is required for Regularization of Shree Prabhu as an Independent Director of the Company for a Term of Five Years. Accordingly, Consent of the Members is sought for passing an Ordinary Resolution as set Out at Item No. 5 of the Notice. Pursuant to Section 149 and Other Applicable provisions of the Companies Act, 2013, Shree Prabhu is eligible to be Appointed as an Independent Director of the Company and has given a Declaration to the Board that he meets the criteria of Independence as per Section 149 (6) of the Act.

None of the Directors or the Key Managerial Personnel or their Relatives is Concerned or Interested in this Resolution. The Board Recommends the Resolution set forth in Item No. 5 for the Approval of the Members.

A Brief Resume in respect of Director seeking Regularization is given Below pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SNO	Particulars	Details
1	Name of the Director	Prabhu
2	DIN	05342906
3	Date of Birth & Age	30 <sup>th</sup> June 1973 and 50 years
4	Date of Appointment and Terms of Appointment	14 <sup>th</sup> November, 2022
5	Brief Profile	Graduate in Textile Technology with 30 years of experience in Textiles Industry
6	Disclosure of Relationship between Directors	NA
7	Directorship in other Public Companies	1. Cotton Sourcing Company Limited 2. SRG Apparels Limited
8	No. of Equity shares held	NIL

**ITEM NO. 6**

Your Company has been expanding its Business and in view of the Exigencies and Urgency of the Business to achieve Early Execution of its Orders, it may enter into Purchase and Sale of Cotton, Yarn, Fabrics and Garments from Other Entities, including the Entities falling under Related Parties who are also engaged in the same business with that of the Company.

Section 188 of the Companies Act, 2013 and the Rules thereunder provide that any Related Party Transaction will require prior Approval of Members through Special Resolution if the Aggregate Value of Transaction(s) Amounts to Ten Percent or more of the Annual Turnover of the Company as Per the Previous Audited Financial Statements of the Company.

Pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Three Entities mentioned under the Resolution fall under the Definition of the Related Parties as Detailed Below:

SNO	Particulars	Remarks
1	Name of the Related Party/ies	Shristi Cotspinn Private Limited Coimbatore, Salona Spinnex Private Limited, Coimbatore; and Sri Sadhyaa Exports Private Limited, Coimbatore.
2	Name of the Director/s who is/are related	Shree Shyamlal Agarwala, Managing Director Shree Manojkumar Jhajharia, Joint Managing Director Shree Arun Kumar Jhajharia, Director
3	Nature, material terms, monetary value and particulars of the contract or	<p>Purchase and Sale of cotton, yarn, fabrics, and garments.</p> <p>The Transactions specified arrangement herein viz: purchase and sale of cotton, yarn, fabrics, and garments from these entities shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year. Further the transaction/transactions shall be on the Below terms:</p> <p>(a) Transactions will be at Arms-Length basis.            (b) Transactions will be done in the ordinary course of business of the Company.            (c) With in the limits specified under the Resolution.</p>

None of the Directors (Except Shree Shyamlal Agarwala, Shree Manoj Kumar Jhajharia and Shree Arun Kumar Jhajharia, Shree Raghav Agarwal) or the Key Managerial Personnel or their Relatives are Concerned or Interested or in this Resolution. The Board Recommends the Resolution set forth in Item No. 6 for the Approval of the Members.

#### ITEM NO. 7

The Members of the Company at the 27<sup>th</sup> Annual General Meeting held on 16<sup>th</sup> September 2021 had Appointed Shree Shyamlal Agarwala (DIN 00003055) as the Managing Director of the Company effective from 1<sup>st</sup> July 2021 for a Period of Five Years up to 30<sup>th</sup> June 2026.

Pursuant to the Section 196, Section 197, Section 198, Section 203 and Schedule V of the Companies Act, 2013, Company having Inadequate/no Profits in any Upcoming Financial Year up to his Tenure, may subject to certain Conditions including the passing of a Special Resolution, Pay such Remuneration to its Managerial Personnel as may be decided by the Board of Directors on the Recommendation of the Nomination and Remuneration Committee.

Increase in Remuneration Payable to Shree Shyamlal Agarwala requires Approval of Members of the Company by way of passing Special Resolution, as Per the Notice convening the ensuing Annual General Meeting.

Shree Manoj Kumar Jhajharia, Joint Managing Director, Shree Arunkumar Jhajharia and Shree Raghav Agarwal, Directors being his Relatives shall be Considered as Personally Interested in this Item of Agenda. No Other Director or Key Managerial Personnel or their Relatives may be Considered as Personally Interested in this Item of Agenda. The Board Recommends the Resolution set forth in Item No. 7 for the Approval of the Members.

A Brief Resume in respect of Director seeking Increase in Managerial Remuneration is given Below pursuant to Regulation 36(3) of the Securities and exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SNO	Particulars	Remarks
1	Name of the Director	Shyamlal Agarwala
2	DIN	00003055
3	Date of Birth & Age	25 <sup>th</sup> July 1945 and 78 Years
4	Date of Appointment and Terms of Appointment	Original Date of Appointment on 18.01.1997. Appointed as Managing Director for a period of 5 years, effect from 01 <sup>st</sup> July 2021 to 30 <sup>th</sup> June 2026.
5	Brief Profile	Shree Shyamlal Agarwala has extensive knowledge about the Textile Industries both domestic and exports market. He has through knowledge and experience in the textile industries more than Five decades.
6	Disclosure of relationship between Directors	Shree Shyamlal Agarwala is father of Shree Manoj Kumar Jhajharia, Joint Managing Director and Shree Arun Kumar Jhajharia, Executive Director and Grandfather of Shree Raghav Agarwal, Additional Director.
7	Directorship in other Public Companies	NIL
8	No. of Equity shares held	429393

#### ITEM NO. 8

The Members of the Company at the 27<sup>th</sup> Annual General Meeting held on 16<sup>th</sup> September 2021 had Appointed Shree Manoj Kumar Jhajharia (DIN 00003076) as the Joint Managing Director of the Company effective from 1<sup>st</sup> July 2021 for a Period of Five Years up to 30<sup>th</sup> June 2026.

Pursuant to the Section 196, Section 197, Section 198, Section 203 and Schedule V of the Companies Act, 2013, Company having Inadequate / no Profits in any Upcoming Financial Year up to his Tenure, may subject to certain Conditions including the passing of a Special Resolution, Pay such Remuneration to its Managerial

Personnel as may be decided by the Board of Directors on the Recommendation of the Nomination and Remuneration Committee.

Increase in Remuneration Payable to ShreeManoj Kumar Jhajharia requires Approval of Members of the Company by way of passing SpecialResolution, as Per the Notice convening the ensuing Annual General Meeting.

Shree Shyamlal Agarwala, Managing Director, Shree Arunkumar Jhajharia, Executive Director and Shree Raghav Agarwal, Non-Executive Director being his Relative shall be Considered as PersonallyInterested in this Item of Agenda. No OtherDirectoror Key Managerial Personnel or their Relatives may be Considered as PersonallyInterested in this Item of Agenda. The Board Recommends the Resolution set forth in Item No. 8 for the Approval of the Members.

A BriefResume in respect of Director seeking reappointment is given Below in Terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SNO	Particulars	Remarks
1	Name of the Director	MANOJ KUMAR JHAJHARIA
2	DIN	00003076
3	Date of Birth & Age	25 <sup>th</sup> April 1968 and 55 Years
4	Date of Appointment and Terms of Appointment	Original Date of Appointment on 26.09.1998. Appointed as Joint Managing Director for a period of 5 years, effect from 01 <sup>st</sup> July 2021 to 30 <sup>th</sup> June 2026.
5	Brief Profile	ShreeManoj Kumar Jhajharia is a Business Management Graduate having an experience of more than 30 years in the Textile Insustry.
6	Disclosure of relationship between Directors	ShreeManoj Kumar Jhajharia is son of ShreeShyamlal Agarwala, Managing Director and brother of Shree Arun Kumar Jhajharia, Director and father of Shree Raghav Agarwal, Additional Director.
7	Directorship in other Public Companies	NIL
8	No. of Equity shares held	312188

#### ITEM NO. 9

Pursuant to Section 197, Section 198and Schedule V of the Companies Act, 2013,Company having Inadequate/ no Profits in any Upcoming Financial Yearup to his Tenure, may subject to certain Conditions including the passing of a SpecialResolution, pay such Remuneration to its Managerial Personnel as may be decided by the Board of Directors on the Recommendation of the Nomination and Remuneration Committee.

Increase in Remuneration Payable to Shree Arun Kumar Jhajharia requires Approval of Members of the Company by way of passing Special Resolution, as Per the Notice convening the ensuing Annual General Meeting.

Shree Shyamlal Agarwala, Managing Director, Shree Manoj Kumar Jhajharia, Joint Managing Director and Shree Raghav Agarwal, Director being his Relative shall be Considered as Personally Interested in this Item of Agenda. No Other Director or Key Managerial Personnel or their Relatives may be Considered as Personally Interested in this Item of Agenda. The Board Recommends the Resolution set forth in Item No. 9 for the Approval of the Members.

A Brief Resume in respect of Director seeking Increase in Managerial Remuneration is given Below pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SNO	Particulars	Details
1	Name of the Director	Arunkumar Jhajharia
2	DIN	00003086
3	Date of Birth & Age	30 <sup>th</sup> June 1972, 51 Years
4	Date of Appointment and Terms of Appointment	Original Date of Appointment on 12 <sup>th</sup> February 2018.
5	Brief Profile	Graduate in Commerce with 25 Years of Experience in Textiles and Marketing
6	Disclosure of Relationship between Directors	Son of Managing Director and Brother of Joint Managing Director
7	Directorship in Other Public Companies	NA
8	No. of Equity Shares held	330671

#### ITEM NO. 10

The Board, on the Recommendation of the Nomination and Remuneration Committee, has Approved the Payment of Remuneration to Shree Raghav Agarwal, Non-Executive Director of the Company. Pursuant to Section 198 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Remuneration Paid to the Non-Executive Directors needs to be ratified by the Members of the Company. Accordingly, Consent of the Members is sought for passing a Special Resolution as set Out at Item No. 10 of the Notice for Ratification of the Remuneration Paid to the Non-Executive Director from 1<sup>st</sup> April 2023 to 31<sup>st</sup> July 2023.

Shree Shyamlal Agarwala, Managing Director, Shree Manoj Kumar Jhajharia, Joint Managing Director, Shree Arunkumar Jhajharia, Executive Director being his Relatives shall be Considered as Personally Interested in this Item of Agenda. No Other Director or Key Managerial Personnel or their Relatives may be Considered as Personally Interested in this Item of Agenda. The Board Recommends the Resolution set forth in Item No. 10 for the Approval of the Members.

**ITEM NO. 11**

The Board, on the Recommendation of the Audit Committee, has Approved the Appointment and Payment of Remuneration to Shree B. Venkateswar, Practicing Cost Accountant, Coimbatore, the Cost Auditor of the Company to conduct the Audit of the Cost Records for the Financial Year Ended 31<sup>st</sup> March 2024. Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules 2014, the Remuneration Payable to the Cost Auditors needs to be ratified by the Members of the Company. Accordingly, Consent of the Members is sought for passing an Ordinary Resolution as set Out at ItemNo.11 of the Notice for Ratification of the Remuneration Payable to the CostAuditors for the Financial YearEnded 31<sup>st</sup> March 2024.

None of the Directors, Key Managerial Personnel or their Relatives is Concerned or Interested in this Resolution. The Board Recommends the Resolution set forth in Item No.11 for the Approval of the Members.

**By order of the Board**

**Company Secretary and Compliance Officer**  
**Membership No: A61207**

Place : Coimbatore

Date : 11.08.2023

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

To  
The Members

Your directors have great pleasure in presenting their Twenty-Ninth Annual Report together with Audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2023.

**FINANCIAL HIGHLIGHTS**

Details	(Rupees in Lakhs)	
	31.03.2023	31.03.2022
Revenue from Operations	48,691.15	64,708.02
Other Income	29.16	6.23
<b>Total Income</b>	<b>48,720.31</b>	<b>64,714.25</b>
Profit before Depreciation, Finance Costs, Exceptional Items and Tax Expense	3512.59	3745.84
Less: Depreciation/ Amortization/ Impairment	546.68	332.67
Profit before Finance Costs, Exceptional Items, and Tax Expense	2965.91	3413.17
Less: Finance Costs	940.14	738.12
Profit before Exceptional items and Tax Expense	2025.77	2675.05
Add: Exceptional Items	Nil	Nil
Profit before Tax Expense	2025.77	2675.05
Less: Tax Expense (Current & Deferred)	268.83	696.14
Profit for the Year	1,756.94	1,978.91
Add: Other Comprehensive Income	0.22	-4.03
Balance of Profit for Earlier Years	5176.07	3253.81
Less: Transfer to Reserves	Nil	Nil
Less: Dividend paid on Equity Shares	63.15	52.62
<b>Balance carried over to Balance Sheet</b>	<b>6870.08</b>	<b>5176.07</b>

**DIVIDEND:**

Your directors are pleased to recommend a Dividend of Rs. 1.20 per Share for the Financial Year ended 31<sup>st</sup> March 2023 subject to the approval of Members. The total Outgo in the form of Dividend will be to the extent of Rs.63.15 Lakh.

**REVIEW OF OPERATIONS:**

During the Year under Review, the Production of Cotton Yarn is 36.46 Lakh Kilograms as against 40.53 Lakh Kilograms in the preceding Year. The Sales Turnover fell to Rs.44,174.55 Lakhs against Rs. 61,063.44 Lakhs in the previous period on Account of Sales of Traded Goods. The Sales Turnover includes Total Export Sales of Rs.33,669.27 Lakhs against Rs. 54892.13 Lakh in the previous Financial Year. During the Financial Year, the Export Turnover of Traded Goods reduced to Rs.23346.89 Lakh from Rs. 42202.34 Lakh in the Previous Financial Year.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOINGS:**

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, Details on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgoings has been attached as a separate Annexure to the Report.

During the Year the Green Energy generated increased to 65.84 Lakh Units (Net) of Wind electricity from 65.57 Lakh Units in the Previous Financial Year and 34.34 Lakh Units were generated through Solar Power Plant (Ground Mounting) at Thaligai Village, Velagoundampatti, Namakkal District, Tamil Nadu for Captive Consumption during the year. By Captive Consumption, the 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.

**OUTLOOK FOR THE IMMEDIATE FUTURE:**

The Spinning Segment of the Textile Industry continues to witness the Paradox of Mismatch of Prices of Cotton (Raw Material) and Prices of Yarn (Finished Goods).

**CHANGES IN NATURE OF BUSINESS:**

There is no Change in the Nature of Business of the Company during the period under Review.

**MATERIAL CHANGES AND COMMITMENT OCCURRED DURING THE PERIOD AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There are no Material Changes or Commitments affecting the Financial Position of the Company, subsequent to the end of the Financial Year.

**PUBLIC DEPOSITS:**

The Company has neither accepted nor holds any public deposits pursuant to Section 73, Section 75 and Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules 2014 during the Year under Review



The total amount of unsecured loans received from Other Companies as Intercompany Loans as on 31<sup>st</sup> March 2023 is Rs. 162.00 Lakh which is not included in Deposits as it is exempted under Rule 2(1)(c)(viii) of Companies (Acceptance of Deposits) Rules, 2014.

#### **CORPORATE GOVERNANCE:**

Corporate Governance, Management Discussion and Analysis Report and a Certificate from the Auditors of the Company regarding Compliance with Conditions of Corporate Governance is annexed hereto.

#### **EXTRACT OF ANNUAL RETURN:**

The Annual Return pursuant to Section 92(3) of the Companies Act, 2013 in Form MGT-7 is made available on the Website of the Company and can be accessed at [www.salonacotspin.com](http://www.salonacotspin.com).

#### **DIRECTORS:**

During the Year under Report, your Board inducted Two Additional Directors and with their induction the Present Strength of the Board is Eight Directors.

The Board, on the Recommendation of the Nomination and Remuneration Committee has approved the Appointment of Shree Raghav Agarwal as a Non-Executive Non-Independent Director and Shree Prabhu Damodaran as Non-Executive Independent Director. Both the Directors were inducted into the Board as Additional Directors of the Company at the Board Meeting held on 14th November 2022. Their Appointment as Additional Directors is subject to their seeking election as Directors at the ensuing Annual General Meeting.

Accordingly, Consent of the Members is sought for their Appointment and the Agenda Items pertaining to their Appointment are set out at Item No. 4 and Item No.5 of the Notice of the ensuing Annual General Meeting.

Details of the Directors seeking Appointment form Part of the Explanatory Statement attached to the Notice of the ensuing Annual General Meeting, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received Disclosures from all the Directors and none of the directors are disqualified pursuant to Section 164 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014.

#### **KEY MANAGERIAL PERSONNEL:**

Key Managerial Personnel of the Company are listed below.

<b>Name of the Person</b>	<b>Designation</b>
Shree Shyamlal Agarwala	Managing Director
Shree Manoj Kumar Jhajharia	Joint Managing Director
Shree M.S. Selvaraj	Chief Financial Officer
Ms. Archana R Jha	Company Secretary and Compliance Officer

**COMMITTEES:**

Details of Composition and Meetings of various Committees, i.e., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee form part of the Report on Corporate Governance.

**EVALUATION OF BOARD OF DIRECTORS**

Pursuant to the Companies Act, 2013 and Regulation 17(10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an Evaluation of its Own Performance based on Specific Duties, Obligation, and Execution of the same, the Directors Individually as well as the Evaluation of the Working of its Committees, and the Performance Evaluation of the Independent Directors, and the Chairman and Managing Director. The Board expressed its Satisfaction with the Execution Process.

**BOARD MEETINGS :**

The Board of Directors met Six (6) Times during the Financial Year on 30<sup>th</sup> May 2022, 12<sup>th</sup> August 2022, 14<sup>th</sup> November 2022, 4<sup>th</sup> January 2023, 10<sup>th</sup> February 2023, and 9<sup>th</sup> March 2023, through Physical Mode at the Corporate Office of the Company situated at Coimbatore. The Composition of Board and Other Details form Part of the Report on Corporate Governance.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has not given any Loans or Guarantees as per Section 186 of the Companies Act, 2013. The Details of the Investments made by the Company are given in the Notes to Financial Statements.

**PARTICULARS OF SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary, Joint Venture, or Associate Company.

**RELATED PARTY TRANSACTIONS:**

All Related Party Transactions that were entered into during the Financial Year were on Arm's Length Basis and in the Ordinary Course of Business. Further, there were no Materially Significant Related Party Transactions made by the Company with Promoters, Key Managerial Personnel or Other Designated Persons which may have Potential Conflict with Interest of the Company at large. Reporting in Form AOC-2 is attached as Annexure-I. Approval of Audit Committee was obtained for Transactions of Repetitive Nature on Annual Basis. All Related Party Transactions were placed at the Meetings of the Audit Committee and the Meetings of the Board of Directors for their Review. The Policy on Related Party transactions is available on the Website of the Company at [www.salonacotspin.com](http://www.salonacotspin.com).

The Board proposed an enabling resolution which is included in the Notice of the ensuing Annual General Meeting of the Company seeking Consent of the Members to enter into Contract(s) / Arrangement(s) / Transaction(s) with Shristi Cotspinn Private Limited, Salona Spintex Private Limited and Sri Sadhyaa Exports Private Limited, Related Parties pursuant to Section 2(76) of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 for the Purchase and Sale of Cotton, Yarn, Fabrics and Garments on such Terms and Conditions as the Board of Directors may deem fit, up to a Maximum Aggregate Value of Rs. 200.00 Crores for the Financial Year Ended 31<sup>st</sup> March 2024.

**SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS**

There were no Significant or Material Orders passed by the Regulators/Courts that would impact the Going Concern Status and the Company's Operations in future.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(3) (c) of the Companies Act, 2013, your Directors confirm:

- a) that in the preparation of Annual Accounts, the applicable Accounting Standards had been followed along with Proper Explanation relating to Material Departures.
- b) that your directors had selected such Accounting Policies and applied them consistently and made Judgements and Estimates that are reasonable and prudent to give a True and Fair View of the State of Affairs of the Company as at the end of the Financial Year and of the Profit of the Company for that period.
- c) that your directors had taken Proper and sufficient care for the maintenance of Adequate Accounting Records as per the Companies Act, 2013 for safeguarding the Assets of the Company and for preventing and detecting Frauds and Other Irregularities.
- d) that your directors had prepared the Annual Accounts on a Going Concern Basis.
- e) that your directors, had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are Adequate and were operating effectively, and
- f) that your directors had devised Proper Systems to ensure Compliance with the provisions of all applicable laws and that such Systems were Adequate and operating effectively.

**AUDITORS:**

M/s. Gopalaiyer and Subramanian, Chartered Accountants, Coimbatore were re-appointed as the Auditors of the Company for the next Term of five Years pursuant to the Resolution passed by the Members at the Annual General Meeting held on 28<sup>th</sup> September 2022 and they will hold office up to the date of 33<sup>rd</sup> Annual General Meeting of the Company.

M/s. Gopalaiyer and Subramanian, Chartered Accountants, have confirmed their Eligibility and Consent to continue as Statutory Auditors of the Company.

**EXPLANATION OR COMMENTS BY THE BOARD ON QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITORS IN THEIR REPORT:**

There was no qualification, reservation or adverse remark or disclaimer made by the Auditors in their Report on the Financial Statements.

## **SECRETARIAL AUDITOR**

Pursuant to Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, if any (including any statutory amendments, modifications or re-enactments thereof, from time-to-time), and the recommendation of the Audit Committee, the Board has appointed Sri. Ramanathan Kannan, Practicing Company Secretary, Chennai, to conduct the Secretarial Audit of the Company. The Report is enclosed herewith as Annexure -II.

## **COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Directors have devised Proper Systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings (SS-I) and General Meetings (SS-II) and such Systems were Adequate and operating effectively.

## **COST AUDITOR**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014, and other applicable provisions, if any (including any statutory amendments, modifications or re-enactments thereof, from time-to-time), and the Recommendation of the Audit Committee, the Board has appointed Shree B. Venkateswar, Cost Accountant, Coimbatore as the Cost Auditor to conduct the Cost Audit of the Company for the Financial Year ended 31<sup>st</sup> March 2024.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale, and complexity of its operations. The Company has Internal Audits which monitor and evaluate the Efficiency and Adequacy of Internal Control System in the Company, its Compliance with Operating Systems, Accounting Procedures and Policies at all locations of the Company. The Scope and Authority of the Internal Audit Function is defined in the Internal Audit Manual.

To maintain its Objectivity and Independence, the Internal Audit Function reports to the Chairman of the Audit Committee and to the Chairman and Managing Director of the Company.

Based on the Report of Internal Audit Function, Corrective Actions are taken in the respective areas which thereby strengthens the Controls. Significant Audit Observations and Recommendations along with Corrective Actions thereon are presented to the Audit Committee.

## **RISK MANAGEMENT :**

Pursuant to Section 134(3) (n) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has developed a Risk Management Policy and implemented the same. The Company has not identified any Element of Risk which may be a Threat for the Existence of the Company.

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Company has constituted a Corporate Social Responsibility (CSR) Committee which shall recommend to the Board, the Activities to be undertaken by the Company as specified in Schedule VII, recommend the Amount of Expenditure to be Incurred on such Activities and formulate and implement the CSR Policy of the Company. The Details of the CSRActivities / Expenditure are given in Annexure III.

## STATUTORY DISCLOSURES

The particulars required to be included pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules 2014 on Conservation of Energy, Technology Absorptioned, Foreign Exchange Earnings and Outgoings etc., is enclosed as **Annexure IV**.

No Employee of the Company was in receipt of Remuneration of Rs.60.00 Lakh per annum or more and no Employee of the Company employed for a part of the Financial Year ended 31<sup>st</sup> March 2023 was in receipt of Remuneration of Rs. 5.00 Lakhs per month or more.

The information required pursuant to Section 197(12) of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and forming part of the Directors Report for the Financial Year ended 31<sup>st</sup> March 2023 is enclosed as **Annexure V**.

None of the Employees listed in the said Annexure is a Relative of any Director of the Company. None of the Employees hold (by himself or along with his spouse and dependent children) more than two percent of the Equity Shares of the Company.

## INDUSTRIAL RELATIONS

The Industrial relations continued to remain cordial during the period and the Board places its appreciation for the services rendered by the Employees of the Company.

## FINANCES

During the Year under Review, the Reserves and Surplus, stood at Rs.6885.08 Lakhs (Rs.5191.07 Lakhs credit balance in the previous Year). The Company met all Financial Commitments to the Bankers on Account of Term Loan and Working Capital Credit.

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

Details pertaining to Transfer to Investor Education and Protection Fund form part of the Report on Corporate Governance.

## ACKNOWLEDGEMENT:

The Directors wish to place on record their gratitude to State Bank of India, Union Bank of India, HDFC Bank Limited, CSB Bank Limited, ICICI Bank Limited for their Financial assistance. Your directors also take this opportunity to express their appreciation for the co-operation extended by the Employees and the Shareholders for their appreciation of the Management's efforts expressed at the Annual General Meeting of the Company.

The Board dedicates its prayers to invoke the blessing of Lord Vishnu, Goddess Lakshmi, Lord Shiva, and Goddess Shakthi for the continued prosperity of the Company and all its Stakeholders.

**FOR AND ON BEHALF OF THE BOARD**

Place : Coimbatore  
Date : 11.08.2023

**SHYAMLAL AGARWALA**  
Chairman

**DIN : 00003055**

**ANNEXURE - I**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

<b>SL.No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.

<b>SL.No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	M/s Shristi Cotspinn Private Limited - Entity in which Key Managerial Personnel have significant influence.
b)	Nature of contracts/arrangements/transaction	Sale, Purchase or supply of goods
c)	Duration of the contracts/arrangements/transaction	One Year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Purchase of Goods for the value of Rs.21,58,73,298 and Sale of goods for the value of Rs. 17,90,60,428 in the ordinary course of business.
e)	Date of approval by the Board	30 <sup>th</sup> May 2022, 12 <sup>th</sup> August 2022, 14 <sup>th</sup> November 2022, 4 <sup>th</sup> January 2023, 10 <sup>th</sup> February 2023, and 9 <sup>th</sup> March 2023
f)	Amount paid as advances, if any	NIL

**CS Ramanathan Kannan B.Com., BGL., MBA.,**  
CAIIB, FCS Practicing Company Secretary

Door No.4, Plot No.15, Adi Sankarar  
Street, Ayya Nagar, Sembakkam,  
Chennai -600073.  
Mobile: 9952942513  
E-mail: fcskannan@gmail.com

**ANNEXURE - II**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

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

**To**

The Members,

M/s Salona Cotspin Limited,

Regd. Off: SF No.74/12 & 75/3, Sathy Road,

Pungampalli Village,

Sathyamangalam - 638402

I have conducted the Secretarial Audit of the compliance applicable statutory provisions and the adherence to good corporate practices by M/s Salona Cotspin Limited (herein after called 'the Company'), during the financial year from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023 ('the year'/'audit period'/'period of review'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinions thereon.

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the company, forms and returns filed, compliance related action taken by the Company during the year as well as after 31<sup>st</sup> March, 2023 but before the issue of this audit report and the information provided by the company and its officers, agents and authorised representatives during my conduct of the Secretarial Audit.

1. I hereby report that:

1.1. In my opinion, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023, the Company has complied with the statutory provisions listed hereunder and also has proper Board Processes of compliance mechanism in place to the extent, in the manner and subject to the reporting made hereafter. The members are requested to read this report along with my letter of even date annexed to this report as Annexure- A.

1.2. I have examined the books, papers and minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the regulations and buy-laws framed thereunder;
  - (iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI) Regulations:
    - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - (v) The following laws, that are specifically applicable to the Textile Industry viz:
      - (a) Textile Control Orders, Textile Committee Produce Cess Act, Textile (Development and Regulation) Order, 2001, the Essential Commodities Act 1955, with reference to 'Hank Yarn Packaging Notification 20003 (No.2/TDRO/8/2003 sated 17<sup>th</sup> April, 2003; and
      - (b) The Electricity Act, 2003.
- 1.3. I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by the Institute of Company Secretaries of India and
  - (ii) The Listing Agreement entered into by the Company with NSE (India) Limited.
- 1.4. During the period under review and considering the compliance related action by the Company after 31<sup>st</sup> March, 2023 but before the issue of this report, the Company has, to the best of my knowledge and belief and based on the records, information and explanations furnished to me, complied with the applicable provisions /Clauses of the Acts, Rules, Regulations, Agreements, Guidelines and Standards mentioned under paragraphs 1.2 and 1.3 above.
- 1.5. I am informed that, during/in respect of the year:
- (i) Due to non-occurrence of events, the Company was not required to comply with the following laws/guidelines/regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/returns under:
    - (a) 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;
    - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.:
    - (c) Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014:
    - (d) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
    - (e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998:



- (f) Securities and Exchange Board of India (Registrars and Share transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
- (ii) There was no other law, other than those specified in paragraph 1.2 (v) above that was specifically applicable to the Company, considering the nature of business. Hence the requirement to report on compliance with specific laws did not arise.

2.1 Further report that:

- 2.1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The Board also have a woman Director as on 31.03.2023. The change in composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.
- 2.2. Adequate notice is given to all Directors to schedule the Board Meetings. Notice of Board Meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent at least seven days in advance,
- 2.3. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.
- 2.4. 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.
- 2.5. As informed the Company has responded appropriately to the notices from various statutory/regulatory authorities wherever found necessary.

3.1 Further report that:

- 3.1. There were adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules and regulations and guidelines.

Place: Chennai  
Date: 10.08.2023  
UDIN: F007446E000782088

**RAMANATHAN KANNAN**  
Practicing Company Secretary  
FCS: 7446; CP:17220  
Peer Review Certificate: 2803/2022

**ANNEXURE A**

To  
The Members,  
M/s Salona Cotspin Limited,  
Regd. Off: SF No.74/12 & 75/3, Sathy Road,  
Pungampalli Village,  
Sathyamangalam – 638402

My Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31<sup>st</sup> March, 2023 is to be read along with this letter.

- 1 The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed such audit practices and processes as I considered 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 representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management of the Company has conducted the affairs of the Company.

Place: Chennai  
Date: 10.08.2023  
UDIN: F007446E000782088

**RAMANATHAN KANNAN**  
Practicing Company Secretary  
FCS: 7446; CP:17220  
Peer Review Certificate: 2803/2022

**ANNEXURE - III****ANNUAL REPORT ON CSR****Annual Report on Corporate Social Responsibility (CSR) activities for  
Financial Year ended 31<sup>st</sup> March 2023**

- 1. A brief outline of the Company's CSR Policy, including overview of Projects or Programs proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or Programs.**

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. The policy is available on the Website of the Company [www.salonacotspin.com](http://www.salonacotspin.com).

- 2. Composition of the CSR Committee**

- a. Dhiresb Jayasi – Chairman
- b. Shyاملal Agarwala – Member – Managing Director
- c. Manoj Kumar Jhajharia – Member – Joint Managing Director

- 3. Average Net Profit of the Company for last three financial years**

Rs. 1213.66 Lakhs

- 4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)**

Rs.24.27 Lakhs

- 5. Details of CSR spent during the financial year**

- a. Total amount spent for the financial year : Rs. 2.70 Lakhs
- b. Amount unspent, if any : Rs. 21.57 Lakhs
- c. Manner in which the amount was spent during the financial year is detailed below:

S.No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on Projects or programs. (2) Overheads.	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Water Management	Clause iv	Desipalayam Panchayat, Sathy Taluk, Erode District.	0.11	0.11 Direct Expenditure	0.11	Direct
2	Promoting Health care	Clause i	Vinnapalli, Erode District, Tamil Nadu	0.29	0.29 Direct Expenditure	0.29	Direct
3	Animal Welfare	Clause iv	Jhajhar, Jhunjhunu District, Rajasthan	1.51	1.51 Direct Expenditure	1.51	Direct
6	Promotion of Education	Clause ii	Coimbatore, Tamil Nadu	0.79	0.79 Direct Expenditure	0.79	Direct
		<b>Total</b>		<b>2.70</b>	<b>2.70</b>	<b>2.70</b>	

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 and other applicable provisions, if any (including any statutory amendments, modifications, or re-enactments thereof, from time-to-time), the remaining unspent amount of Rs. 21.57 Lakhs shall be transferred to one or more of the Funds specified in Schedule VII to the Companies Act, 2013 on or before 30<sup>th</sup> September 2023.

The Committee hereby states that the implementation and monitoring of CSR Policy follows CSR Objectives and Policy of the Company.

**Shyamlal Agarwala**  
Managing Director

**Manoj Kumar Jhajharia**  
Joint Managing Director.

**Dhiresb Jayasi**  
Chairman  
CSR Committee

DIN: 00003055

DIN: 00003076

DIN:06931744

Place: Coimbatore  
Date: 11.08.2023

**ANNEXURE - IV****ANNEXURE TO THE DIRECTORS REPORT****FORM-A**

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgoings.

**1. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

During the Financial Year, the Green Energy generated was 65.84 Lakh Units (Net) of Wind Electricity as against 65.57 Lakh units in the previous Financial Year and 34.34 Lakh Units generated through Solar Power Plant (Ground Mounting) at Thaligai Village, Velagoundampatti, Namakkal District, Tamil Nadu for Captive Consumption during the Financial Year.

Through Captive Consumption, the 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.

**2. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
<b>EARNED</b>	Rs. In Lakh	Rs. In Lakh
Total Foreign Exchange Earned:- F.O.B. Value of Exports of Finished and Traded Goods	33669.43	54892.13
<b>USED</b>		
Remittance in Foreign Exchange: Purchase of Capital goods, Spares, Commission on Exports and interest on Foreign Currency Loan	597.93	897.36

**BY ORDER OF THE BOARD**

Place: Coimbatore

Date: 11.08.2023

**SHYAMLAL AGARWALA**  
Chairman

## ANNEXURE V

Particulars of Remuneration of Directors and Key Managerial Personnel with respect to and Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) **The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year ended 31<sup>st</sup> March 2023.**

(Rs. in Lakh)

Sl.No.	Name of Directors	Designation	Remuneration	Ratio of Directors remuneration to Median remuneration	% increase in the remuneration
<b>I</b>	<b>Executive Directors</b>				
1	Shyamlal Agarwala	Chairman and Managing Director	82.75	11.96:1	-9.30%
2	Manoj Kumar Jhajharia	Joint Managing Director	37.92	5.48:1	0.55%
3	Arun Kumar Jhajharia	Director	28.00	4.05:1	16.66%
	<b>Non-Executive Non-Independent Directors</b>				
1	Raghav Agarwal	Additional Director	12.00	1.73:1	0.00%
<b>II</b>	<b>Non-Executive Independent Directors</b>				
1	Dhiresb Jayasi	Independent Director	0.23	0.04:1	4.54%
2	Meena Kumari	Independent Director	0.19	0.03:1	35.71%
3	G.S. Hari Desikan	Independent Director	0.04	0.01:1	0.00
4	Prabhu Damodaran	Additional Director	0.02	0.00	0.00
<b>III</b>	<b>Key Managerial Personnel</b>				
1	M.S. Selvaraj	Chief Financial Officer	11.15	1.61:1	15.90%
2	K.B. Sajith	Company Secretary and Compliance Officer (up to February 2023)	2.75	1.41:1	-36.36%
3	Archana R Jha	Company Secretary and Compliance Officer (from March 2023)	1.37	0.20%	0.00%

(a)	Percentage increase in the Median Remuneration of Employees in the Financial Year ended 31 <sup>st</sup> March 2023	13.46%
(b)	Number of permanent employees on the rolls of the Company as at 31 <sup>st</sup> March 2023	419
(c)	Explanation on the relationship between average increase in remuneration and the company performance	
	The relationship between average increase in remuneration and the company performance is negligible and could not be compared	

**(ii) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the Performance of the Company**

KMP's remuneration 2022-23 (₹ in lakh)	% Increase / (Decrease) in KMP's Remuneration (2021-22 against 2022-23)	Sales 2022-23 (₹ in lakh)	% Decrease in sales (2022-23 against 2021-22)
135.94	-4.24%	44174.55	27.66%

**(iii) Variation in Market Capitalization of the Company, Price Earnings Ratio as at the Closing Date of the Current Financial Year and Previous Financial Year and Percentage Increase over Decrease in the Market Quotations of the Shares of the Company in comparison to the Rate at which the Company came out with the Previous Public Offer:**

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	Variations	%
Market Capitalization (crores)	119.93	123.79	3.86	3.22%
Price Earnings Ratio	6.06	7.05	0.98	16.24%
Market quotation of the shares as on 31st March 2023 (NSE)	Rs.235.24 Per share of face value Rs.10/-per share			
Market quotation of the shares as on 31st March 2023 (BSE)	Rs.234.60 Per share of face value Rs.10/- per share			
Market quotations of the shares when the Company came out with the previous public offer	Nil			
Percentage increase / decrease over in the market quotations of the Company				

**(iv) Average percentile increase already made in the salaries of Employees other than Managerial Personnel in the previous financial year and its comparison with the percentile increase in managerial remuneration and justification thereof if there are any exceptional circumstances for increase in the managerial remuneration**

The Average Increase granted to Employees other than Managerial Personnel is 18.91%.

The Average Decrease for Managerial Personnel is 2.79%.

**(v) Comparison of remuneration of the Key Managerial Personnel against Performance of the Company**

KMP's Name and Designation	CTC for 2022-23 (in lakhs)	% Increase/ (Decrease) in CTC (2022-23 against 2021-22)	Sales for 2022-23 (₹ in lakhs)	% Increase in Sales (2022-23 against 2021-22)
Shyamlal Agarwala Managing Director	82.75	-1.30%	44174.55	(-) 27.66%
Manoj Kumar Jhaharia Joint Managing Director	37.92	0.55%		
M.S. Selvaraj Chief Financial Officer	11.15	15.90%		
K.B. Sajith Company Secretary Compliance officer (up to Febuary 2023)	2.75	-36.36%		
Archana R Jha Company Secretary and Compliance Officer (From March 2023)	1.37	0.00		

**(vi) The key parameter for any variable component of remuneration availed by the Directors**

The company does not pay any Remuneration to the Independent Directors, as they are paid only sitting fee for attending the meetings. With respect to executive directors, variable component is not paid.

**(vii) Ratio of the Remuneration of the highest paid Director to that of the Employees who are not Directors but receive Remuneration in excess of the highest paid Director during the year**

-Not applicable -

**(viii) The Board of Directors of the Company affirm that the Remuneration paid to Directors, Key Managerial Personnel and Employees is as per the Remuneration Policy approved by the Board of Directors of the Company.**

**FOR AND ON BEHALF OF THE BOARD**

Coimbatore  
11<sup>th</sup> August 2023

**SHYAMLAL AGARWALA**  
Chairman  
DIN : 00003055





## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Industry Structure and Developments:**

Industry Structure and Developments: The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world. The textiles industry is also labor intensive and employs large number of persons. The fundamental strength of the textile industry in India is its strong production base of wide range of natural fibers like cotton. The Textile Industry is a major export earner for the country by export of cotton yarn and value-added products like fabrics and garments. The revival of economy in the overseas market will add stimulus to the industry. The industry depends upon availability of cotton at a stable price. The Management continues to upgrade the quality of yarn produced to ensure competitive advantage in marketing its products more through exports and sustain profitability.

### **Opportunities and Threats:**

#### **Opportunities:**

- i. Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth. Our comments on quality and customer service practices have been strong contributing factors to our healthy customer relations.
- ii. The Strategy of the Management, which has over five decades of experience in the Market, in procurement of Cotton, demand for Yarn and Fabrics, for domestic and export, enabled good performance during the year.

#### **Threats:**

- i. In both domestic & International Markets the overall demand for cotton yarn is projected to remain good. The uptrend in domestic Yarn price and its higher exports may provide opportunities and some respite to the Spinning Industry.
- ii. However, global pricing might impact the Indian textile sectors supply and demand dynamics.

### **Product-wise performance:**

The Company's main product range continues to be Cotton Yarn, Knitted fabrics and Garments catering to the needs of Hosiery/Knitted Garment Industries. The company continues to pursue a policy of constant up-gradation of quality of yarn and fabric produced.

### **Outlook:**

Due to competitiveness at all levels, it is necessary to implement consolidation strategies such as cost reduction measures, improving productivity and exploring new markets, maintaining high quality and these measures are under way as ongoing process.

### **Risks and Concerns:**

Though banks may be liberal in sanctioning loans, but higher interest cost will affect the margin. The key raw material for our industry is cotton and major area under cotton cultivation is rain-fed and hence it is dependent on vagaries of monsoon. Price fluctuation is high in both domestic and imported cotton. Any disruption in the

supply and / or violent changes in the cost structure would affect the profitability of the company. Power also plays a major role in cost structure.

**Internal Control Systems and their Adequacy:**

The Company has proper and adequate systems of internal controls commensurate with its size and nature of its business, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. These systems also ensure that all transactions are authorized, recorded and reported correctly. A strong system of internal audit and effective and comprehensive reviews by the Audit Committee have strengthened the internal controls within the organization. The Company has a well-defined organization structure, authority levels and internal rules and guidelines for conducting business transactions.

**The Company's Financial Performance and Analysis:**

The Company earned post tax Profit of Rs. 1756.94 Lakh (Previous Year Rs. 1978.92 Lakh). The Financial performance of the company is explained in Detail in the Directors' Report.

**Human Resources/Industrial Relations:**

The efforts of the employees and the management are on imparting continuous training to improve overall working practices. Industrial relations are cordial and satisfactory. Additional 105 Employees have been employed during the Year.

**Details of Significant Changes in Ratios –**

- Debtors Turnover Ratio decreased from 8.16 to 4.04 due to Increase in Term Loans and Borrowings during the Year.
- Inventory Turnover Ratio decreased from 11.56 to 7.40 due to Decrease in Turnover during the Year.
- Interest Coverage Ratio decreased from 4.62 to 3.15 due to Increase in Term Loans and Borrowings during the Year.
- Debt Equity Ratio increased from 0.48 to 2.12 due to Increase in Term Loans and Borrowings during the Year.
- Return on Net Worth decreased from 17.15 to 12.62 due to Increase in Finance Costs and Subsequent Decrease in Earnings during the Year.

**Cautionary Statement:**

Certain Statements in this Report may be forward looking statements which have been issued as required by applicable Securities Laws and Regulations. There are several factors which would be beyond the control of Management and as such, may affect the actual results which could be different from that envisaged.

**BY ORDER OF THE BOARD**

Place: Coimbatore  
Date: 11.08.2023

**SHYAMLAL AGARWALA**  
**Chairman**  
**DIN : 00003055**

## REPORT ON CORPORATE GOVERNANCE

(Regulation 34 (3) and Schedule V (C) of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

### 1. COMPANY'S PHILOSOPHY WITH RESPECT TO CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance is aimed at assisting the Management in the efficient conduct of Business and in Meeting its obligations to its Stakeholders. A strong emphasis on transparency, Accountability, and integrity, guide its philosophy.

The Company believes that good corporate governance emerges from the application of best and sound Management practices and Compliance with the laws coupled with adherence to the highest Standards of transparency and Business ethics.

### 2. BOARD OF DIRECTORS

#### A) Composition of the Board

The Board of Directors along with its committees provides Leadership and Guidance to the Management and directs and supervises the Performance of the Company and thereby enhancing Stakeholder Value.

The Board has Eight Directors as on the Date of the Report with a balanced combination of Four Non-Executive Independent Directors (including one woman Director) and One Executive Non-Independent Director besides a Managing Director and a Joint Managing Director and One Non-Executive Non-Independent Director. The Directors bring in a wide range of skills and experience to the Board.

The Board Composition conforms with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sec 149 of the Companies Act, 2013 and the Articles of Association of the Company.

No Director is related to any other on the Board except for the Non-Independent Directors. Shree Manoj Kumar Jhajharia and Shree Arun Kumar Jhajharia are sons of the Managing Director Shree Shyamlal Agarwala and Shree Raghav Agarwal is the son of Shree Manoj Kumar Jhajharia.

As per the Disclosures received from the Directors, none of the Directors serve as a member of more than Ten Committees nor are they the Chairman of more than Five Committees as required under Regulation 26 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The limits prescribed are reckoned for Public Limited Companies whether listed or not as per the said Regulation.

The Company has received Declarations on Criteria of Independence pursuant to Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the Directors of the Company who have been classified as Independent Directors as at 31<sup>st</sup> March 2023.

#### B) Familiarisation Programme for Independent Directors and Non-Executive Directors

At the time of Appointment of Directors, a Formal Letter of Appointment is issued, which sets out the Role, Functions, Duties, and Responsibilities of the Director. The Directors are also explained the relevant Regulations. The Directors are also provided with the necessary Information to understand the Company's Operations, Products, and Events relevant to the Company.

### C) Review of Business by the Board

The Board regularly reviews and updates Corporate Governance Practices to accommodate developments within the Marketplace in general and the Business in particular.

### D) Board Meeting and General Meeting:

The Board of Directors met Six times during this Financial Year, on the following days:

30 <sup>th</sup> May 2022	12 <sup>th</sup> August 2022	14 <sup>th</sup> November 2022	4 <sup>th</sup> January 2023	10 <sup>th</sup> February 2023	9 <sup>th</sup> March 2023
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The gap between any two Meetings of the Board has been less than 120 days.

The Attendance record of each Director at the Board Meetings and at the previous Annual General Meeting is given below:

Directors Name	Designation/ Category	Attendance Particulars	
		No. of Board Meetings Attended	Last AGM Attended (Yes / No)
Shyam Lal Agarwala (DIN: 00003055)	Executive –Managing Director	6	Yes
Manoj Kumar Jhajharia (DIN: 00003076)	Executive –Joint Managing Director	6	Yes
Arunkumar Jhajharia (DIN: 00003086)	Executive – Non-Independent Director	6	Yes
Raghav Agarwal # (DIN: 0006981525)	Additional Director - Non-Executive –Non-Independent	3	NA
Dhires Jayasi (DIN: 06931744)	Non-Executive Independent Director	6	Yes
Meenakumari Shanmugam (DIN: 07143889)	Non-Executive-Independent Director	6	Yes
Hari Desikan Ganesh (DIN: 08710451)	Non-Executive-Independent Director	4	Yes
Prabhu Damodaran # (DIN: 0005342906)	Additional Director- Non-Executive-Independent	3	NA

Note: None of the Directors are Directors in Public Limited Companies except Shree Prabhu Damodaran, who is a Director in SRG Apparels Limited and Cotton Sourcing Company Limited, both being unlisted public companies.

# Inducted as an Additional Director on the Board with effect from 14th November 2022

### Committees of the Board

The Board has constituted the following Committees of Directors to deal with Matters referred to it for timely decisions:

- a) Audit Committee b) Nomination and Remuneration Committee) Stakeholders Relationship Committee and d) Corporate Social Responsibility Committee.

The Committees meet at periodic intervals as required under the Regulations.

### 1. AUDITCOMMITTEE:

#### A) Composition, Names of Members and Chairperson:

The Board has an Audit Committee constituted pursuant to Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The role of the Audit Committee, inter-alia, includes the following:

- Overseeing the Company's Financial Reporting Process and the Disclosure of its Financial Information to ensure that the Financial Statements are correct.
- Recommending to the Board, the Appointment, Re-Appointment and if required the Replacement or Removal of the Statutory Auditor and the Fixation of Audit Fees.
- Reviewing with the Management, the Quarterly and Annual Financial Statements before submission to the Board for Approval.
- Reviewing the Adequacy of Internal Audit function and the Adequacy of Internal Control Systems.
- Framing and reviewing Policy on Related Party Transactions and recommend the same to Board.

The Committee is empowered with the powers pursuant to Regulation 18(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 17 of the Companies Act, 2013.

During the Year under Report, four Meetings of the Audit Committee were held on the following Dates:

30 <sup>th</sup> May 2022	12 <sup>th</sup> August 2022	14 <sup>th</sup> November 2022	10 <sup>th</sup> February 2023
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The constitution of the Committee and Attendance of each Member at the Audit Committee Meetings held during the Year under Report is given below:

Name Shree / Shreemati	Designation	Category	Committee Meetings Attended
Dhires Jayasi	Chairman	Independent	4
Meenakumari Shanmugam	Member	Independent	4
Manoj Kumar Jhajharia	Member	Executive Non-Independent-	4

There was no occasion when the Board did not accept any Recommendation of the Audit Committee.

## 2. NOMINATION AND REMUNERATION COMMITTEE (NRC):

Nomination and Remuneration Committee is a Board Level Committee which shall be responsible for recommending Candidates for Appointment to the Board and Senior Management Positions. It shall be instrumental in establishing Policies that define the Criteria for Qualifications for such Positions, fixing their Remuneration and Terms of Employment, setting Performance Objectives, and Goals to provide Inputs to Board for making Requisite Disclosures regarding the Remuneration of Board of Directors and Senior Management.

The Committee also formulates/reviews the Criteria for Evaluation of Performance of Chairman, Independent Directors, Board as a whole and Committees of the Board.

The constitution of the Nomination and Remuneration Committee and Attendance of each Member at the Committee Meetings Held during the Year is given below. The of the Committee complies with the Statutory requirement.

The Nomination and Remuneration Committee met on 30th May 2022 and 14th November 2022.

Name Shree /Shreemati	Designation	Category	Committee Meetings Attended
Dhiresb Jayasi	Chairman	Independent	2
Meenakumari Shanmugam	Member	Independent	2
Shyamlal Agarwala	Member	Executive	2

### Remuneration Policy

The Remuneration Policy of the Company is to make the Remuneration payable to the Executive Directors and Other Directors who are Non-Executive Non-Independent comparable to the Industry Standards and commensurate with the Performance of the concerned Director, while keeping in mind the limits prescribed under the Act.

The Nomination and Remuneration Committee has adopted a Charter which, inter alia, deals with the Manner of Selection of Board of Directors/Key Managerial Personnel/Senior Managerial Personnel. The Policy is accordingly derived from the said Charter. The Policy on Nomination and Remuneration is available on the Website [www.salonacotspin.com](http://www.salonacotspin.com).

Remuneration Paid to Executive Directors and Non-Executive Non-Independent Directors:

During the period under review, the Remuneration Paid/ Payable to the Executive Directors including Managing Director and Non-Executive Directors is as follows:

Name of the Directors	Relationship with other Director	Business Relationship with the Company, if any	Remuneration Paid / Payable during 2022-2023 (Rs.)		
			Salary & Perquisites	Commission	Total
i. Shyam Lal Agarwala, Chairman and Managing Director	Father of Joint Managing Director	Promoter	62,49,231	20,25,768	82,74,999
ii. Manoj Kumar Jhajharia, Joint Managing Director	Son of Chairman and Managing Director	Promoter	37,91,538	Nil	37,91,538
iii. Arunkumar Jhajharia Executive Director	Son of Chairman and Managing Director	Promoter	28,00,000	Nil	28,00,000

## Remuneration Paid to Other Non-Executive Directors:

All the Non-Executive Independent Directors are Paid Sitting Fee of Rs. 2000/- for each Board Meeting attended by them. The Members of the Committees are also Paid a Sitting Fee of Rs.2000/- for each Committee Meeting attended by them.

SI No.	Name of the Director	Position	Sitting Fees
1.	ShreeHari Desikan Ganesh	Non-Executive Independent	Rs.4,000
2.	Shree Dhiresh Jayasi	Non-Executive Independent	Rs.23,400
3.	Shreemati Meenakumari	Non-Executive Independent	Rs.19,000
4.	Shree Prabhu Damodaran	Non-Executive Independent	Rs. 2000

## Shareholding of Directors

Name of the Director	Designation/ Category	No. of Shares Held
Shyam Lal Agarwala (DIN: 00003055)	Executive- Chairman and Managing Director	4,29,393
Manoj Kumar Jhajharia (DIN: 00003076)	Executive Joint Managing Director	3,12,188
Arunkumar Jhajharia (DIN: 00003086)	Executive Non-Independent Director	3,30,671
Raghav Agarwal (DIN: 0006981525)	Additional Director - Non-Executive Non-Independent	1,24,726
Dhiresh Jayasi (DIN: 06931744)	Non-Executive Independent	NIL
Meenakumari Shanmugam (DIN: 07143889)	Non-Executive Independent	NIL
Hari Desikan Ganesh (DIN: 08710451)	Non-Executive Independent	NIL
Prabhu Damodaran (DIN: 0005342906)	Additional Director- Non-Executive Independent	NIL

## Evaluation of Board's Performance

The Evaluation of Chairperson, Managing Director, Non-Executive Directors including Independent Directors, Board as a whole, Board Committees were done for the Financial Year under Report.

Evaluation on Individual Directors without the Director being evaluated, Chairman and Managing Director, Board as a whole and Committees are carried out as per Statutory Guidelines through the Internal Assessment Method and Questionnaire Based Process.

Evaluation Criteria for Non-Executive Directors for Non-Independent Directors and Independent Directors, Chairman, Managing Director, and Board Committees are in tune with the Nomination and Remuneration Committee Formulated Policy and Criteria in accordance with the statutory provisions. Broadly, the Criteria includes aspects such as Board Process, Information Flow and Functioning including Attendance and Participation at the Board Meetings, Knowledge and Expertise, Management Relationship with Stakeholders, Integrity and Maintenance of Confidentiality, Independence, Personal Attributes, Judgement, etc., Broadly the Criteria was conducted pursuant to the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations and the Guidance Note on Board Evaluation Issued by the Securities and Exchange Board of India.

The Board of Directors in their Meeting held on 26th May 2023, have carried out the Annual Evaluation on the Performance of Board, its Committees, Chairman, Managing Director, and Independent Directors.

### Separate Meeting of the Independent Directors

A Meeting of the Independent Directors was held on 26th May 2023 without the Attendance of Non-Independent Directors and Members of Management. The Members of the Meeting reviewed the Performance of Non-Independent Directors and the Board as a whole after taking into Account the views of Non-Independent Directors. Performance Evaluation was carried out based on Criteria such as Attendance and Participation at the Board, Knowledge and Expertise, Management Relationship with Stakeholders, etc and assessment of the Quality and Quantity and Time lines of Flow of Information between the Management and the Board. The Independent Directors have expressed satisfaction about the functioning of the Senior Management and the Board especially with respect to Quality and Quantity and Time lines of Flow of Information.

### Stakeholders Relationship Committee

The Stakeholders Relationship Committee

- Monitors Transfer, Transmission and Transposition of Shares and Issue of Duplicate Shares in Electronic Form, etc.
- Reviews the Redressal of Grievances/ Complaints from Shareholders on Matters relating to Transfer, Transmission and Transposition of Shares, Non-Receipt of Annual Reports, Dividend, etc.
- Reviews the Compliances with various Statutory and Regulatory Requirements relating to the Securities Issued by the Company.

During the Year under review, four Meetings of the Stakeholders' Relationship Committee were held on the following Dates:

30 <sup>th</sup> May 2022	12 <sup>th</sup> August 2022	14 <sup>th</sup> November 2022	10 <sup>th</sup> February 2023
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Composition of the Stakeholders Relationship Committee and Attendance of the Members of the Committee are given below:

Name of the Member Shree	Designation	Category	No. of Meetings Attended
Dhiresb Jayasi	Chairman	Independent	4
Shyامل Agarwala	Member	Executive - Managing Director	4
Manoj Kumar Jhajharia	Member	Executive - Joint-Managing Director	4



### Shareholders Complaints Redressal

During the Year under review, Shareholders Complaints and Redressal Details are given below:

- Number of Complaints received : One
- Number of Complaints Redressed : One
- Number of Complaints not Redressed: Nil
- Number of Complaints Pending : Nil

The Contact Details of the Company Secretary and Compliance Officer of the Company is furnished under the Shareholder Information column of this Report.

### Corporate Social Responsibility (CSR) Committee

Corporate Social Responsibility Committee has formulated a Corporate Responsibility Policy indicating the CSR Activities undertaken by the Company pursuant to Schedule VII to the Companies Act, 2013 and the Rules made thereunder. The CSR Policy is posted on the Company's Website [www.salonacotspin.com](http://www.salonacotspin.com).

The Terms of Reference of the CSR Committee include recommending to the Board the Amount of Expenditure to be incurred on the CSR Activities and monitoring the Implementation of the CSR Policy from time to time.

The CSR Committee met on 12th August 2022.

Composition of the CSR Committee and Attendance of the Members of the Committee at the Committee Meetings are as follows:

Name of the Member Shree	Designation	Category	No. of Meetings Attended
Dhiresb Jayasi	Chairman	Independent	1
Shyاملal Agarwala	Member	Executive Managing Director	1
Manoj Kumar Jhajharia	Member	Executive Joint Managing Director	1

### Insider Trading

Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Board of Directors of the Company has adopted the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices. All the Directors, Employees of the Company and their immediate Relatives and Other Connected Persons who would have access to the Unpublished Price Sensitive Information of the Company are governed under this Code. These Codes are posted on the Company's Website [www.salonacotspin.com](http://www.salonacotspin.com).

### Disclosures

#### A] Related Party Transactions

All the Related Party Transactions were entered into on Arm's Length Basis, in the Ordinary Course of Business and follow the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Details of Transactions with the Related Parties are provided in the Company's Financial statements pursuant to the Accounting Standards issued by the Institute of Chartered Accountants of India. All Related Party Transactions are presented to the Audit Committee of the Board and Approval obtained as envisaged in the Regulations. A Statement of all Related Party Transactions is presented before the Audit Committee on a Quarterly Basis, specifying the Nature, Quantum and Terms and Conditions of the Transactions. Kindly refer to the Notes Forming Part of Accounts for the Details of Related Party Transactions.

The Company has adopted a Policy on dealing with the Related Parties. The same is disclosed on the Website of the Company [www.salonacotspin.com](http://www.salonacotspin.com).

There were no Materially Significant Related Party Transactions made by the Company with Promoters, Directors, or Key Managerial Personnel, etc. which may have potential Conflict of Interest with the Company at large.

- B] Details of Non-Compliance by the Company, Penalties and Strictures Imposed on the Company by the Stock Exchange or Securities and Exchange Board of India or any Other Statutory Authorities on any Matter relating to Capital Markets, during the previous three Years:

There was no instance of Non-Compliance, Penalty and Stricture imposed on the Company by Stock Exchange or Securities and Exchange Board of India or any Statutory Authority on any Matter relating to Capital Markets, during the previous three Years.

- C] Details of Establishment of Vigil Mechanism/ Whistle Blower Policy and Affirmation that no Personnel have been denied access to the Audit Committee:

A Whistle Blower Policy is adopted by the Company to provide adequate safeguards to deal with instances of fraud and mismanagement and to Report concerns about unethical behaviour or any violation of the Company's Code of Conduct. The Audit Committee has been authorised to review the Cases received under the Whistle Blower Policy of the Company and address the Grievances of all the Personnel in the Company. The Whistle Blower Mechanism is in Operation and no Personnel has been denied Access to the Audit Committee.

The Whistle Blower Policy can be accessed on the Company's Website at [www.salonacotspin.com](http://www.salonacotspin.com) and weblink for the same is [https://www.salonacotspin.com/policy Information.php](https://www.salonacotspin.com/policy%20Information.php)

- D] Managing Director and Chief Financial Officer (CFO) Certification for the Financial Statements:

The Managing Director and Chief Financial Officer have certified to the Board in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CFO Certification for the Financial Year Ended 31st March 2023 and provided elsewhere in the Report.

- E] Code of Conduct

Pursuant to Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Directors and Senior Managerial Personnel of the Company have affirmed the Compliance with the Code of Conduct laid down by the Company. Managing Director's Affirmation that the Code of Conduct has been complied with by the Persons covered under the Code is furnished elsewhere in the Report.

- F] Company has obtained a Certificate from Shree Ramanathan Kannan, Practicing Company Secretary, that none of the Directors are debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any other authority. Certificate is annexed hereto.
- G] The Board has accepted all Recommendations of its committees.
- H] Total Fee for all the Services, on consolidated Basis, to the Statutory Auditor and all entities in network firms / network entities of which the Statutory Auditor is a part is Rs. 1.52 Lakh.
- I] The Company is compliant to all the mandatory requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has not adopted any non-mandatory requirements prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- J] Disclosure in Relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- Number of Complaints filed during the Financial Year: NIL
  - Number of Complaints disposed of during the Financial Year: NIL
  - Number of Complaints pending as at the end of the Financial Year: NIL
- K] The Company follows the Corporate Governance requirements specified in Regulations 17 to 27 and disseminated all the details on the Company's Website as per clause (b) (i) of Sub-Regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, if any (including any statutory amendments, modifications or re-enactments thereof, from time-to-time), and the Recommendation of the Audit Committee, the Board has appointed Shree Ramanathan Kannan, Practicing Company Secretary, Chennai, to conduct the Secretarial Audit of the Company for the financial Year ended 31st March 2023. The Report is enclosed herewith as Annexure -II.

#### ANNUAL GENERAL MEETINGS:

- a) Details of previous three Annual General Meetings:

A.G.M	YEAR	VENUE	DATE	TIME
26 <sup>th</sup>	2020	Held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") at Registered Office	21 <sup>st</sup> September 2020	10:30 A.M
27 <sup>th</sup>	2021	Held through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") at Registered Office	16 <sup>th</sup> September 2021	10:30 A.M
28 <sup>th</sup>	2022	Held through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") at Registered Office	28 <sup>th</sup> September 2022	10:30 A.M

b) Details of Special Resolutions passed during the last Three Annual General Meetings

A.G.M	DATE	YEAR	DETAILS
26 <sup>th</sup>	21 <sup>st</sup> September 2020	2020	Re-Appointment of Shreemati Meenakumari Shanmugam (DIN: 07143889) as an Independent Director for a second Term of 5 Years.
27 <sup>th</sup>	16 <sup>th</sup> September 2021	2021	Re-Appointment of Shree Shyam Lal Agarwala as the Managing Director of the Company. Re-Appointment of Shree Manoj Kumar Jhajharia as the Joint Managing Director of the Company. Increase in the Borrowing Limits from Rs.300 Crore to Rs.500 Crore. Creation of Charges on the Movable and Immovable Properties of the Company, both Present and Future, in respect of Borrowings.
28 <sup>th</sup>	28 <sup>th</sup> September 2022	2022	Appointment of Shree Arun Kumar Jhajharia, Executive Director, for a Term of 5 Years and Approval of Remuneration payable to him.

Extra-Ordinary General Meeting(EGM) and Postal Ballot

No Extra-Ordinary General Meeting was held during the Year under review.

No Special Resolution was required to be passed through Postal Ballot during the Year under review.

Special Resolutions are proposed at the ensuing 29th Annual General Meeting as detailed in the Notice convening the Meeting.

E-Voting:

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and the Rules made thereunder, Electronic Voting at the Annual General Meeting were extended to all the Shareholders of the Company to facilitate Voting on the Subjects/Resolutions contained in the 28th Annual General Meeting Notice. To conduct the Voting procedure in a fair and transparent Manner, a Scrutinizer was appointed. Accordingly, the Scrutinizer conducted the Voting Process and submitted his Report on the Voting Polled, to Chairman of the Company. As per the said Report, the Results of the Voting on the Subjects/Resolutions, contained in the Agenda of the Meeting were announced and the Reports thereof were forwarded to the Stock Exchanges. It was also uploaded along with the Scrutinizer's Report, on the Website of the Company. All the Resolutions Subjects/Resolutions contained in the said Agenda were approved.

**MEANS OF COMMUNICATION:**

- Pursuant to Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, your Company maintains a Website viz: [www.salonacotspin.com](http://www.salonacotspin.com), which contains Information about the Company, Details of Business, Financial Results, Shareholding Pattern, Compliance with Corporate Governance Requirements and Other Corporate Communications made to the Stock Exchanges, Notices and Annual Reports of the Company, Unclaimed/Unpaid Dividend Details and Contact Details of the Company Secretary and Compliance Officer who is responsible for handling the Investor Grievances.

- b. Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company reviewed and took on record/approved the Quarterly Unaudited Results within 45 days from the end of respective Quarters and the Audited Financial Results for the Quarter end and Year end within 60 days from the end of each Financial Year. The Results are promptly forwarded to the National Stock Exchange and Bombay Stock Exchange within the stipulated time and are published in Newspapers, both in English and in Vernacular Language of the District where the Registered Office of the Company is situated within 48 hours of the conclusion of the Board Meeting. The Results are simultaneously posted on the Company's Website at [www.salonacotspin.com](http://www.salonacotspin.com).
- c. Financial Calendar for the Results during the Financial Year 2022-2023:

Quarter ending	Date of Approval
Q1 -FY 2022-23	30 <sup>th</sup> May 2022
Q2- FY 2022-23	12 <sup>th</sup> August 2022
Q3- FY 2022-23	14 <sup>th</sup> November 2022
Q4- FY 2022-23	10 <sup>th</sup> February 2023

- d. The Financial Results are also accessible on the Company's Website [www.salonacotspin.com](http://www.salonacotspin.com).

#### GENERAL SHAREHOLDERS INFORMATION:

- (i) 29<sup>th</sup> Annual General Meeting:  
Date : 25<sup>th</sup> September 2023.  
Day : Monday  
Time : 10:00 AM  
Venue: Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")
- (ii) Financial Year : 1<sup>st</sup> April 2022, to 31<sup>st</sup> March 2023
- (iii) Announcement of Annual Results: 26<sup>th</sup> May 2023  
2022-23
- (iv) Date of Book Closure: 19<sup>th</sup> September 2023 to 25<sup>th</sup> September 2023 (Both days inclusive)
- (v) E-Voting Period : ---9.00 AM to --- 5.00PM
- (vi) Date of Payment of Dividend: on or after 25<sup>th</sup> September 2023

#### Listing Details:

Equity Shares of the Company are listed on the National Stock Exchange of India.

Symbol: SALONA

ISIN No.INE498E01010

Listing Fee for the Financial Year 2022-23 has been Paid to the Exchange.

(vii) Financial Calendar (Tentative):

1	Publication of Unaudited Financial Results for the Quarter Ended 30.6.2023	2 <sup>nd</sup> Week of August 2023
2	Publication of Unaudited Financial Results for the Quarter Ended 30.9.2023	2 <sup>nd</sup> Week of November 2023
3	Publication of Unaudited Financial Results for the Quarter Ended 31.12.2023	2 <sup>nd</sup> Week of February 2023
4	Publication of Audited Financial Results for the Quarter and Financial Year Ended 31st March 2024	Last week of May 2024
5	Annual General Meeting	September 2024

The Company's Shares are listed on the National Stock Exchange and Calcutta Stock Exchange (Applied for Voluntary Delisting from Calcutta Stock Exchange). The Company's Shares are permitted for Trading on BSE Indonext segment of Bombay Stock Exchange Limited with effect from 5th July 2006 and subsequently withdrawn on 24th June 2014 due to exit option. As per the strategic agreement / arrangement made by the Madras Stock Exchange Limited, the NSE has admitted the Securities of our Company to dealings on the National Stock Exchange (Capital Market Segment) with effect from 9th August 2010 and this agreement discontinued due to de-recognition of Madras Stock Exchange on 21st November 2014. The Company has complied to the Circular Dated 17th April 2015 issued by the Securities and Exchange Board of India within the prescribed time.

(viii) Market Price Data: High and Low quotations of the Company's Share on the NSE from April 2022 to March 2023 are given below :

Month	Quotations (in Rs.)	
	High	Low
April 2022	334.40	218.10
April 2022	334.40	218.10
May 2022	288.80	228.10
June 2022	258.65	202.50
July 2022	237.90	196.70
August 2022	255.90	201.65
September 2022	308.00	239.45
October 2022	298.95	249.95
November 2022	323.25	261.00
December 2022	295.95	228.00
January 2023	274.45	243.00
February 2023	261.00	222.15
March 2023	255.95	212.00

- (ix) The Company has appointed Registrar and Share Transfer Agent for Physical and Demat Segment. The Name and Address is given below:

S.K.D.C Consultants Limited  
Surya 35, Mayflower Avenue, Behind Senthil Nagar,  
Sowripalayam Road, Coimbatore 641028  
Phone No: 0422-4958995  
Fax No: 0422-2539837  
e mail info@skdc-consultants.com  
Contact Person: Mr. Jayakumar, Manager

Details of Company Secretary and Compliance Officer

Archana R Jha,  
No.9, Ramalinga Nagar, IV Cross, Saibaba Colony,  
Coimbatore- 641011  
Email id: cs@salonacotspin.com ; Phone No. 0422 245 4415

Shareholders are Requested to make Service Requests by submitting a duly filled and signed Form ISR-4 (Form for Various Service Requests), Format of which is available on the Website at [www.salonacotspin.com](http://www.salonacotspin.com).

Shareholders holding Equity Shares of the Company in Physical Form are Requested to get their Equity Shares converted into Demat/electronic Form to get inherent benefits of Dematerialisation and considering that Physical Transfer of Equity Shares/ Issuance of Equity Shares in Physical Form have been disallowed by the Securities and Exchange Board of India.

Common and Simplified Norms for Investors' Service Request:

As an ongoing measure to enhance Ease of doing Business for Investors the Securities and Exchange Board of India vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3rd November, 2021; SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14th December, 2021 and SEBI/HO/MIRSD/MIRSD\_PoD/P/CIR/2023/37 dated 16th March, 2023 has prescribed common and simplified norms for processing Investor's Service Requests by Registrar and Share Transfer Agents (RTA) and norms for furnishing PAN/KYC details and Nomination. Shareholders are requested to go through the communication available on the Website of the Company [www.salonacotspin.com](http://www.salonacotspin.com) relating to the same. The Company has also sent intimations to shareholders in this regard through the RTA.

Authority for approving Share Transmissions is the Stake holders Relationship Committee headed by the Chairman of the Company.

Pursuant to Regulation 40 (9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, half Yearly Certificate on Compliance with Rules relating to Share Transfers, Transmissions and Transpositions is obtained from the Company Secretary in Practice and a Copy of the Certificate is filed with the Stock Exchanges.

Pursuant to the Securities and Exchange Board of India (Depositories and Participant's) Regulations 1996, Certificate has been issued by a Company Secretary in Practice for timely Dematerialization of Shares of the Company and for Reconciliation of Share capital of the Company. Demat Requests have been confirmed within 21 days from the Date of Request.

## **Nomination**

Pursuant to Section 72 of the Companies Act, 2013 Facility for making Nomination(s) is available to Individuals holding Shares in the Company. Shareholders holding Shares in Physical Form may obtain a Nomination Form (Form SH-13), from the Registrar and Share Transfer Agent, i.e., SKDC Consultants Limited or download the same from their website at [www.skdc-consultants.com](http://www.skdc-consultants.com).

Shareholders holding Shares in Dematerialized Form should file their Nomination with their Depository Participant (DPs) for availing this Facility.

Permanent Account Number, Bank Details, KYC Updation and Contact Details

It is mandatory for all Shareholders holding Shares in Physical Form to furnish PAN, Nomination, Contact Details, Bank Account Details and Specimen Signature for their corresponding Folio Numbers. Shareholders holding shares in Electronic Form are therefore requested to submit the PAN with their DPs with whom they are maintaining their Demat Accounts. Shareholders holding Shares in Physical Form are requested to submit their PAN Details to the Company or its Registrar and Share Transfer Agent.

Shareholders are Requested to intimate/update changes, if any, pertaining to their PAN, postal address, e-mail address, telephone/mobile numbers, with necessary documentary evidence to the Company or its Registrar and Share Transfer Agent in Form ISR-1, if the Shares are Held in Physical Form or to their Depository Participant if holding is in Electronic Mode. The said Form ISR-1 for change / update Details, Form ISR-2 for Bankers' Attestation of Signature in case of major Mismatch and Form ISR-3 for Declaration of opting out of Nomination are available for download at the weblink of our Registrar and Share Transfer Agent.

## **Freezing of Folios without PAN, KYC Details and Nomination**

Folios wherein any of the Documents/Details, i.e., PAN, KYC Details and Nomination are not available on or after 1st October 2023 shall be frozen by the Registrar and Share Transfer Agent /Company in Terms of the above-mentioned Securities and Exchange Board of India Circulars. The frozen Folios will be referred to the Administering Authority under Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on 31st December 2025.

Transfer of Unclaimed Dividend and Equity Shares to Investor Education and Protection Fund ("INVESTOR EDUCATION AND PROTECTION FUND") Account

## **Unclaimed Shares**

Pursuant to Regulation 39(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, the Company Reports that 110160 Equity Shares of the Company on which Dividend was unclaimed for Seven Years, i.e., since 2015-2016, have been transferred to the Investor Education and Protection Fund as per the Registrar and Share Transfer Agent Report pertaining to the Financial Year 2013-2014. Notices have been sent to the Shareholders in this regard before Transfer of the said Amount to the Investor Education and Protection Fund.

## **Transfer of Unclaimed Dividend**

Pursuant to Section 124 (5) of the Companies Act, 2013, Dividend for the Financial Year 2015-16 and the Dividends for the subsequent Financial Years, which remain Unpaid or Unclaimed for a consecutive period of seven Years will be transferred to the Investor Education and Protection Fund. During the



Financial Year Ended 31st March 2023, the Company has transferred Shares of Face Value of Rs. 1101600 to the Investor Education and Protection Fund being the Unclaimed/Unpaid Dividend for the Financial Year 2013-2014. Notices have been sent to the Shareholders in this regard before Transfer of the said Amount to the Investor Education and Protection Fund.

As required under the Secretarial Standard on Dividend (SS-3) details of unpaid dividend account and due dates of transfer to the IEPF is given below:

Sl. No.	Financial year	Due Date of Transfer to IEPF	Amount (in Rs.)
01	2015-16	31 <sup>st</sup> October 2023	182140
02	2016-17	31 <sup>st</sup> October 2024	139855
03	2017-18	31 <sup>st</sup> October 2025	153545
04	2018-19	31 <sup>st</sup> October 2026	131755
05	2019-20	31 <sup>st</sup> October 2027	0
06	2020-21	31 <sup>st</sup> October 2028	248515
07	2021-22	31 <sup>st</sup> October 2029	295745

Shareholders who have not so far encashed their Dividend relating to the Financial Year 2015-2016 are requested to do so by 31<sup>st</sup> October 2023. Shareholders are requested to write to the Company or to the Registrar and Share Transfer Agent at the Addresses mentioned in this Report.

The Company sends periodical letters to all Shareholders whose Dividends are unclaimed to ensure that they receive their rightful dues. Efforts are also made in co-ordination with the Registrar to locate the Shareholders who have not claimed their dues.

For the Year, there is no amount due to be transferred as unclaimed amount to the Investor Education and Protection Fund.

**(x) Dematerialisation of Shares:**

As at 31<sup>st</sup> March 2023, 5033900 Shares constituting 95.7 % of the Total Paid-Up Share Capital of the Company have been Dematerialized with the Central Depository Services Limited and the National Securities Depository Limited.

**(xi) Distribution of Shareholding:**

No of Shares held	No of Shareholders	% of Shareholders	No of Shares	% of Shareholding
1 - 500	2967	89.17	274924	5.22
501 - 1000	179	5.38	155358	2.95
1001 - 2000	91	2.73	146281	2.78
2001 - 3000	26	0.78	68539	1.3
3001 - 4000	14	0.42	50242	0.95
4001 - 5000	5	0.15	23408	0.44
5001 - 10000	8	0.24	65250	1.24
10001 and above	37	1.11	4478398	85.1
<b>Total</b>	<b>3647</b>	<b>100.00</b>	<b>5262400</b>	<b>100.00</b>

(xii) Category-Wise Distribution of Shareholding:

Sl.No.	Category	No of Shares	Percentage
	Promoter's Holding		
1.	Promoters	3530708	67.91
	<b>Sub Total</b>	<b>3530708</b>	<b>67.91</b>
2.	Non-Promoters Holding		
	Banks, Financial Institutions, Insurance Companies.	0	0.00
	<b>Others</b> --	-	
3.	Private Corporate Bodies	392759	7.46
4	Individual Shareholders holding Nominal Share Capital up to Rs. 2 Lakh.	801992	15.24
5	Individual Shareholders holding Nominal Share Capital in Excess of Rs. 2 Lakh.	362541	6.89
6	Other Directors and Relatives	1000	0.02
7	Key Managerial Personnel	100	0
8	Non-Resident Indians	3804	0.07
9	Clearing Members	552	0.01
10	Hindu Undivided Families	58784	1.11
11	Investor Education and Protection Fund	110160	2.09
	<b>Total</b>	<b>5262400</b>	<b>100.00</b>

(xiii) Location of Company's Plants:

The Company's Plant (Textile Mill) is located at SF No.74/12 and 75/3, Sathy Main Road, Pungampalli Village, Valipalayam (Post), Sathy TK, Erode District.

Windmills: Panakudi Village, Radhapuram Taluk.  
Sinjuvadi Village, Pollachi Taluk  
Vadambhacherri Village, Palladam Taluk  
Kozhumankondan Village, Palani Taluk

Solar Power Plant: Mill premises -

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

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

(xiv) Address for Correspondence:

Corporate Office: No. 9, 4th Cross Street, Ramalinga Nagar, Saibaba Colony.  
Coimbatore 641 011, Tamil Nadu

**BY ORDER OF THE BOARD**

**SHYAM LAL AGARWALA**  
**Chairman and Managing Director**  
**DIN: 00003055**

11<sup>th</sup> August 2023  
Coimbatore

**ANNEXURE TO CORPORATE GOVERNANCE REPORT**  
**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,  
Regd. Off: SF No.74/12 & 75/3, Sathy Road,  
Pungampalli Village,  
Sathyamangalam - 638402

I have examined the relevant register, forms, returns and disclosures received from the Directors (as enlisted in the Table below), of Salona Cotspin Limited having CIN: L17111TZ1994PLC004797 and having registered office at SF No.74/12 & 75/3, Sathy Road, Pungampalli Village, Sathyamangalam-638402 (herein after referred to as "the Company"), produced before me for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ( as amended).

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status and other data /information relating to the directors available at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that None of the Directors on the Board of the Company as stated below for the financial year ended on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs (MCA) or any such other Statutory Authority.

Sl. No.	Name of the Director	DIN	Date of Appointment
1.	Shyamlal Agarwala	00003055	18.01.1997
2.	Manoj Kumar Jhajharia	00003076	26.09.1998
3.	Arun Kumar Jhajharia	00003086	12.02.2018
4.	Dhires h Jayasi	06931744	25.07.2014
5.	Meenakumari Shanmugam	07143889	30.03.2015
6.	Hari Desikan Ganesh	08710451	25.06.2020
7.	Prabhu *	05342906	14.11.2022
8.	Raghav Agarwal *	06981525	14.11.2022

\* Additional Directors

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

Place: Chennai  
Date: 10.08.2023  
UDIN: F007446E000782055

**RAMANATHAN KANNAN**  
Practicing Company Secretary  
FCS: 7446; CP:17220  
Peer Review Certificate: 2803/2022

**CORPORATE GOVERNANCE- NON MANDATORY REQUIREMENTS – EXTENT ADOPTED**

1.	<p>The Board – A Non-executive Chairman may be entitled to maintain a Chairman’s Office at the Company’s expense and also allowed reimbursement of expenses incurred in performance of his duties</p> <p>Independent Directors may have tenure not exceeding , in aggregate, a period of nine years, on the Board of a Company</p> <p>The Company may ensure that the person who is being appointed as an independent director has the requisite qualification and experience which would be of use to the Company and which, in the opinion of the Company, would enable him to contribute effectively to the Company in his capacity as an independent director.</p>	<p>Does not arise as the Chairman of the Board is an Executive Chairman</p> <p>Tenure of Five years has been fixed for independent Directors.</p> <p>This is ensured.</p>
2.	Remuneration Committee	Please refer to Serial No.4 of Report on Corporate Governance
3.	Shareholders Rights – The half-yearly declaration of financial performance including summary of the significant events in last six months, may be sent to each household of shareholders	As the Company’s half yearly results are published in leading English newspapers having circulation all over India and in Tamil newspapers and also in the SEBI website, the same are not sent to the shareholders of the Company. There is no publication of second half-yearly result as the annual results are approved by the Board and then published in the newspapers and also communicated to the shareholders through the Annual Report.
4.	Audit qualifications – Company may move towards a regime of unqualified financial statements	Nil
5.	Training of Board Members – The Company may train its Board Members in the business model of the Company as well as the risk profile of the business parameters of the Company, their responsibilities as directors and the best ways to discharge them	At present, the Company does not have any such training program for Directors.
6.	Mechanism for evaluating non-executive Board – Members – The performance evaluation of non-executive Directors could be done by a Peer Group comprising the entire Board of Directors, excluding the Director being evaluated; and Peer Group evaluation could be the mechanism to determine whether to extend / continue the terms of appointment of non –executive directors	At present, the Independent Directors being Directors are reading evaluated by the Board in the manner prescribed.
7.	Whistle Blower Policy	The Company has a whistle Blower Policy.

**BY ORDER OF THE BOARD**

Place : COIMBATORE  
Date: 11.08.2023

**SHYAMLAL AGARWALA**  
**Chairman.**  
**DIN: 00003055**

**CODE OF CONDUCT - DECLARATION**

Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, I declare that the Board of Directors and Members of Senior Management have affirmed the compliance with the code of conduct during the financial year ended 31.03.2023.

Place: Coimbatore  
Date: 11.08.2023

**For SALONA COTSPIN LIMITED**  
**SHYAMLAL AGARWALA**  
**Chairman**  
**DIN: 00003055**

## CEO & CFO CERTIFICATION

### To the Board of Directors of SALONA COTSPIN LIMITED

We hereby certify that:

- (a) We have reviewed the Financial Statements for the Financial Year Ended 31st March 2023 and that to the best of our knowledge and belief:
  - (i) these Statements do not contain any Materially Untrue Statement or omit any Material Fact or contain Statements that might be Misleading.
  - (ii) these Statements together present a True and Fair View of the Company's Affairs and are in compliance with the Existing Accounting Standards issued by the Institute of Chartered Accountants of India and notified by the Ministry of Corporate Affairs, and Other Applicable Laws and Regulations.
- (b) there are, to the best of our Knowledge and Belief, no Transactions entered into by the Company during the Financial Year Ended 31st March 2023, which are Fraudulent, Illegal or in Violation of the Company's Code of Conduct.
- (c) We accept Responsibility for establishing and maintaining Internal Controls and that we have evaluated the Effectiveness of the Internal Control Systems of the Company and we have not observed any Deficiencies in the Design or Operation of Internal Controls; and
- (d) We have indicated to the Auditors and the Audit Committee that there are: -
  - (i) no Significant Changes in the Internal Control during the Year;
  - (ii) no Significant Changes in Accounting Policies during the Year; and
  - (iii) no instances of Significant Fraud where the Involvement of Management or an Employee having a Significant Role in the Company's Internal Control System have been observed.

11<sup>th</sup> August 2023  
COIMBATORE

**Shyamlal Agarwala**  
**Managing Director (CEO)**  
**DIN: 00003055**

**M.S. SELVARAJ**  
**General Manager- Finance (CFO)**

## **INDEPENDENT AUDITOR'S REPORT**

To The Members of **SALONA COTSPIN LIMITED**, Coimbatore ("the company")  
Report on the Audit of the Financial Statements

### **Opinion**

We have audited the accompanying Ind AS financial statements of Salona Cotspin Limited ("the Company"), which comprise the balance sheet as at March 31, 2023 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, 2023, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended as on that date.

### **Basis for Opinion:**

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 detecting 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, 2023 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2023 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 31<sup>st</sup> March 2023, paid/provided by the Company to its directors is in accordance with the provisions of section 197 read with schedule V to the Act; and
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us;
    - a. The Company does not have any pending litigations which would impact its financial position;
    - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - c. There has been no delay in transferring amounts, required to be transferred, the Investor Education and Protection Fund by the Company.
    - d. (A) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company

to or in any other person or Entity, including foreign entity (“Intermediaries”), with the understanding, whether Recorded in writing or otherwise, that the Intermediary shall, whether, directly or Indirectly lend or invest in other persons or entities identified in any manner Whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide Any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (B) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations, as provided under (A) and (B) above, contain any material misstatement.
- (e) The 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) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

For **GOPAL AIYER AND SUBRAMANIAN**

Chartered Accountants  
(Firm registration No.: 000960S)

**CA.R.MAHDEVAN**

Partner

(Membership No.027497)

UDIN : 23027497BGXPBF8922

Place : Coimbatore  
Date: 26<sup>th</sup> May, 2023

**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 fixed assets 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, 2023 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 crore, in aggregate, at any points of time 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.
- 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 in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

- 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 servicetax, duty of customs, duty of excise, cess and other material statutory dues applicable to it to the appropriate authority.
  - b) There were 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, 2023 for a period of more than six months from the date they became payable.
  - c) There is no due in respect of any disputed demand in respect of income- tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise as on 31st March 2023.
- 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) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (d) According to the information and explanations given to us, the Group does not have any Core Investment Company (CIC)
- 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) In respect of other than ongoing projects, the Company has not transferred the unspent CSR amount as at the Balance Sheet date out of the amounts that was required to be spent during the year, to a Special Account in compliance with the provision of subsection (5) of section 135 of the said Act till the date of our report since the time period for such transfer i.e. 6 months from the end of the financial year has not elapsed till the date of our report.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

For **GOPAL AIYER AND SUBRAMANIAN**  
Chartered Accountants  
(Firm registration No.: 000960S)

**CA.R.MAHADEVAN**  
Partner

(Membership No.027497)

UDIN : 23027497BGXPBF8922

Place : Coimbatore  
Date: 26<sup>th</sup> May, 2023

## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' section of our report of the even date to the members of M/s. Salona Cotspin Limited on the Ind AS financial statements for the year ended March 31, 2023.)

### **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, 2023 in conjunction with our audit of the financial statements of the company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility:**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting:**

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

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting.**

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

**Opinion:**

In our opinion, to the best of our information and according to the explanations given to us the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 **GOPAL AIYER AND SUBRAMANIAN**

Chartered Accountants  
(Firm registration number: 000960S)

**CA.R.MAHADEVAN**

Partner

(Membership No.027497)

UDIN : 23027497BGXPBF8922

Place: Coimbatore

Date: 26<sup>th</sup> May, 2023



## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members,  
Salona Cotspin Limited,  
SF No.74/12 & 75/3, Sathy Road,  
Pungampalli Village, Sathyamangalam,  
Erode 638 402

1. We, Gopalaiyer and Subramanian, Chartered Accountants, the Statutory Auditors of Salona Cotspin Limited ("the Company") have examined the Compliance of Conditions of Corporate Governance by the Company, for the Financial Year Ended on 31st March 2023, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI (LODR) Regulations").

### Management's Responsibility

2. The Compliance of Conditions of Corporate Governance is the Responsibility of the Management. This Responsibility includes the Design, Implementation and Maintenance of Internal Control and Procedures to ensure the Compliance with the Conditions of Corporate Governance stipulated in the SEBI (LODR) Regulations.

### Auditor's Responsibility

3. Our Responsibility is limited to examining the Procedures and Implementation thereof, adopted by the Company for ensuring Compliance within the Conditions of Corporate Governance. It is neither an Audit nor an Expression of Opinion on the Financial Statements of the Company.
4. We have examined the Books of Account and Other Relevant Records and Documents maintained by the Company for the Purpose of Providing Reasonable Assurance on the Compliance with Corporate Governance Requirements by the Company.
5. We have carried out an Examination of the Relevant Records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the Purpose of this Certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we Comply with Ethical Requirements of the Code of Ethics issued by the ICAI.
6. We have Complied with the Relevant Applicable Requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagement.

## Opinion

7. In our Opinion and to the best of our Information and according to 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 stipulated in Regulations 17 to 27 and Clause (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the Financial Year Ended 31st March 2023.
8. We state that such Compliance is neither an Assurance as to the Future Viability of the Company nor the Efficiency or Effectiveness with which Management has Conducted the Affairs of the Company.

For **GOPAL AIYER AND SUBRAMANIAN**

Chartered Accountants

(Firm Registration number: 000960S)

**CA.R. MAHADEVAN**

Partner

(Membership No.027497)

UDIN: 23027497BGXPBF8922

Place: Coimbatore

Date: 26<sup>th</sup> May, 2023



**SALONA COTSPIN LIMITED**  
AUDITED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2023

No	Particulars	Note No.	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
(1)	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	2	4,052.55	4,277.67
	(b) Capital work-in-progress	3	26.92	
	(c) Other Intangible assets	4	2.02	2.96
	(d) Financial Assets			
	(i) Investments	5	0.82	0.75
	(ii) Loans	6	14.00	15.08
	(iii) Trade Receivables		11.45	
	(e) Other non-current assets	7	1,597.16	151.13
			<b>5,704.92</b>	<b>4,447.58</b>
(2)	<b>Current Assets</b>			
	(a) Inventories	8	5,647.19	6,291.56
	(b) Financial Assets			
	(i) Trade receivables	9	12,232.62	9,620.91
	(ii) Cash and cash equivalents	10	6.34	7.23
	(iii) Bank balances other than (iii) above		74.03	32.98
	(iv) Loans	11	1,259.58	1,187.45
	(c) Current Tax Asset (Net)		389.25	
	(d) Other current assets	12	1,704.78	1,208.47
			<b>21,313.79</b>	<b>18,348.60</b>
	<b>Total Assets</b>		<b>27,018.71</b>	<b>22,796.18</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share capital	13	532.89	532.89
	(b) Other Equity	14	6,885.08	5,191.07
	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15	3,563.13	2,729.66
	(ii) Trade payables			
	(b) Provisions	16	122.09	107.24
	(c) Deferred tax liabilities (Net)	17	359.90	307.11
			<b>11,463.09</b>	<b>8,867.98</b>
	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	18	12,152.10	11,142.88
	(ii) Trade payables	19		
	i) Total outstanding dues to Micro, Small and Medium enterprises		11.20	73.56
	ii) Total outstanding dues of creditors other than Small and Medium enterprises		2,434.05	1,737.64
	(b) Other current liabilities	20	920.87	811.35
	(c) Provisions	21	37.39	32.27
	(d) Current Tax Liabilities (Net)	22		130.51
			<b>15,555.61</b>	<b>13,928.20</b>
	<b>Total Equity and Liabilities</b>		<b>27,018.71</b>	<b>22,796.18</b>

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)

**R.Mahadevan ( Membership No. 27497)**

Partner

26<sup>th</sup> May, 2023

Coimbatore

Shyاملal Agarwala  
Managing Director  
DIN 00003055Archana R JHA  
Company Secretary  
ACS No. 61207Manoj Kumar Jhajharia  
Joint Managing Director  
DIN 00003076M.S.Selvaraj  
Chief Financial Officer

## SALONA COTSPIN LIMITED

### AUDITED STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2023

No	Particulars	Note No.	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
I	Revenue From Operations	23	48,691.14	64,708.02
II	Other Income	24	29.16	6.23
<b>III</b>	<b>Total Income (I+II)</b>		<b>48,720.31</b>	<b>64,714.25</b>
<b>IV</b>	<b>EXPENSES</b>			
	Cost of materials consumed	25	11,715.05	11,706.48
	Purchases of Stock-in-Trade	26	25,888.63	44,785.61
	Changes in inventories of finished goods, Stock-in-Trade and Work-in-Progress	27	2,844.02	(-2,758.13)
	Employee benefits expense	28	1,095.96	937.88
	Finance costs	29	940.14	738.12
	Depreciation and amortization expense	30	546.68	332.67
	Other expenses	31	3,664.06	6,296.57
	<b>Total expenses (IV)</b>		<b>46,694.54</b>	<b>62,039.20</b>
<b>V</b>	<b>Profit / (Loss) before exceptional items and Tax (I-IV)</b>		<b>2,025.77</b>	<b>2,675.05</b>
VI	Exceptional Items			
<b>VII</b>	<b>Profit / (Loss) before tax (V-VI)</b>		<b>2,025.77</b>	<b>2,675.05</b>
VIII	Tax expense:			
	(1) Current tax	32	216.12	539.80
	(2) Deferred tax	33	52.71	156.34
<b>IX</b>	<b>Profit (Loss) for the period from Continuing Operations (VII-VIII)</b>		<b>1,756.94</b>	<b>1,978.92</b>
X	Profit / (Loss) from discontinued operations			
XI	Tax expense of discontinued operations			
XII	Profit / (Loss) from Discontinued operations (after tax) (X-XI)			
<b>XIII</b>	<b>Profit / (Loss) for the period (IX+XII)</b>		<b>1,756.94</b>	<b>1,978.92</b>
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to Profit or Loss		0.30	-4.03
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss			
	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		0.08	0.00
XV	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)</b>		<b>1,757.15</b>	<b>1,974.89</b>
XVI	Earnings per equity share (for continuing Operation):			
	(1) Basic		33.39	37.60
	(2) Diluted		33.39	37.60
XVII	Earnings per equity share (for discontinued Operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share (for discontinued and Continuing Operations)			
	(1) Basic		33.39	37.60
	(2) Diluted		33.39	37.60

See accompanying notes to the financial statements

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**STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2023**Name of the Company: **SALONA COTSPIN LIMITED**Statement of Changes in Equity for the Financial Year Ended 31<sup>st</sup> MARCH 2023**A. Equity Share Capital**

(Rs. In Lakh)

Balance as at 31st March 2022	532.89
Changes in equity share capital during 2022-2023	-
Balance as at 31st March 2023	532.89

**B. Other Equity**

(Rs. In Lakh)

	Reserves and Surplus		Items of other Comprehensive Income		
	General Reserve	Retained Earnings	Equity Instruments through OCI	Remeasurement of Post employment benefit obligations	Total
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>15.00</b>	<b>5,169.08</b>	<b>0.02</b>	<b>6.97</b>	<b>5,191.07</b>
<b>Add: Profit for the year</b>		1,756.94			<b>1,756.94</b>
<b>Add: Changes in fair value of equity instruments through FVTOCI (net of Tax)</b>			-0.08		<b>-0.08</b>
<b>Add: Remeasurement of Post employment benefit obligations</b>				0.30	<b>0.30</b>
<b>Less: Payment of Dividends</b>		63.15			<b>63.15</b>
<b>Balance as on 31<sup>st</sup> March 2023</b>	<b>15.00</b>	<b>6,862.87</b>	<b>-0.06</b>	<b>7.27</b>	<b>6885.08</b>

See accompanying notes to the financial statements

Subject to our report of even date attached

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26<sup>th</sup> May, 2023

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Chief Financial Officer

## SALONA COTSPIN LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2023

	Particulars	31 <sup>st</sup> March 2023 (Rs. In Lakh)	31 <sup>st</sup> March 2022 (Rs. In Lakh)
<b>A</b>	<b>Cash flow from operating activities:</b>		
	Net Profit before taxation and extra ordinary items	2,026.07	2,671.02
	<b>Adjustments for:</b>		
	Depreciation	546.68	332.67
	Deferred Expenses written off		
	Profit on sale of fixed assets	10.18	4.04
	Profit on sale of Investments		
	Interest and financial charges paid	940.14	738.12
	Dividend Income		
	Interest receipts	(-18.98)	(-2.19)
	Direct Taxes	(-216.12)	(-539.80)
	Operating profit before working capital changes	3,287.96	3,203.86
	<b>Adjustments for working capital changes</b>		
	(Increase) / Decrease in Operating assets		
	Inventories	644.37	(-2,014.92)
	Trade receivables	(-2,611.71)	(-4,274.40)
	Loans and Advances - short term	(-72.13)	(-524.11)
	Other Current Assets	(-548.81)	(-546.90)
	Current Tax Assets	(-389.25)	
	Other non-current assets	(-1,446.03)	(-6.92)
	Increase / (Decrease) in Operating liabilities		
	Trade payables	634.05	24.82
	Other Current Liabilities	109.53	509.74
	Short term Provisions	(-125.39)	124.35
	Loans and Advances - long term	1.08	5.32
	Long Term Provisions	14.85	20.97
	<b>Net cash flow from operating activities (A)</b>	<b>(-501.47)</b>	<b>(-3,478.17)</b>
<b>B</b>	<b>Cash flow from investing activities:</b>		
	Purchase of Fixed Assets	(-351.30)	(-1,991.80)
	Purchase of Investment	(-0.08)	(-0.01)
	Sale of Fixed Assets	(-6.42)	38.79
	Sale of Investments		
	Advance for Capital Goods		
	Deferred Revenue Expenditure		
	Interest receipts	18.98	2.19
	Dividend Income		
	<b>Net cash flow from investing activities (B)</b>	<b>(-338.82)</b>	<b>(-1,950.83)</b>
<b>C</b>	<b>Cash flow from financing activities:</b>		
	Proceeds from long term borrowings	833.47	1,534.31
	Repayment of long term borrowings		
	Proceeds from short term borrowings	1,009.22	4,672.16
	Increase / (Decrease) in Secured Loan		
	Increase / (Decrease) in long term borrowings		
	Increase / (Decrease) in short term borrowings	1,009.22	4,672.16
	Interest and financial charges paid	(-940.14)	(-738.12)
	Increase In share Capital		
	Dividend Paid	63.15	52.62
	<b>Net cash flow from financing activities</b>	<b>839.40</b>	<b>5,415.73</b>
	Net increase/(decrease) in cash and cash equivalents	(-0.89)	(-13.27)
	Cash and cash equivalents at the beginning of the year	7.23	20.50
	Cash and cash equivalents at the close of the year	6.34	7.23
	Cash and Cash equivalents at the close of the year comprise of		
	Cash on hand	5.34	3.79
	Cash at bank in current accounts	1.00	3.44
		6.34	7.23

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**  
**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**I. Corporate Information**

- I. Salona Cotspin Limited is a public Limited Company and incorporated under the provision of the Companies Act, 1956. The address of its registered office and principal place of business are disclosed in the introduction to the Annual report. Its shares are listed in National Stock Exchange of India. The Company is engaged in the manufacturing and selling of Cotton Yarn, Knitted Fabrics and Garments. The company caters to both domestic and international markets.
- II. Significant Accounting Policies followed by the Company

**(a) Basis of Preparation**

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value in terms of Ind AS.

(iii) Going Concern

The accounts are prepared on the basis of going concern concept

(iv) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

(v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees as per the requirement of Schedule III, unless otherwise stated.

**(b) Use of Estimates and Judgments**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known/ materialized.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

**(c) Property, Plant and Equipment**

The Property, Plant and Equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods estimated useful lives and residual value

Depreciation on Property, Plant and Equipment and other fixed assets is provided on a Straight-Line Method, over the estimated useful lives of assets.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act.

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

<b><u>Asset Class</u></b>	<b><u>Useful Life</u></b>
Plant and Machinery	15 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**(d) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and bank, current account balances.

**(e) Inventories**

Inventories of Finished Goods, Stock-in-trade and Packing Materials are stated at cost or net realizable value, whichever is lower. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are "First in First out" as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

**(f) Financial Assets**

**(i) Classification**

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

- (1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- (2) those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

**(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

**(iii) Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.



**(g) Impairment of non-financial assets**

that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(h) Segment Reporting:**

The company has only one segment – "Textile Business"

**(i) Provisions and contingent liabilities**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

**(j) Revenue recognition**

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of GST and net of returns, trade allowances, rebates, discounts and value added taxes.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

The Company recognized the above standard retrospectively with cumulative effect.

**(k) Sale of goods**

The Company earns revenue primarily from Sale of Yarn, Fabrics & Garments. It has applied the principles laid down in Ind AS 115 and determined that there is no change require in the existing revenue recognition methodology. In case of sale to domestic customers, sale is made on ex-factory basis and revenue is recognized when the goods are dispatched from the factory gate, in case of sale at Franchisee Outlet, revenue is recognized on goods sold to end customers. In case of export sales, revenue is recognized on shipment date, when performance obligation is met.

**(l) Other operating revenue - Export incentives**

Export Incentives under various schemes are accounted in the year of export.

**(m) Employee benefits**

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Employment retirement benefits

- a) Contribution to Provident Fund has been made to the respective authorities.
- b) Gratuity liability as per the Actuarial Valuation has been provided in the accounts as at the year end.
- c) Gratuity to working Directors, the liability is ascertained on accounting principles as laid down by the formula prescribed by Payment of Gratuity Act, 1972 and they are not funded but only provided for.

**(n) Foreign currency translation**

**(i) Functional and presentation currency**

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

**(ii) Transactions and balances**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

**(o) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**(p) Earnings Per Share****Basic earnings per share:**

Basic earnings per share is calculated by dividing:

- Earnings per share is 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 adjusts the figures used in the determination of basic earnings per share to taken into account:

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 financial statements requires the use of accounting estimates which by definition will seldom equal the actual results.

Management also need to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**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 a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

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

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

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

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

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

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

### **Financial risk management**

#### **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operation activities (primarily trade receivables) and from its financing activities, foreign exchange transactions and other financial instruments.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

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

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company.

#### **Trade Receivables**

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and generally on 7 days to 180 days' credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral security. The Company evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

#### **Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**SALONA COTSPIN LIMITED**  
**NOTES TO BALANCE SHEET AS AT 31ST MARCH 2023**  
**NOTE NO.2, 3 & 4 PROPERTY, PLANT AND EQUIPMENT**

(Rs. in Lakh)

No.	Particulars	← GROSS BLOCK →			← DEPRECIATION →				← NET BLOCK →			
		As at 1 <sup>st</sup> April 2022	Additions/ Acquisitions through Business Combinations	Deletions/ Disposals	Other than Deletions Disposals of Assets	As at 31 <sup>st</sup> March 2023	Upto 1 <sup>st</sup> April 2022	For the Period	With -drawn on Account of Disposal	With -drawn on Other Account	Upto 31 <sup>st</sup> March 2023	As on 31 <sup>st</sup> March 2023
<b>A</b>	<b>TANGIBLE ASSETS</b>											
1	FREE HOLD LAND	266.04	35.53	-	-	301.56	-	-	-	-	301.56	266.04
2	BUILDING	894.86	-	-	-	894.86	28.32	-	-	473.57	421.29	449.61
3	PLANT & EQUIPMENTS	9771.77	273.61	-	0.72	10,044.66	481.41	-	-	6870.66	3,174.00	3382.53
4	FURNITURE & FIXTURES	47.22	2.57	-	3.00	46.79	5.27	-	-	44.09	2.69	11.39
5	VEHICLES	271.34	-	0.04	-	271.31	103.87	-	-	127.92	143.39	167.48
6	OFFICE EQUIPMENTS	126.80	12.67	-	-	139.47	123.17	-	-	129.86	9.61	0.63
	<b>TOTAL A</b>	<b>11,378.03</b>	<b>324.38</b>	<b>0.04</b>	<b>3.72</b>	<b>11,698.65</b>	<b>7,100.36</b>	<b>545.74</b>	<b>-</b>	<b>7,646.10</b>	<b>4,052.55</b>	<b>4,277.67</b>
<b>B</b>	<b>INTANGIBLE ASSETS **</b>											
7	COMPUTER SOFTWARE	24.67	-	-	-	24.67	21.71	0.94	-	22.65	2.02	2.96
	<b>TOTAL B</b>	<b>24.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.67</b>	<b>21.71</b>	<b>0.94</b>	<b>-</b>	<b>22.65</b>	<b>2.02</b>	<b>2.96</b>
<b>C</b>	<b>CAPITAL WORK-IN-PROGRESS</b>											
8	BUILDING PLANT AND EQUIPMENTS COMPUTER SOFTWARE	-	23.98	-	-	23.98	-	-	-	-	23.98	-
	<b>TOTAL C</b>	<b>-</b>	<b>23.98</b>	<b>-</b>	<b>-</b>	<b>23.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23.98</b>	<b>-</b>
<b>D</b>	<b>INTANGIBLE ASSETS UNDER CONSTRUCTION</b>											
	COMPUTER SOFTWARE	-	2.95	-	-	2.95	-	-	-	-	2.95	-
	<b>TOTAL D</b>	<b>-</b>	<b>2.95</b>	<b>-</b>	<b>-</b>	<b>2.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.95</b>	<b>-</b>
	<b>CURRENT YEAR FIGURES (TOTAL (A+B+C+D))</b>	<b>11,402.70</b>	<b>351.30</b>	<b>0.04</b>	<b>3.72</b>	<b>11,750.24</b>	<b>7,122.07</b>	<b>546.68</b>	<b>-</b>	<b>7,668.75</b>	<b>4,081.49</b>	<b>4,280.63</b>
	<b>PREVIOUS YEAR FIGURES</b>	<b>9,492.85</b>	<b>1,962.67</b>	<b>41.19</b>	<b>1.64</b>	<b>11,402.70</b>	<b>6,828.52</b>	<b>332.67</b>	<b>39.13</b>	<b>7,122.07</b>	<b>4,280.63</b>	<b>2,664.33</b>

**NOTES TO BALANCE SHEET AS AT 31ST MARCH 2023**

**NOTE NO. 5 : NON - CURRENT INVESTMENTS**

**A. Classifications:**

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
a	Investments in Equity Instruments	0.82	0.75
		<b>0.82</b>	<b>0.75</b>

**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 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Carrying Amount As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
i)	<b>Equity Instruments:</b>				
	<b>Non-trade Quoted</b>				
1	Union Bank of India 272 Equity shares of Rs.10/- each (Previously 272 equity shares of Rs.10/- each)	272	0.30	0.18	0.10
	<b>Trade - Unquoted</b>				
1	6420 Equity Shares in Echanda Urja Private Limited	11,620	0.64	0.64	0.64
	Sub Total	<b>11,892</b>	<b>0.94</b>	<b>0.82</b>	<b>0.75</b>

**2. Abstract of Investments in Equity**

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
a	Aggregate amount of quoted investments	0.18	0.10
b	Market Value of Quoted Investments	-	-
c	Aggregate amount of unquoted investments	0.64	0.64
	Net Carrying Amount of Investments	<b>0.82</b>	<b>0.75</b>

**NOTE NO. 6 : LONG - TERM LOANS AND ADVANCES**

**A. Classifications:**

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. in Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. in Lakh)
1	Unsecured and Considered Good Other Loans and Advances	14.00	15.08
	Total as per Balance Sheet	<b>14.00</b>	<b>15.08</b>

**Other Loans and Advances**

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. in Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. in Lakh)
1	Rental Advance for Office Premises and Show Rooms	14.00	15.08
	Total as per Balance Sheet	<b>14.00</b>	<b>15.08</b>

**NOTE NO. 7 : OTHER NON - CURRENT ASSETS**

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Capital Advances	1,457.21	48.75
2	Security Deposits	139.95	102.38
	<b>Total</b>	<b>1,597.16</b>	<b>151.13</b>

**B. Disclosures:****1) Capital advances**

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
i)	Unsecured, considered Good Advances for acquisition of capital assets / expenditure	1,457.21	48.75
	<b>Total</b>	<b>1,457.21</b>	<b>48.75</b>

**2) Security Deposits:**

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
i)	Unsecured, considered Good Deposits with Statutory Authorities	139.95	102.38
	<b>Total</b>	<b>139.95</b>	<b>102.38</b>
Security deposits are placed with Electricity and other Statutory authorities.			

**NOTE NO. 8 : INVENTORIES****A. Classification**

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
	<b>Inventory on Hand</b>		
a)	Raw Materials	3,782.79	1,582.57
b)	Work in Progress	229.46	1,026.95
c)	Finished Goods	1,562.56	3,582.15
d)	Stores and Spares	72.37	99.90
	<b>Total</b>	<b>5,647.19</b>	<b>6,291.56</b>

**NOTE NO. 9 : TRADE RECEIVABLES**

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
a)	Outstanding for a period exceeding six months -Unsecured, considered good	11.45	124.64
	Sub Total	<b>11.45</b>	<b>124.64</b>
b)	Others -Unsecured, considered good -Doubtful	12,232.62	9,496.27
	Sub Total	12,232.62	9,496.27
	Less: Provision for Bad and Doubtful Debts	-	-
	Sub Total	<b>12,232.62</b>	<b>9,496.27</b>
	<b>Total</b>	<b>12,244.07</b>	<b>9,620.91</b>

**Trade Receivable Ageing Schedule as at 31<sup>st</sup> March 2023**

(Rs. In Lakh)

Particulars	Outstanding for following period from due date of payment				
	1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
i) Undisputed Trade Receivables - Considered good	12,232.62	9.50	1.94		12,244.07
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 31<sup>st</sup> March 2022**

(Rs. In Lakh)

Particulars	Outstanding for following period from due date of payment				
	1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
i) Undisputed Trade Receivables - Considered good	9,542.65	73.42	4.84		9,620.91
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 increases in Credit Risk	-	-		-	-
vi) Disputed Trade Receivables - Credit impaired	-	-		-	-

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

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
a)	Cash on hand	5.35	3.80
b)	Balances with banks:		
	- Balances in Current accounts	1.00	3.44
	- In earmarked accounts		
	Unpaid dividend accounts	11.52	8.56
c)	Other bank deposits		
	- Margin Money Deposits held under lien by Banks	62.51	24.42
	<b>Total as per Balance Sheet</b>	<b>80.37</b>	<b>40.22</b>

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

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Other Loans and Advances		
	-Others	1,259.58	1,187.45
	<b>Total as per Balance Sheet</b>	<b>1,259.58</b>	<b>1,187.45</b>



**B. Other Disclosures:****(a) Unsecured and Considered good**

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Trade Advances	1,228.41	1,155.65
2	Advance Towards Direct Taxes (Net)	8.72	8.72
3	Prepaid Expenses	18.74	21.27
4	Advances to Staff and Other Operatives	2.80	0.91
5	Others	0.90	0.90
	<b>Total</b>	<b>1,259.58</b>	<b>1,187.45</b>

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

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
a)	Other current assets	1,704.78	1,208.47
	<b>Total</b>	<b>1,704.78</b>	<b>1,208.47</b>

**B. Disclosures:****Other Current Assets :-**

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
	<b>BREAKUP FOR OTHER CURRENT ASSETS</b>		
	Export:		
	Duty Draw Back Receivable	77.13	160.06
	RODTEP Receivables	537.88	
	IGST Export Sales Receivable Account	293.70	361.32
	Others:		
	Accrued Income	6.14	2.15
	Evening Peak Energy and Demand Charges Receivable	2.14	2.14
	Income tax Refund Due	2.80	2.80
	TDS deducted and Paid on Staff Salary	2.07	0.68
	WEG Unit Banking Account	29.40	
	GST Input credit available	753.51	679.30
	<b>Total</b>	<b>1,704.78</b>	<b>1,208.47</b>

## NOTES TO BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2023

### NOTE NO. 13 : SHARE CAPITAL

#### i) **Particulars of each class of share capital:**

No.	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1.	Authorised: 6000000 Equity Shares of Rs.10/- each	600.00	600.00
		<b>600.00</b>	<b>600.00</b>
2.	Issued Capital:, 5262400 Equity Shares of Rs.10/- each	526.24	526.24
		<b>526.24</b>	<b>526.24</b>
3.	Subscribed, Called Up and Paid Up Capital 5262400 Equity Shares of Rs.10/- each fully paid up	526.24	526.24
		<b>526.24</b>	<b>526.24</b>
	Forfeited Shares 88700 Nos-(Previous Year 88700 Nos)-Originally Paid-up	6.65	6.65
		<b>532.89</b>	<b>532.89</b>

#### ii) **Reconciliation of number of equity shares:**

No.	Particulars	No. of shares		As at 31 <sup>st</sup> March 2023 (Rs.In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs.In Lakh)
		As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022		
	At the commencement of the year	52,62,400	52,62,400	526.24	526.24
	At the close of the year	<b>52,62,400</b>	<b>52,62,400</b>	<b>526.24</b>	<b>526.24</b>

- |   |                                       |     |     |
|---|---------------------------------------|-----|-----|
| a | No Shares issued during the year      | Nil | Nil |
| b | No Shares bought back during the year | Nil | Nil |
| c | No Shares 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 :-**

- Aggregate Number and class of Shares allotted for contract without payment being received in cash. Neither were shares allotted for contract without payment being received in cash during the reporting period nor in the preceding five years.
- Aggregate number and Class of shares allotted as fully paid by way of bonus shares (Fully paid-up) Neither No bonus shares were allotted during the reporting period nor in the preceding five years.
- 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 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
		% of shareholding	Number of shares	% of shareholding	Number of shares
1	Shyamlal Agarwala	8.16%	429393	8.16%	429393
2	Manoj Kumar Jhajharia	5.93%	312188	5.93%	312188
3	Pramod Kumar Jhajharia	5.97%	313966	5.97%	313966
4	Arun Kumar Jhajharia	6.28%	330671	6.28%	330671
5	Krishna Agarwal	8.47%	445901	8.47%	445901
6	Pista Devi Jhajharia	6.18%	325403	6.18%	325403

**NOTES TO BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2023****v) Rights, Preferences and Restrictions attached 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 options

**viii) Shareholding of Promoters**

Promoter Name	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	No.of Shares	% of Total Shares	% Change during the Year	No.of Shares	% of Total Shares	% Change during the Year
Krishna Agarwal .	445901	8.47%	0.00%	445901	8.47%	0.00%
Shyamlal Agarwala .	429393	8.16%	0.00%	429393	8.16%	0.00%
Arun Kumar Jhaharia .	330671	6.28%	0.00%	330671	6.28%	0.00%
Pistadevi Jhaharia .	325403	6.18%	0.00%	325403	6.18%	0.00%
Pramod Kumar Jhaharia .	313966	5.97%	0.00%	313966	5.97%	0.00%
Manoj Kumar Jhaharia .	312188	5.93%	0.00%	312188	5.93%	0.00%
Mahesh Agarwal	259800	4.94%	0.00%	259800	4.94%	0.00%
Sheli Agarwal .	226622	4.31%	0.00%	226622	4.31%	0.00%
Sabita Agarwal .	224291	4.26%	0.00%	224291	4.26%	0.00%
Indu Agarwal	193000	3.67%	0.00%	193000	3.67%	0.00%
Raghav Agarwal .	124726	2.37%	0.00%	124726	2.37%	0.00%
Saloni Agarwal .	118534	2.25%	0.00%	118534	2.25%	0.00%
Shyamlal Agarwal Huf .	41000	0.78%	0.00%	41000	0.78%	0.00%
Santosh Kumar Agarwal	30000	0.57%	0.00%	30000	0.57%	0.00%
Umesh Kumar Agarwal	30000	0.57%	0.00%	30000	0.57%	0.00%
Sunita Devi Agarwal	20000	0.38%	0.00%	20000	0.38%	0.00%
Kavita Kejriwal	16001	0.30%	0.00%	16001	0.30%	0.00%
Parvati Agarwal	14600	0.28%	0.00%	14600	0.28%	0.00%
Anshu Agarwal	10212	0.19%	0.00%	10212	0.19%	0.00%
Mahesh Kumar Agarwal HUF	3000	0.06%	0.00%	3000	0.06%	0.00%
Umesh Kumar Agarwal Huf	3000	0.06%	0.00%	3000	0.06%	0.00%
Manoj Kumar Jhaharia HUF	16000	0.30%	0.00%	16000	0.36%	0.00%
Arunkumar Jhaharia HUF	30000	0.57%	0.00%	30200	0.57%	0.00%
Promod Kumar Jhaharia HUF	12200	0.23%	0.00%	12200	0.23%	0.00%

**NOTE NO. 14 : OTHER EQUITY**

No.	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	<b>A. RESERVES:</b>		
	General Reserve		
	Balance as Per Previous Balance Sheet	15.00	15.00
	Transfer From Statement of Profit and Loss	-	-
	Closing Balance - Total of Reserves	<b>15.00</b>	<b>15.00</b>
2	<b>B. SURPLUS:</b>		
	<b>Statement of Profit and Loss after all allocations and Appropriations:-</b>		
	Opening Balance (i)	5,176.07	3,253.81
	Add : Profit after tax for the year (ii)	1,757.15	1,974.89
	Total (iii = i+ii)	<b>6,933.23</b>	<b>5,228.70</b>
	Less: (a) Transfer to Reserve	-	-
	(b) Equity Dividend paid for the year 2021-22	63.15	52.62
	Total (iv)	<b>63.15</b>	<b>52.62</b>
	Total of Surplus (v = (iii) - (iv))	<b>6,870.08</b>	<b>5,176.07</b>
	Total of Reserves and Surplus - as Per Balance Sheet	<b>6,885.08</b>	<b>5,191.07</b>

**NOTE NO. 15 : LONG TERM BORROWINGS**

**A. Classifications:-**

No.	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
	<b>Secured:</b>		
(a)	Term Loans - From Banks	3,308.68	2,449.67
(b)	Long Term Maturities of Finance Lease Obligation	92.45	117.92
	<b>Unsecured:</b>		
(c)	Other Loans and Advances	162.00	162.08
	<b>Total as per Balance Sheet</b>	<b>3,563.13</b>	<b>2,729.66</b>

**B. Other Disclosures:****(a) (i) Term Loans from Banks**

No.	Particulars	Limit Sanctioned (Rs.In Lakh)	Terms of repayment	Amount Outstanding	
				As at 31 <sup>st</sup> March 2023 (Rs.In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs.In Lakh)
1	Secured : <b>1 Union Bank of India</b> COVID19 - Term Loan (CELC)	376.91	Repayable in 18 equated monthly principal installments after a moratorium period of six months	73.17	194.02
	Term Loan (UGECL)	768.46	Repayable in 36 equated monthly principal installments after a moratorium period of 24 months	720.43	300.00
	Term Loan (WIND MILL)	1331.25	Repayable in 84 equated monthly principal installments after a moratorium period of 12 months	273.68	0.00
2	<b>State Bank of India</b> Term Loan (SOLAR PLANT) Roof Top	420.00	Repayable in 120 equated monthly principal installments after a moratorium period of 12 months	316.92	363.08
	Term Loan (SOLAR PLANT) Ground Mounting	1001.00	Repayable in 156 equated monthly principal installments after a moratorium period of 12 months	900.65	948.14
	Term Loan (GECL)	79.12	Repayable in 48 equated monthly principal installments after a moratorium period of 12 months	10.90	40.00
	Term Loan (GECL)	181.00	Repayable in 48 equated monthly principal installments after a moratorium period of 24 months	166.13	182.22
	Term Loan (SOLAR PLANT) Ground Mounting	790.00	Repayable in 108 equated monthly principal installments after a moratorium period of 12 months	473.22	
3	<b>HDFC Bank Limited</b> Term Loan (GECL)	276.00	Repayable in 36 equated monthly principal installments	30.65	122.58
	Term Loan	572.80	Repayable in 60 equated monthly principal installments after a moratorium period of 9 months	342.93	299.62
<b>Total as per Balance Sheet</b>				<b>3,308.68</b>	<b>2,449.67</b>

**(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 are pursuant to an agreement rank Pari Passu amongst the Bankers and the Company.
- c 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 the Company.
- g Quarterly returns 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:-**

No	Name of the Financier	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
<b>Secured</b>			
1	Kotak Mahendra Prime Limited	0.09	0.11
2	Kotak Mahendra Bank Limited	8.36	17.84
3	HDFC Bank Limited	12.86	13.77
4	Punjab National Bank Limited	71.14	86.20
<b>Total as Per Balance Sheet</b>		<b>92.45</b>	<b>117.92</b>

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 and Advances**

No	Nature of Loan	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Loans from Shareholders Unsecured	-	-
	Inter-corporate Loans	162.00	162.08
	<b>Total as Per Balance Sheet</b>	<b>162.00</b>	<b>162.08</b>
(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**

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	<u>Provision for Employee Benefits</u>		
	Provision for Gratuity	122.09	107.24
	<b>Total as Per Balance Sheet</b>	<b>122.09</b>	<b>107.24</b>

**NOTE NO. 17 : DEFERRED TAX LIABILITIES (NET)**

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
A.	Deferred Tax Liability		
	Opening Balance	346.12	164.12
	Add : Additions during the year	72.09	182.00
		418.21	346.12
	Less: Reversed During the year	0.00	0.00
	(A)	<b>418.21</b>	<b>346.12</b>
B	Deferred Tax Asset	39.01	13.35
	Add : Additions during the year	19.30	25.66
		58.31	39.01
	Less: Reversed During the year	0.00	0.00
	(B)	<b>58.31</b>	<b>39.01</b>
	Deferred Tax Liability (Net)	<b>359.90</b>	<b>307.11</b>
	(A-B)		

**NOTE NO. 18 : SHORT -TERM BORROWINGS****A. Classifications :**

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
(a)	Loans repayable on demand		
	i) From Banks	11,575.44	10,502.83
(b)	Borrowings		
	i) Current maturities of Long Term Debt	553.84	620.63
	ii) Current Maturities of Finance Lease Obligations	22.82	19.42
	<b>Total as Per Balance Sheet</b>	<b>12,152.10</b>	<b>11,142.88</b>

**B. Other Disclosure****(i) Loans Repayable on Demand from Bank**

No	Particulars	Limit Sanctioned (Rs. In Lakh)	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Cash Credit From Banks:			
	CSB Bank Ltd	100	8.41	463.20
	State Bank of India	3,000	36.36	56.33
	Union Bank of India	1,400	61.14	291.93
	HDFC Bank Ltd	3,500	222.07	627.43
2	Packing credit loans:			
	CSB Bank Limited	(sub-limit)	-	22.84
	State Bank of India	(sub-limit)	2,741.37	298.99
	Union Bank of India	(sub-limit)	1,244.61	1,103.54
	HDFC Bank Ltd	(sub-limit)	2,241.68	896.74
3	Foreign Bills Purchased by Banks:			
	CSB Bank Limited	500	-	1,975.74
	State Bank of India	(2,800)	-	-
	Union Bank of India (FDBP A/c)	3,200	1,680.79	1,859.99
	HDFC Bank Ltd	5,000	3,339.02	2,812.25
	ICICI Bank FDBP	1,000		93.87
	<b>Total as Per Balance Sheet</b>	<b>17,700</b>	<b>11,575.44</b>	<b>10,502.83</b>

**(ii) Nature of Security and terms of guarantee**

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

**NOTE NO. 19 : TRADE PAYABLES**

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Micro, Small and Medium Enterprises	11.20	73.56
2	Others	2,434.05	1,737.64
	<b>Total Per Balance Sheet</b>	<b>2,445.25</b>	<b>1,811.20</b>

**Trade Payables ageing schedule: As at 31<sup>st</sup> March 2023**

Outstanding for following period from the due date of payment					
Particulars	Less than 1 Years	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME	11.20	-	-	-	<b>11.20</b>
II) Others	2399.49	6.51	28.06	-	<b>2434.05</b>
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-

**Trade Payables ageing schedule: As at 31<sup>st</sup> March 2023**

Outstanding for following period from the due date of payment					
Particulars	Less than 1 Years	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME	73.56	-	-	-	<b>73.56</b>
II) Others	1495.33	238.28	3.63	0.40	<b>1,737.64</b>
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-

**Note:**

Dues to Micro, Small and Medium 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 said MSMED Act as follows:



No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
a)	The Principal amount remaining unpaid to any supplier at the end of the year.	11.20	73.56
b)	Interest due remaining unpaid to any supplier at the end of the year		0.05
c)	The amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the seller		
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006		
e)	The amount of interest accrued and remaining unpaid at the end of each accounting year.		
f)	The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance of a deductible		

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

#### NOTE NO. 20 : OTHER CURRENT LIABILITIES

##### A. Classifications:-

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
a	Interest accrued and due on borrowings	9.79	5.73
b	Unpaid dividends	11.52	8.56
c	Other Payables		
	Liability For Expenses	162.13	468.08
	Statutory Liabilities	169.09	72.89
	Advances From Customers	568.35	256.09
	<b>Total as Per Balance Sheet</b>	<b>920.87</b>	<b>811.35</b>

#### NOTE NO. 21 : SHORT - TERM PROVISIONS

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Provision for Employee Benefits		
	Provision For Bonus	37.39	32.27
	<b>Total as Per Balance Sheet</b>	<b>37.39</b>	<b>32.27</b>

#### NOTE NO. 22 : CURRENT TAX LIABILITIES - NET

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Others		
	a. Provision For Taxation (Net)	-	130.51
	<b>Total as Per Balance Sheet</b>	<b>-</b>	<b>130.51</b>

**NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2023**

**NOTE NO. 23 : REVENUE FROM OPERATIONS**

**A. Classifications:-**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Sale of Products	44,174.55	61,063.44
2	Other Operating Revenues	4516.59	3,644.58
		48,691.14	64,708.02
	Less: Excise Duty	0.00	0.00
	<b>Total as per Statement of Profit and Loss</b>	<b>48,691.14</b>	<b>64,708.02</b>

**B. Other Disclosures:**

**(i) Other operating revenues**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Export Incentives:	3,499.49	1,043.90
2	Other Miscellaneous Income	0.04	-
3	Foreign Exchange Fluctuation	211.96	804.85
4	Export Freight and Insurance	805.12	1,795.83
	<b>Total as per Statement of Profit and Loss</b>	<b>4,516.60</b>	<b>3,644.58</b>

**NOTE NO. 24 : OTHER INCOME**

**A. Classifications:-**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Interest Income	18.98	2.19
2	Dividend Income	0.01	-
3	Other Non- Operating Income (Net of Expenses directly attributable to such Income) (Refer note (iii) below)	10.18	4.04
	<b>Total as per Statement of Profit and Loss</b>	<b>29.16</b>	<b>6.23</b>

**B. Other Disclosures:**

**(i) Interest Income**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	From Current Investments		
	Interest Receipts:		
	Banks Fixed Deposits	13.76	1.17
	Energy Security Deposit	5.22	0.58
	Interest from Inland Bill Discounting	-	-
2	From Others		
	Interest Receipts-Other parties	-	0.44
	<b>Total as per Statement of Profit and Loss</b>	<b>18.98</b>	<b>2.19</b>

(ii) **Dividend Income**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	<b>From Others:</b> From Long Term Investments Equity Instruments	0.01	-
	<b>Total as per Statement of Profit and Loss</b>	<b>0.01</b>	<b>-</b>

(iii) **Other Non Operating Income:**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Profit on sale of Fixed Assets	-	4.04
2	Order Cancellation charges	10.18	-
	<b>Total as per Statement of Profit and Loss</b>	<b>10.18</b>	<b>4.04</b>

**NOTE NO. 25 : COST OF MATERIALS CONSUMED**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Raw Materials	11,648.17	11,648.78
2	Other Consumables	66.88	57.71
	<b>Total as per Statement of Profit and Loss</b>	<b>11,715.05</b>	<b>11,706.48</b>

**A. Disclosures:**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	<b>Consumption of Raw Materials</b> <b>Cotton:</b> Opening Stock Of: Raw Materials Work-in Progress Add: Purchases during the year	1,582.57 26.33 13,875.34	2,343.33 44.55 10,869.79
	Less: Closing stock of : Raw Materials Work-in Progress	3,782.79 53.28	1,582.57 26.33
	Consumption of raw materials	<b>11,648.17</b>	<b>11,648.78</b>
2	<b>Consumption of Other Consumables</b> <b>Packing Consumables:</b> Opening stock Add: Purchases during the year	13.91 63.24	4.42 67.19
	Less: Closing stock	77.14 10.26	71.61 13.91
	Consumption of other materials	<b>66.88</b>	<b>57.71</b>

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

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Yarn	24,656.42	43,893.59
2	Fabric	1,220.82	868.42
3	Garments	11.38	23.60
	<b>Total as per Statement of Profit and Loss</b>	<b>25,888.63</b>	<b>44,785.61</b>

**NOTE NO. 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
a	Inventories at the commencement of the year	4,582.77	1,824.64
b	Less: Inventories at the close of the year	1,738.74	4,582.77
	<b>Total as per Statement of Profit and Loss</b>	<b>2,844.02</b>	<b>-2,758.13</b>

**Disclosure on Changes in Inventories:**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
<b>1</b>	<b>Opening Stock:</b>		
	Finished Goods - Yarn	2,584.80	618.01
	Finished Goods - Fabrics	462.59	97.81
	Finished Goods - Garments	483.62	729.47
	Work in Progress	1,000.62	306.41
	By-Product - Seconds Cotton	51.14	72.94
		<b>4,582.77</b>	<b>1,824.64</b>
<b>2</b>	<b>Less: Closing Stock:</b>		
	Finished Goods - Yarn	886.94	2,584.80
	Finished Goods - Fabrics	302.22	462.59
	Finished Goods - Garments	314.09	483.62
	Work in Progress	176.18	1,000.62
	By-Product - Seconds Cotton	59.32	51.14
		<b>1,738.74</b>	<b>4,582.77</b>
	<b>Total as per Statement of Profit and Loss</b>	<b>2,844.02</b>	<b>-2,758.13</b>

**NOTE NO. 28 : EMPLOYEE BENEFIT EXPENSES**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Salaries and Wages	543.02	456.66
2	Contribution to Provident and Other Funds	28.12	16.18
3	Staff Welfare Expenses	376.15	312.10
4	Managerial Remuneration	148.67	152.93
	<b>Total as per Statement of Profit and Loss</b>	<b>1,095.96</b>	<b>937.88</b>

**Disclosure on Employee Benefit Expenses:**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
(i)	<b>Staff Welfare Expenses</b>		
	Medical Expenses Reimbursed / Insurance Premium	38.37	28.35
	Water Expenses	21.11	31.84
	Workmen and Staff Welfare Expenses	248.80	182.61
	Canteen Expenses	67.87	69.31
	<b>Total as per Statement of Profit and Loss</b>	<b>376.15</b>	<b>312.10</b>

**NOTE NO. 29 : FINANCE COSTS**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Interest Expenses (Refer note (i) below)	419.93	301.18
2	Other Borrowing Costs (Refer note (ii) below)	520.20	436.94
	<b>Total as per Statement of Profit and Loss</b>	<b>940.14</b>	<b>738.12</b>

**Disclosure on Finance Cost:**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
(i)	<b>Notes</b>		
	<b>Interest Expense:</b>		
	Interest on borrowings from Banks	391.59	277.62
	Interest on borrowings from Others	19.44	20.82
	Finance Charges on Finance Lease	8.90	2.73
	<b>Total as per Statement Profit and Loss</b>	<b>419.93</b>	<b>301.18</b>
(ii)	<b>Other Borrowing Costs</b>		
	Bill Discounts / premiums on borrowings	490.18	393.31
	Bank Charges	30.02	43.63
	<b>Total as per Statement of Profit and Loss</b>	<b>520.20</b>	<b>436.94</b>

**NOTE NO.30 : DEPRECIATION AND AMORTISATION EXPENSES**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Depreciation	545.74	328.55
2	Amortization Expense	0.94	4.13
	<b>Total as per Statement of Profit and Loss</b>	<b>546.68</b>	<b>332.67</b>

**NOTE NO. 31 : OTHER EXPENSES**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Manufacturing Expenses (Refer note (i) below)	874.35	1,338.94
2	Administrative Expenses (Refer note (ii) below)	292.22	245.55
3	Repairs and Maintenance (Refer note (iii) below)	384.48	406.12
4	Sales and Distribution Expenses (Refer note (iv) below)	2,072.48	4,258.04
5	Miscellaneous Expenses (Refer note (v) below)	40.53	47.92
	<b>Total as per Statement of Profit and Loss</b>	<b>3,664.06</b>	<b>6,296.57</b>

**Disclosure on Other Expenses**

<b>Notes</b>			
<b>(i)</b>	<b>Manufacturing Expenses</b>		
a	Power and Fuel	337.43	539.53
b	Consumption of Stores and Spare Parts	213.18	283.81
c	Other Manufacturing Expenses	323.73	515.60
	<b>Total as per Statement of Profit and Loss</b>	<b>874.35</b>	<b>1338.94</b>
<b>(ii)</b>	<b>Administrative Expenses</b>		
a	Rent	20.85	28.58
b	Rates and taxes, excluding taxes on income	13.50	9.65
c	Payments to Auditors		
	a) for Audit	1.25	1.25
	b) for Taxation Matters	3.60	0.75
	c) for Other Services	1.85	4.55
	d) for Cost Audit	0.25	0.25
	e) for Internal Audit	0.60	0.60
d	Insurance	33.96	30.59
e	Sitting Fees To Independent Directors	0.48	0.46
f	Travelling Expenses	105.88	65.34
g	Communication Expenses	15.51	11.32
h	Printing and Stationery	8.88	6.17
i	Donation	4.03	5.25
j	General Expenses	9.65	13.93
k	Loss on value of Discarded show room assets	3.00	15.65
l	Professional and Legal Fees	33.64	27.78
m	Security Service Charges	33.08	22.27
n	Subscription		
	Trade Associations	2.20	0.80
	Research Association	-	0.37
	<b>Total</b>	<b>292.22</b>	<b>245.55</b>
<b>(iii)</b>	<b>Repairs and Maintenance</b>		
a	Buildings	89.99	112.46
b	Machinery	150.76	128.95
c	Wind Mills	66.29	72.71
d	Vehicles	54.02	35.76
e	Others	23.42	56.24
	<b>Total as per Statement of Profit and Loss</b>	<b>384.48</b>	<b>406.12</b>

<b>(iv)</b>	<b>Sales and Distribution Expenses</b>		
a	Consumption of Other Packing Materials		
	Opening Stock	10.22	6.79
	Add: Purchases during the year	85.48	90.92
		95.69	97.72
	Less: Closing Stock	10.68	10.22
	Consumption of Other Packing Materials	85.01	87.50
b	Advertisement Charges	3.46	1.23
c	Commission Payments on sales / services	280.05	406.41
d	Commission Payments on Export Sales	420.15	1,148.89
e	Discounts Allowed	20.33	13.90
f	Other Sales Expenses	198.89	82.10
g	Export Sales Expenses	1,064.59	2,518.02
	<b>Total Per Statement of Profit and Loss</b>	<b>2,072.48</b>	<b>4,258.04</b>
<b>(v)</b>	<b>Miscellaneous Expenses</b>	0.00	0.00
	Provision for Doubtful / Debts Advances	0.00	0.00
	Others	40.53	47.92
	<b>Total as per Statement of Profit and Loss</b>	<b>40.53</b>	<b>47.92</b>

**NOTE NO. 32 : (1) CURRENT TAX**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Current Tax	216.12	539.80
		0.00	0.00
		<b>216.12</b>	<b>539.80</b>
	<b>Total as per Statement of Profit and Loss</b>	<b>216.12</b>	<b>539.80</b>

**NOTE NO. 33 : DEFERRED TAX (NET)**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
1	Provision for Deferred Tax Liability (Dr.)	72.09	182.00
2	Reversal of Deferred Tax Liability (Cr.)		
3	Provision for Deferred Tax Asset (Cr.)	(19.30)	(25.66)
4	Reversal of Deferred Tax Asset (Dr.)	-	-
	<b>Net Deferred Tax as per statement of Profit and Loss</b>	<b>52.79</b>	<b>156.34</b>

## OTHER NOTES

### I. ADDITIONAL INFORMATION TO BALANCE SHEET

#### A Contingent Liabilities:

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
a)	Claims against the Company not acknowledged as Debt	-	-
b)	Guarantees given to customs department against import of Capital goods	-	-
c)	Other money for which the Company is contingently liable	-	-

#### B Commitments:

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
a)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for		133.00
b)	Uncalled liability on shares and other investments partly paid	-	-
c)	Other Commitments	-	-

#### C Proposed Dividends:

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
a)	On Equity Shares:		
	Total Amount of Proposed Dividend	63.15	63.15
	Number of Shares	52.62	52.62
	Amount of Dividend per Share	1.20	1.20

#### D Dues to Micro, Small & Medium Enterprises :

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
	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, small and medium 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 31 <sup>st</sup> March 2023 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.	11.20	73.61
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:**

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lacs)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lacs)
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.	211.96	804.85
3	Payments to Auditors Statutory Auditor's Remuneration		
	(a) For Audit	1.25	1.25
	(b) For Taxation matters, Direct Tax	3.60	0.75
	Indirect Tax	-	-
	(c) For company law matters,		
	(d) For other services,	1.85	4.55
	(e) For Representation Services	-	-
	(f) For Goods and Services Tax on Professional charges	-	-
		<b>6.70</b>	<b>6.55</b>
	Cost Auditor's Remuneration		
	(a) For Audit	0.25	0.25
	(b) For Reimbursement of Goods and Service Tax;	-	-
		<b>0.25</b>	<b>0.25</b>
	<b>Total Payments to auditor</b>	<b>6.95</b>	<b>6.80</b>
4	Amounts Spent Towards Corporate Social Responsibility	2.70	7.86
5	<b>Turnover</b>		
i)	Indigenous		
	Cotton Yarn	8,111.90	2,966.76
	Knitted Fabrics	526.09	828.01
	Garments	275.12	453.29
	Cotton	151.47	1,100.91
ii)	Export		
	Cotton Yarn	5,469.61	5,357.82
	Knitted Fabrics	4,852.77	7,302.24
iii)	By Products-Waste		
	Indigenous	1,440.70	822.34
	Export	-	29.73
iv)	Traded Goods		
	Cotton Yarn Export	22,201.13	41,901.51
	Fabrics Export	1,145.76	300.83
	<b>Total</b>	<b>44,174.55</b>	<b>61,063.44</b>
No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
6	<b>Closing Inventory</b>		
	Finished Goods		
	Cotton Yarn	886.94	2584.80
	Hosiery Knitted Cloth	302.22	462.59
	By Product	59.32	51.14
	Garments	314.09	483.62
	Work in Progress	176.18	1,000.62
	<b>Total</b>	<b>1,738.74</b>	<b>4,582.77</b>

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
7	<b>Opening Inventory</b>		
	<b>Finished Goods</b>		
	Cotton Yarn	2584.80	618.01
	Hosiery Knitted Cloth	462.59	97.81
	By Product	51.14	72.94
	Garments	483.62	729.47
	Work in progress	1000.62	306.41
	<b>Total</b>	<b>4582.77</b>	<b>1,824.64</b>
	Note: A company falling in more than one category will make the above disclosures, to the extent relevant		
No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lacs)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lacs)
8	Break Up for Consumption		
	a) <b>Raw Materials</b>		
	Indigenous	Rs. 11,648.17	11,648.78
		% 100%	100%
	Imported	Rs. -	-
		% 0%	0%
	<b>Total</b>	<b>11,648.17</b>	<b>11,648.78</b>
	b) <b>Stores and Spares</b>		
	Indigenous	Rs. 193.65	270.96
		% 91%	95%
	Imported	Rs. 19.53	12.85
		% 9%	5%
	<b>Total</b>	<b>213.18</b>	<b>283.81</b>
9	Value of imports calculated on C.I.F basis by the company during the Financial Year in respect of		
	I. Raw materials;	-	-
	II. Components and spare parts;	16.05	6.28
	III. Capital goods;	126.23	196.75
10	Expenditure in foreign currency:		
	Purchase of Raw Materails	-	-
	Purchase of Fabrics & Yarn	76.53	38.87
	Purchase of spares	16.05	6.28
	Purchase of Capital Goods	126.23	196.75
	Interest and Bank charges	37.82	32.71
	Commission on exports	341.30	622.75
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;	<b>In Numbers</b>	<b>In Numbers</b>
	i) Total No.of Non-resident Shareholders	31	31
	ii) Total No. of Shares held	8,387	8,387
	iii) Total Amount of Dividend due / paid	-	-
	iv) Year to which the Dividend Related	-	-

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
12	Earnings in foreign exchange classified under the following heads, namely:- I. Export of goods calculated on F.O.B. basis; II. Royalty, know-how, professional and consultation fees; III. Interest and dividend; IV. Other income, indicating the nature thereof	33,669.43 - - -	54,892.13 - - -
13	<b>POWER AND FUEL COST IS AS UNDER</b> Electricity Charges incurred Fuel Consumed  <b>Total</b> Less: Wind Electricity Generated and Captively Consumed <b>Net debit to Statement of Profit and Loss</b>	975.58 14.10  <b>989.68</b> 652.24 <b>337.43</b>	946.30 9.62  <b>955.92</b> 416.38 <b>539.53</b>
14	<b>CORPORATE SOCIAL RESPONSIBILITY (CSR)</b> (a) Amount required to be spent by the Company during the Year (b) Amount of expenditure incurred (c) Shortfall at the end of the Year (d) Total Previous Years shortfall (e) Reason for shortfall (explained in CSR Report) (f) Nature of CSR Promoting education of Poor children, Promoting Health Care & Covid -19 related activities (g) Details of related party transactions (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	24.27 2.70 21.57 - - - N.A. N.A.	7.97 8.15 - - - - N.A. N.A.

### III. DISCLOSURES PURSUANT TO ACCOUNTING STANDARDS

#### I. DISCLOSURES PURSUANT TO IND AS 19 : RETIREMENT BENEFITS

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
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 fund, 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. <u>Payment to Defined Contribution Benefit Plans:</u> Contribution to Provident Fund Contribution to Employees Pension Fund Contribution to Deposit Linked Insurance Fund Contribution to Employees State Insurance Fund Contribution to Tamil Nadu Labour Welfare Fund	       5.65 12.76 0.77 7.99 0.18	       3.28 7.45 0.45 4.44 0.11

No	Particulars	As at 31 <sup>st</sup> March 2023 (Rs. In Lakh)	As at 31 <sup>st</sup> March 2022 (Rs. In Lakh)
ii)	<p>Defined benefit plans</p> <p>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 limit laid down by law.</p> <p>The company has undertaken an actuarial valuation in respect of gratuity liability for its employees and provides for it in its books of accounts; but does not contribute the amount to any fund or trust.</p>		
	Opening balance of accrued gratuity liability	63.40	49.93
	Add: Provision for the year	15.70	11.84
		79.10	61.77
	Less: Payments during the year	3.16	2.42
	Less : Actuarial (Gain) recognised for the period	-	-4.04
	Closing balance	<b>75.94</b>	<b>63.40</b>
<b>2.</b>	<b><u>DISCLOSURES PURSUANT TO IND AS 23 : BORROWING COSTS</u></b>		
	Borrowing costs capitalised during the year	NIL	NIL
<b>3.</b>	<b><u>DISCLOSURES PURSUANT TO IND AS 108 : OPERATING SEGMENT REPORTING</u></b>		
	The company operates only on one segment which is the company's primary segment i.e.	Cotton Textiles	Cotton Textiles
<b>4.</b>	<b><u>DISCLOSURES PURSUANT TO IND AS 24 : RELATED PARTY DISCLOSURES</u></b>		
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:		
	<b>Shristi Cotspinn Private Limited</b>	Year Ended 31 <sup>st</sup> March 2023 (Rs.In Lacs)	Year Ended 31 <sup>st</sup> March 2022 (Rs.In Lacs)
2	Transactions with related parties: Nature of transactions		
a)	Key Management Personnel:		
i)	Rent payments to Related Parties - Administrative office (Relative of Managing Director)	8.40	8.40
ii)	Remuneration to Managing Director	82.75	91.23
iii)	Remuneration to Joint Managing Director	37.92	37.71
iv)	Remuneration to Director	28.00	24.00
v)	Sitting fees to other Directors	0.48	0.46
vi)	Travelling reimbursement to Other Directors	0.20	0.34
vii)	Remuneration to chief executive:		
	Salary	11.78	11.78
	Company's contribution to PF and Other funds	0.22	0.22
		<b>12.00</b>	<b>12.00</b>

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
	<b><u>BREAK UP OF MANAGERIAL REMUNERATION PAID</u></b>		
	<b><u>MANAGING DIRECTOR</u></b>		
	Salary	30.00	28.50
	Perquisites	31.05	29.34
	Gratuity Provision	1.44	6.64
	Commission to Managing Director	20.26	26.75
		<b>82.75</b>	<b>91.23</b>
	<b><u>JOINT MANAGING DIRECTOR</u></b>		
	Salary	18.00	18.00
	Perquisites	19.05	18.84
	Gratuity Provision	0.87	0.87
		<b>37.92</b>	<b>37.71</b>
	<b><u>DIRECTOR</u></b>		
	Salary	14.00	12.00
	Perquisites	14.00	12.00
		<b>28.00</b>	<b>24.00</b>
b)	Enterprises that have a member of key management personnel in common with the company:		
	<b><u>Sale of Goods</u></b>		
	Shristi Cotspinn Private Limited	1,790.60	855.17
	<b><u>Purchase of Goods</u></b>		
	Shristi Cotspinn Private Limited	2,158.73	1,891.30
5.	<b><u>DISCLOSURES PURSUANT TO IND AS 33 :</u></b>		
	<b><u>EARNINGS PER SHARE</u></b>		
	Net Profit after tax Before other Comprehensive Income (A)	1,756.94	1,978.92
	Number of equity shares (B)	52,62,400	52,62,400
	<b>Basic EPS (A/B)</b>	<b>33.39</b>	<b>37.60</b>
	Number of equity shares (B1)	52,62,400	52,62,400
	<b>Diluted EPS (A/B1)</b>	<b>33.39</b>	<b>37.60</b>
6.	<b><u>DISCLOSURES PURSUANT TO IND AS 12 :</u></b>		
	<b><u>INCOME TAXES</u></b>		
	Pursuant to 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 2023 and earlier credited / debited to profit & loss account and Net Deferred Tax Liability as on 31st March, 2023 are computed as below:		
	<b>Deferred Tax Liability:</b>		
	On Depreciation	418.21	346.12
	On Deferred Revenue expenditure	-	-
		<b>418.21</b>	<b>346.12</b>
	Deferred Tax Asset:		
	1. Fiscal Provisions		
	A.Provision For Bonus	10.40	9.40
	B.Provision For Tax on Electricity Self Generation	3.81	3.35
	C.Commission To Managing Director	-	7.28
	2. Disallowed U/s.40A(7)	5.01	5.63
	3. Disallowance of Perquisites	0.08	-
	4. Provision For Doubtful Debts	-	-
	5. Unabsorbed Loss C/F	-	-
	6. MAT Credit Carried forward for Set off	-	-
		<b>19.30</b>	<b>25.66</b>
	Net Deferred Tax Liability	398.91	320.46
	Deferred Tax Liability at the beginning	346.12	164.12
	Net Deferred Tax Liability debited to Statement of Profit and Loss	-	-
	Net Deferred Tax Liability credited to Statement of Profit and Loss	(52.79)	(156.34)

No	Particulars	Year Ended 31 <sup>st</sup> March 2023 (Rs. In Lakh)	Year Ended 31 <sup>st</sup> March 2022 (Rs. In Lakh)
<b>7.</b>	<b><u>OTHER DISCLOSURES</u></b>		
a	The company has contributed to trade related research institutions by way of annual subscription	2.20	0.80
b	In the opinion of the Board of Director : the assests other than fixed assets and non-current investments, do have a value on realization in the ordinary course of busines, at least equal to the amount at which they are stated.  Amounts are required to be transferred to Investor Education and Protection Fund	-	-
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 given as Loans or Advances or invested (either from borrowed funds or share premium or any other sources or funds) by the company to Promoters, Directors, Key Managerial Personel 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 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 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, Key Managerial Personnel 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 Pursuant to Section 230 to Section 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 has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**9 Ratio as per the Schedule III requirements:**

SL. No.	Ratio	Numerator	Denominator	For the Year ended 31 <sup>st</sup> March 2023	For the Year ended 31 <sup>st</sup> March 2022	% of Variance	Reasons
1	Current Ratio	Current Assets	Current Liabilities	1.37	1.32	3.78	NA
2	Debt Equity Ratio	Total Debt	Shareholder's Equity	2.12	0.48	341.66	Increase in Term Loan and Borrowing during the year
3	Debt Service Coverage Ratio	Net Profit after Tax + non Cash Operating Expenses / Income	Debt service	3.11	4.81	(35.34)	Increase in Repayment during the year
4	Return on Equity %	Net Profits after Tax	Average Shareholder's equity	26.74%	41.55%	(35.64)	Decrease in Profit after Tax during the year
5	Inventory Turnover Ratio	Sales	Average Inventories	7.40	11.56	(35.98)	Decrease in Turnover
6	Trade Receivable Turnover Ratio	Revenue from Operations	Average Trade Receivables	4.04	8.16	NA (50.5)	Decrease in Turnover
7	Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	18.71	30.98	(35.90)	Decrease in Turnover
8	Net Capital Turnover Ratio	Revenue from Operations	Average Working Capital	8.46	18.96	(55.37)	Decrease in Turnover and Increase in Borrowings
9	Net Profit Ratio	Net Profit after Tax	Revenue from Operations	3.61%	3.06%	17.98	NA
10	Return on Capital Employed	Earnings before Interest and Tax	Capital Employed	12.62%	17.15%	(26.40)	Increase in Finance cost and subsequent Decrease in EBIT
11	Return on Investments	Total Return	Average Investment	15.57%	2.20%	607.72	Increase in Dividend and Interest Income

Subject to our report of even date attached

For and on Behalf of the Board

**for GOPALAIYER AND SUBRAMANIAN**

Chartered Accountants (FRN 000960S)

**R.Mahadevan ( Membership No. 27497)**  
Partner

Place : Coimbatore  
Date : 26<sup>th</sup> May, 2023

**Shyamlal Agarwala**  
Managing Director  
DIN 00003055

**Archana R JHA**  
Company Secretary  
ACS No. 61207

**Manoj Kumar Jhajharia**  
Joint Managing Director  
DIN 00003076

**M.S.Selvaraj**  
Chief Financial Officer