



Salona
Co-spin
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

AUDITORS

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

BANKERS

Union Bank of India
CSB Bank Limited
State Bank of India
Punjab National Bank

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

M/s. S K D C Consultants Limited
Kanapathy Towers, 3rd Floor,
1391/A-1, Sathy Road,
Ganapathy Post,
Coimbatore - 641 006

WIND MILLS

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



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 27th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the members of the Company will be held on Thursday, **the 16th day of September 2021** at 10.30 AM IST through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 including Balance sheet as at 31st March, 2021, Statement of Profit and Loss and Cash Flow Statement for the year ended 31st March, 2021, statement of changes in equity and the Reports of the Board of Directors and Auditors thereon.
2. To Appoint a Director in the place of Sri ArunkumarJhajharia (DIN:00003086) who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare a Dividend on equity shares

SPECIAL BUSINESS:

4. To approve the re-appointment of Sri.Shyamlal Agarwala as the Managing Director of the Company.
To consider and if thought fit, to pass with or without modification(s), the following resolution as special resolution:

RESOLVED THAT pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) consent be and is hereby accorded for the reappointment of Sri Shyamlal Agarwala aged 75 years as Managing Director of the Company for a further period of Five years with effect from 1st July 2021 to 30th June 2026. and that Sri Shyamlal Agarwala, in consideration of his services as Managing Director, during the aforesaid tenure of office, shall be paid the following remuneration:-

1. Salary: Rs 2,50,000 (Rupees Two Lakhs and Fifty Thousand Only) per month to be paid subject to deduction of tax at source..
2. Perquisites:-
 - i) Gratuity computed 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 actually incurred including payment of mediclaim premium, subject to a ceiling 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 his family (which includes 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) To grant special allowance in cash, for an amount representing the difference between annual salary and the aggregate value of perquisites availed as per sub clause No. (i) to (v), which will be paid subject to deduction of tax at source.
3. The aggregate of monthly salary and perquisites shall not exceed the limit of 5% prescribed u/s. 198 of the Companies Act 2013.

Minimum Remuneration: -

Subject to the limits prescribed under Section II of Part II of Schedule V to the Companies Act 2013, to pay the above salary and perquisites except commission as minimum remuneration in the event of loss or inadequacy of profits in any financial year, during the tenure of office of Sri Shyamlal Agarwala.

5. To approve the re-appointment of Sri.Manoj Kumar Jhajharia as the Joint Managing Director of the Company.

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

RESOLVED THAT pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) consent be and is hereby accorded for the reappointment of Sri Manoj Kumar Jhajharia aged 53 years as Joint Managing Director of the Company for a further period of Five years with effect from 1st July 2021 to 30th June 2026. and that Sri Manoj Kumar Jhajharia, in consideration of his services as Joint Managing Director, during the aforesaid tenure of office, shall be paid the following remuneration:-

1. Salary: Rs 1,50,000 (Rupees One Lakh and Fifty Thousand Only) per month to be paid subject to deduction of tax at source..
2. Perquisites:-
 - i) Gratuity computed 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 actually incurred including payment of mediclaim premium, subject to a ceiling 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 his family (which includes 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) To grant special allowance in cash, for an amount representing the difference between annual salary and the aggregate value of perquisites availed as per sub clause No. (i) to (v), which will be paid subject to deduction of tax at source.
3. The aggregate of monthly salary and perquisites shall not exceed the limit of 5% prescribed u/s. 198 of the Companies Act 2013.

Minimum Remuneration:-

Subject to the limits prescribed under Section II of Part II of Schedule V to the Companies Act 2013, to pay the above salary and perquisites except commission as minimum remuneration in the event of loss or inadequacy of profits in any financial year, during the tenure of office of Sri Manoj Kumar Jhajharia.

6. Increase the borrowing limits from Rs.300 crores to Rs.500 crores

To consider and, if thought fit, to pass the following Resolution as a Special Resolution

RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company on 29th September 2014, and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed Rs.500 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

7. Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.

To consider and, if thought fit, to pass the following Resolution as a Special Resolution

RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company on 29th September 2014 and pursuant to Section 180(1)(a) and other applicable provisions if any of the Companies Act 2013 and the Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) consent of the company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof) to create such charges mortgages pledges and hypothecations in addition to existing charges mortgages pledges and hypothecations created by the company on such movable and/or immovable tangible and/or intangible properties of the company both present and future in such form and manner and with such ranking as to priority and for such time and on such terms as the Board

may deem fit together with the power to take over the management of the business and concern of the company in certain events of default in favour of the lender(s) agent(s) trustee(s) for securing the borrowings of the company availed/to be availed by way of loan(s) (in Indian rupee and/or foreign currency)and/or debentures bonds or any other debt instruments issued by the company from time to time subject to the limits approved under Section 180(1)(c) of the Companies Act 2013 and temporary loans obtained / to be obtained from the company's bankers in the ordinary course of business together with interest at the respective agreed rates additional interest compound interest in case of default accumulated interest liquidated damages commitment charges premia on prepayment remuneration of agent(s)/trustee(s) premium if any on redemption all other costs charges expenses and all other moneys payable by the company in terms of loan agreement(s) head of agreement(s) debenture trust deed(s) or any other document entered into/to be entered into between the company and the lender(s)/agent(s)/ trustee(s) in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the lender(s)/agent(s)/trustees.

8. **Ratification of remuneration payable to Cost Auditor and in this regard to consider, if thought fit, to pass the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to Section 148 of the Companies Act 2013, and Companies (Audit and Auditors) Rules 2014, as amended from time to time, appointment made by the Board of Directors of the Company on the recommendation of the Audit Committee, of Sri B. Venkateswar, Cost Accountant, Coimbatore as Cost Auditor for conducting the audit of the Cost records of the Company for the financial year 2021-22 and remuneration of Rs. 25,000/- plus taxes as applicable and reimbursement of out of pocket expenses for the financial year ending 31st March 2022, be and is hereby ratified and confirmed.

By order of the Board

**K.B. Sajith
Company Secretary
ACS No: 35602**

Place : Coimbatore

Date : 28.06.2021

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 forthcoming 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 & 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 following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 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 21.08.2021. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. 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.

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.
8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOININGVIRTUAL MEETINGSARE AS UNDER:

- (i) **The voting period begins on Monday, 13th September 2021 at 09.00 A.M and ends on Wednesday 15th September 2021 at 05.00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (record date) of 09th September 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 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 shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

Type Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in Demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" "Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is

Type Shareholders	Login Method
	available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned 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 CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (i) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. * If both the details are not recorded with the depository or 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) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (v) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (vii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (x) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders 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 shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company info@salonagroup.com/RTA email id info@skdc-consultants.com**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, MarathonFuturex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**Item No. 4**

The Board has re-appointed Shri Shyamlal Agarwala (DIN: 00003055), as Managing Director of the Company for a period of Five years with effect from 01st July 2021 to 30th June 2026, at a monthly remuneration of Rs.2,50,000 and other perquisites.

Shri Shyamlal Agarwala (DIN: 00003055), Promoter, Chairman and Managing Director of the Company and to take him on the Board for larger long term interest of the Company. Directors recommend his re-appointment.

The proposed reappointment, remuneration and perquisites are within the limits prescribed in the Schedule V of the Companies Act 2013 and require the approval of the shareholders as per the provisions of the Companies Act 2013. The proposed appointment and remuneration have been recommended and approved by the remuneration committee and audit committee of the Board.

The appointment and remuneration payable to Shri Shyamlal Agarwala requires approval of Share holders of the Company by special Resolution, as per text contained in the Notice convening the ensuing Annual General Meeting. Shri Shyamlal Agarwala, the appointee, as Managing Director and Shri. Manoj Kumar Jhajharia, the Joint Managing Director and Shri.Arun Kumar Jhajharia, Director being his relative shall be considered as personally interested in this item of Agenda.

No other Director may be considered as personally interested in this item of Agenda.

A brief resume in respect of Director seeking reappointment is given below in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

SNO	Particulars	Details
1	Name of the Director	SHYAMLAL AGARWALA
2	DIN	00003055
3	Date of Birth & Age	25/07/1945, 76 Years
4	Date of Appointment and Terms of Appointment	Original Date of Appointment on 18.01.1997. Period of 5 years commencing from 01 st July 2021 to 30 th June 2026.
5	Brief Profile	Shri Shyamlal Agarwala has extensive knowledge about the Textile Industries both domestic and exports market. He has thorough knowledge and experience in the textile industries more than 5 decades.
6	Disclosure of relationship between Directors	Shri. Shyamlal Agarwala is father of Shri. Manoj Kumar Jhajharia, Joint Managing Director and Shri.Arun Kumar Jhajharia, Director
7	Directorship in other Public Companies	Nil
8	No.of Equity shares held	429393

Item No. 5

The Board has re-appointed Shri Manoj Kumar Jhajharia (DIN: 00003076), as Joint Managing Director of the Company for a period of Five years with effect from 01st July 2021 to 30th June 2026, at a monthly remuneration of Rs.1,50,000 and other perquisites.

Shri Manoj Kumar Jhajharia has rich experience in varied fields of technical, financial, marketing and overall management of the Company. His continued efforts are still more required to take the Company to greater heights.

The proposed reappointment, remuneration and perquisites are within the limits prescribed in the Schedule V of the Companies Act 2013 and require the approval of the shareholders as per the provisions of the Companies Act 2013. The proposed appointment and remuneration have been recommended and approved by the remuneration committee and audit committee of the Board.

The appointment and remuneration payable to Shri Manoj Kumar Jhajharia requires approval of Share holders of the Company by special Resolution, as per text contained in the Notice convening the ensuing Annual General Meeting. Shri Manoj Kumar Jhajharia, the appointee, as Joint Managing Director and Shri. Shyamlal Agarwala, the Managing Director and Shri.Arun Kumar Jhajharia, Director being his relative shall be considered as personally interested in this item of Agenda.

No other Director may be considered as personally interested in this item of Agenda.

A brief resume in respect of Director seeking reappointment is given below in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

SNO	Particulars	Details
1	Name of the Director	MANOJ KUMAR JHAJHARIA
2	DIN	00003076
3	Date of Birth & Age	25/04/1968, 53 Years
4	Date of Appointment and Terms of Appointment	Original Date of Appointment on 26.09.1998. Period of 5 years commencing from 01 st July 2021 to 30 th June 2026.
5	Brief Profile	Shri Manoj Kumar Jhajharia is a Business Management Graduate having an experience of more than 30 years in the Textile field.
6	Disclosure of relationship between Directors	Shri. Manoj Kumar Jhajharia is son of Shri., Shyamlal Agarwala and brother of Shri.Arun Kumar Jhajharia, Director
7	Directorship in other Public Companies	Nil
8	No.of Equity shares held	312188

Item No. 6 & 7

The members of the Company at their 20th Annual General Meeting held on 28th September 2014 approved by way of special resolution under Section 180 (1)(c) and Section 180(1)(a) of the Companies Act, 2013 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.300 Crores.

In order to further expand the business and to meet the increased financial needs for the budgeted disbursements, the Company would be required to borrow in excess of Rs.300 Crores. It was therefore proposed to increase the borrowing limits from Rs.300 Crores to Rs.500 Crores.

The Company may be required to secure some of the borrowings by creating mortgage/charge on all or any of the movable or immovable properties of the Company in favour of the lender(s) in such form, manner and rankings as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s). In terms of Section 180(1)(a) of the Companies Act, 2013 any proposal to sell, lease or otherwise dispose of the whole, or substantially the whole, of any such undertaking requires the approval of the members by way of special resolution.

Accordingly, the consent of the members is being sought for the enhancement of the borrowing limits and to secure such borrowings by way of mortgage/charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company as set out in the special resolution in the notice.

The Board recommends the passing of the resolutions as special resolutions

Item No. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and payment of remuneration to Sri B. Venkateswar, Cost Accountant, Coimbatore, the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March 2022.

In accordance with the provisions of 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 shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary resolution as set out at Item no.8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2022.

None of the Directors, Key Personnel or their relatives are in any concerned or interested in this resolution.

By order of the Board

K.B. Sajith
Company Secretary
ACS No: 35602

Place : Coimbatore
Date : 28.06.2021

DIRECTORS' REPORT TO THE SHAREHOLDERS

To
The Members

Your Directors have great pleasure in presenting their Twenty-Seventh Annual Report together with Audited financial statements of the Company for the year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS

Details	(Rupees in Lakh)	
	31.03.2021	31.03.2020
INCOME		
Sales and Other operating Receipts	23,012.72	12,184.67
Other Income	11.35	7.70
Total	23,024.07	12,192.37
Gross Profit before interest, depreciation and tax	1,487.76	862.11
Less: Interest	446.03	407.52
Profit/(Loss) after interest, but before depreciation and tax	1,041.73	454.59
Less: Depreciation	265.77	264.62
PROFIT BEFORE TAX	775.96	189.97
Less: Taxes	155.97	72.62
NET PROFIT AFTER TAX	619.99	117.35
Add: Other Comprehensive Income	-27.13	-2.68
Less: Dividends & Tax on Dividend	0.00	38.06
Add: Opening Surplus	2,660.95	2,584.34
Surplus carried over to Balance sheet	3,253.81	2,660.95

DIVIDEND:

Your Directors are pleased to recommend a dividend of Rs 1 per share for the yearended 31st March 2021 subject to the approval of members. The total outgo in the form of dividend will be to the extent of Rs.52,62,400.

REVIEW OF OPERATIONS:

During the year under review, the production of cotton yarn is 31.93 Lakh Kgs as against 36.37 Lakhs Kgs in the preceding year. During the year, due to lock down imposed by both Central and State government on account of global pandemic virus COVID19 the manufacturing activities could not active during the period from 24th March 2020 to 5th May 2020. However, the Sales Turnover has increased to Rs.22508.45 Lakh as against Rs. 11984.79 Lakh in the previous period. The Sales turnover includes Export Sales of Rs.18017.22 Lakh as against Rs.6856.90 Lakh in the previous year. During the year the export turnover of traded goods increased to Rs.11229.78 Lakh from Rs.1613.71 Lakh.

During the year the renewable energy generated was 62.11 Lakh units (net) of wind electricity as against 62.96 Lakh units in the previous year, in addition to that during the year the company has installed 1.350 MW Capacity of Solar Power Plant on Roof top at factory premises for captive consumption.

By captive consumption, the renewable energy which leads to contributed for 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.

OUT LOOK FOR THE IMMEDIATE FUTURE:

Considering the better performance of the year, the company has propose to install two more Ring frame with compact equipment and Knitting Machine for manufacturing value added products. Company's niche products are well establishing in the overseas market, hence, we are expecting more export orders from the overseas regular buyers during the forth coming years. We are into women's' casual trendy wear under the Brand "**NEWRIE LONDON**". We have a network of distributors throughout the country.

EVENT SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes and commitments affecting the financial position of the Company, subsequent to the end of the financial year.

PUBLIC DEPOSITS

The Company has not accepted nor holds any public deposits within meaning of Section 73 to 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules 2014 during the year under review.

CORPORATE GOVERNANCE:

Corporate Governance, Management Discussion and Analysis and a certificate from the Auditors of the Company regarding compliance of condition of Corporate Governance is furnished in Annexure.

EXTRACT OF ANNUAL RETURN:

The Annual Return as required under sub-section (3) of Section 92 of the Companies Act, 2013 ('the Act') in form MGT-7 is made available on the website of the Company and can be accessed at www.salonacotspin.com.

DIRECTORS

Sri Arun Kumar Jhajharia (DIN: 00003086), Director who retires by rotation at the ensuing Annual General Meeting, being eligible offers himself for reappointment. The Board recommends his reappointment in the forthcoming Annual General Meeting.

The Board has re-appointed Shri Shyamlal Agarwala (DIN: 00003055), as Managing Director of the Company for a period of Five years with effect from 01st July 2021 to 30th June 2026, subject to the approval of the members in ensuing General Meeting as a Special Resolution. Shri Shyamlal Agarwala (DIN: 00003055), Promoter, Chairman and Managing Director of the Company and to take him on the Board for larger long term interest of the Company. Directors recommend his re-appointment.

The Board has also re-appointed Sri. Manoj Kumar Jhajharia(DIN: 00003076), as Joint Managing Director of the Company for a period of five years with effect from 01st July 2021 to 30th June 2026, subject to the approval of the members in ensuing General Meeting as a Special Resolution.

Particulars of the directors seeking appointment/re-appointment are provided in the notes forming part of the notice for the ensuing Annual General Meeting, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received disclosures from all the directors and none of the directors has been disqualified as stipulated under Section 164 of the Companies Act, 2013 and rules made thereunder.

KEY MANAGERIAL PERSONNEL

Key Managerial Personnel of the company are as follows

Name of the Persons	Designation
Sri Shyamlal Agarwala	Managing Director
Sri Manoj Kumar Jhajharia	Joint Managing Director
Sri M.S. Selvaraj	Chief Financial Officer
Sri K.B. Sajith	Company Secretary

AUDIT COMMITTEE

The Audit Committee comprises of

1. Sri Dhires Jayasi – Chairman (Non-Executive Independent Director)
2. Smt. S.Meenakumari-Member (Non-Executive Independent Director)
3. Sri Manoj Kumar Jhajharia – Member (Joint Managing Director)

The Board has implemented the suggestions made by the Audit Committee from time to time.

EVALUATION OF BOARD OF DIRECTORS

Pursuant to the provisions of the Companies Act 2013 and Regulation 17 (10)SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an evaluation of its own performance based on the specific duties, obligation and the execution of the same, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees, the performance evaluation of the Independent Directors, Chairman and Managing Director. The Board expressed its satisfaction with the execution process.

BOARD MEETINGS:

The Board of Directors met Four times during this financial Year, on the following days:

25.06.2020	14.08.2020	11.11.2020	12.02.2021
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PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees governed under the provisions of Section 186 of the Companies Act 2013. The details of the Investments made by the Company are given in the notes to the financial statements.

ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics. The policy has been posted in the website of the Company viz., www.salonacotspin.com

As per the provision of the Sexual Harassment of Women & Workplace (Prevention, Prohibition & Redressal) Act, 2013, the company has constituted an Internal Complaints Committee. During the year 2020-21 no complaint was received by the company.

POLICY ON NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors have framed a policy setting out the framework for payment of remuneration to Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The policy is explained as part of the Corporate Governance Report.

The Committee ensures that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

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 and that the provisions of Section 188 of the Companies Act 2013 are complied. Further 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. Hence reporting in Form AOC-2 is not required. Approval of Audit Committee was obtained for transactions of repetitive nature on annual basis. All related party transactions are placed before the Audit Committee and Board of Directors for their review. The policy on Related Party transactions is available in the website www.salonacotspin.com

SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status and the Company's operation in future.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 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 in accordance with the provisions of the Companies Act, 2013 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that your Directors had prepared the annual accounts on a going concern basis.
- e) The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS:

M/s. Gopalaiyer and Subramanian, Chartered Accountants, Coimbatore was appointed as Auditors of the Company for a term of Five years pursuant to the resolution passed by the members at the Annual General Meeting held on 27th September 2017.

M/s. Gopalaiyer and Subramanian, Chartered Accountants, have consented and confirmed their eligibility and desire to continue as Statutory Auditors of the company.

SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company appointed Sri S.R. Baalaji, B.Com. F.C.S, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The report is annexed herewith as **Annexure - I**

COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014 as amended from time to time, the Board of Directors, on the recommendation of Audit Committee, has appointed Sri B. Venkateswar, Cost Accountant, Coimbatore as Cost Auditor to conduct Cost Audit of the Company for the financial year 2021-22.

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 an Internal Audit which monitors and evaluates 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 action are taken in the respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

STATEMENT ON RISK MANAGEMENT POLICY

Pursuant to Section 134(3) (n) of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee. The Committee has developed a Risk Management Policy and implemented the same. The details of the Committee and its terms of reference are set out in the Corporate Governance report forming part of the Board's report.

At present 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 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 monitor the CSR Policy of the Company. The CSR Committee constituted by the Board consisted of the following Directors with effect from 13th November 2014

1. Dhiresh Jayasi - Chairman
2. Shyamlal Agarwala - Member
3. Manoj Kumar Jhajharia – Member

The Company has spent the amount stipulated under the requirements of the Act. The amount spent on CSR activities during the year 2020-21 is Rs.1,70,038. The details of the Corporate Social Responsibility activities / expenditure is given as **Annexure II**.

STATUTORY DISCLOSURES

The particulars required to be included in terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 on Conservation of Energy, etc., is enclosed as **Annexure III**.

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 the part of the financial year 2021 was in receipt of remuneration of Rs. Five Lakhs per month or more.

The information required under Section 197(12) of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and forming part of the Directors report for the year ended 31st March 2021 is enclosed as **Annexure IV**.

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 staff and employees of the Company.

FINANCES:

During the year under review, the Reserves and Surplus, stood at Rs.3268.81 Lakh (Rs.2675.95 Lakh 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 & PROTECTION FUND

The Company sends periodical letters to all shareholders whose dividends are unclaimed so as 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.

During the year, the company was not required to transfer to Investor Education and Protection Fund, no amount which was due & payable and remained unclaimed for a period of seven years.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their independence laid down in section 149(6).

LISTING:

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

The Equity Shares of the Company are permitted for trading in BSE Indonext segment – under group “S” of **Bombay Stock Exchange Limited** and subsequently withdrawn on 24th June 2014 due to exit option and de-recognition to the stock exchanges.

Members have option to hold their shares in dematerialized form through the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). **The ISIN of the Company is INE498E01010.**

ACKNOWLEDGEMENT:

The Directors wish to place on record their gratitude to Union Bank of India, Punjab National Bank (ErstwhileOriental Bank of Commerce), CSB Bank (formerly The Catholic Syrian Bank Limited) and State Bank of India for their financial assistance. Your Directors also take this opportunity to express their appreciation of the co-operation extended by the employees and the Shareholders’ for their appreciation of the managements’ efforts expressed at the general meetings of the Company.

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

FOR AND ON BEHALF OF THE BOARD

Place : Coimbatore
Date : 28th June, 2021

SHYAMLAL AGARWALA
Chairman

DIN : 00003055

ANNEXURE - I

SUNDARARAJAN BAALAJI, B.Com., FCS.
Practising Company Secretary

No. 81-82, Raju Naidu Road
III Floor, Indian Bank Upstairs
Sivanandha Colony, Coimbatore - 641 012.
Phone: 0422 4519343
Cell: 98422-06891
E-mail : akshayasri23@gmail.com

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
[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
CIN: L17111TZ1994PLC004797
SF.No.74/12 & 75/3, Sathy Road
Pungampalli Village, Sathyamangalam
Tamilnadu- 638 402.**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Salona Cotspin Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion there on.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has during the audit period covering the Financial Year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliances- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: The members are requested to read this report along with my letter of even date annexed to this report.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Salona Cotspin Limited** (the Company) for the Financial Year ended on 31st March, 2021 according to the applicable provisions of:

(i)	The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii)	The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
(iii)	The Depositories there under; Act, 1996 and the Regulations and Bye-laws framed

(iv)	Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v)	The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
a.	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b.	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
c.	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; <i>Not applicable as the Company has not issued or allotted shares during the financial year under review.</i>
d.	The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; <i>Not applicable as the Company has not issued or allotted shares to its employees during the financial year under review.</i>
e.	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; <i>Not applicable as the Company has not issued Debt Securities during the financial year under review.</i>
f.	The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; <i>Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review.</i>
g.	The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; <i>Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.</i>
h.	The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; <i>Not applicable as the Company has not bought back any of its securities during the financial year under review.</i>

Vi. The management has identified and confirmed the following laws as specifically applicable to the company:

1.	National Textile Policy, 2000
2.	The Textiles Committee Act, 1963
3.	Cotton Control Order, 1986
4.	Cotton Control (Amendment) Orders, 1987
5.	Cotton Control (Amendment) Orders, 1994
6.	Indian Standard specification for Cotton Bales
7.	Textiles (Development and Regulation) Order, 2001

8.	Essential Commodities Act 1955, with reference to “Hank Yarn Packing Notification 2003” (No.2/ TDRO/8/2003 dated 17th April, 2003); and
9.	The Electricity Act, 2003

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

(i)	Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
(ii)	The Listing Agreements entered into by the Company with National Stock Exchange of India Limited.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has women director.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that based on review of compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the company secretary of the company and taken on record by the Board of Directors at their meeting(s), I am of the opinion that there are adequate systems and processes in place in the company which is commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines;

Name of the Company Secretary : **SUNDARARAJAN BALAAJI**

FCS No. **5966**

CP No. **3514**

UDIN : F005966C000531678

Place : Coimbatore

Date : 28th June, 2021

ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members,
M/s. SALONA COTSPIN LIMITED
CIN: L17111TZ1994PLC004797
SF.No.74/12 & 75/3, Sathy Road
Pungampalli Village, Sathyamangalam
Tamilnadu - 638 402.

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

Management's Responsibility

1. It is the responsibility of the management of the company to maintain secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis of our opinion.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Disclaimer

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

Sd.....

Name of the Company Secretary : **SUNDARARAJAN BALAAJI**

FCS No. **5966**

CP No. **3514**

UDIN : F005966C000531678

Place : Coimbatore
Date : 28th June, 2021

ANNEXURE - II

ANNUAL REPORT ON CSR

Annual Report on Corporate Social Responsibility (CSR) activities for Financial Year 2020-21

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 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 eradicating hungry. The CSR activities under the policy are those covered under ambit of Schedule VII of the Companies Act 2013. The policy is available in the website of the Company www.salonacotspin.com.

2. **The 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.398.68 Lakh

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

Rs.7.97 Lakh

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

- a. Total amount to be spent for the financial year : Rs.6.27 Lakh
- b. Amount unspent, if any : Not applicable
- c. Manner in which the amount spent during the financial year is details below:

(Rs. in Lakh)

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	Contribution to the Prime Minister's National Relief Fund	Prime Minister Relief Fund	Prime Minister Relief Fund	1.00	1.00 Direct Expenditure	1.00	Direct
2	Eradicating hunger	Clause i	Coimbatore, Tamil Nadu	0.11	0.11 Direct Expenditure	0.11	Direct
3	Promoting Health care	Clause ii	Coimbatore, Tamil Nadu	0.38	0.38 Direct Expenditure	0.38	Direct
4	Promotion of Education	Clause iii	Coimbatore, Tamil Nadu	0.05	0.05 Direct Expenditure	0.05	Direct
5	Ensuring environmental sustainability	Clause iv	Coimbatore, Tamil Nadu	0.16	0.16 Through Siruthuli	0.16	Siruthuli Project
		Total		1.70	1.70	1.70	

The Committee hereby state that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Shyamlal Agarwala
Managing Director

DIN: 00003055

Manoj Kumar Jhajharia
Joint Managing Director.

DIN: 00003076

Dhiresb Jayasi
Chairman
CSR Committee

DIN:06931744

Place: Coimbatore
Date: 28th June, 2021

ANNEXURE - III

ANNEXURE TO THE DIRECTORS REPORT

FORM-A

A Statement 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 & outgoings.

1. (A) CONSERVATION OF ENERGY:

Efforts are being taken to reduce power consumption. Energy efficient motors are being installed in place of conventional motors. No capital Investment is contemplated for the present in view of sluggish market condition

(B) TECHNOLOGY ABSORPTION:

A sum of Rs.43,075/- has been paid as membership subscription to South Indian Textile Research Association that is undertaking Research and Development in the field of textiles on behalf of its members. Production and quality norms have been established in the past and further Research and Development programs are being undertaken by SITRA. Total expenditure in Research and Development as percentage of income is negligible.

2. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	31 st March 2021	31 st March 2020
EARNED	Rs. In Lakh	Rs.In Lakh
Total Foreign exchange earned:-		
F.O.B. Value of Exports of Finished and Traded goods	18,017.22	6,841.36
USED		
Remittance in Foreign exchange: Purchase of Capital goods, Raw materials, Spares, Commission on Exports and interest on foreign currency loan	401.28	701.35

BY ORDER OF THE BOARD

Place: Coimbatore
Date: 28th June, 2021

SHYAMLAL AGARWALA
Chairman

ANNEXURE IV

Particulars of Remuneration of Directors and Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & 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 Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2020-21.**

(Rs. in Lakh)

Sl.No.	Name of Directors	Designation	Remuneration	Ratio of Directors remuneration to Median remuneration	% increase in the remuneration
I	Executive Directors				
1	Shyamlal Agarwala	Chief Executive Officer	39.75	10.37:1	52.94%
2	Manoj Kumar Jhajharia	Joint Managing Director	25.86	6.74:1	31.20%
3	Arun Kumar Jhajharia	Director	12.00	3.13:1	0.00%
II	Non-Executive Independent Directors				
	Dhiresb Jayasi	Independent Director	0.12	0.03:1	(33.33)%
	Meena Kumari	Independent Director	0.08	0.02:1	0.00
III	Key Managerial Personnel				
1	M.S. Selvaraj	Chief Financial Officer	7.98	2.08:1	(3.97)%
2	K.B.Sajith	Company Secretary	3.44	0.90:1	0.58%

(a)	Percentage increase in the median remuneration of employees in the Financial year 2020-21	7.46%
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(b)	Number of permanent employees on the rolls of the Company as on 31st March 2021	248
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(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 2020-21 (₹ in lakh)	% increase / (Decrease) in KMP's remuneration (2020-21 against 2019-20)	Sales 2020-21 (₹ in lakh)	% increase in sales (2020-21 against 2019-20)
77.04	34.14%	22508.45	87.81%

- (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 last public offer:**

Particulars	As on 31.3.2020	As on 31.3.2021	Variations	%
Market Capitalization (crores)	19.34	49.20	29.86	154.42%
Price Earnings Ratio	16.48	7.94	(8.54)	-51.84%

Market quotation of the shares as on 31.3.2021 (NSE)	Rs.93.50 Per share of face value Rs.10/-per share
Market quotation of the shares as on 31.3.2021 (BSE)	Rs.91.05 Per share of face value Rs.10/- per share
Market quotations of the shares when the Company came out with the last 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 last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The average percentile increase (Decrease) granted to employees other than managerial personnel is (2.32)%
The percentile increase (Decrease) granted to managerial personnel is (34)%

- (v) **Comparison of each remuneration of the Key Managerial Personnel against performance of the Company**

KMP's name and designation	CTC for 2020-21 (₹ in lakhs)	% Increase/ (Decrease) in CTC (2020-21 against 2019-20)	Sales for 2020-21 (₹ in lakhs)	% increase in sales (2020-21 against 2019-20)
Shyamlal Agarwala Managing Director	39.75	52.94%	22508.45	(87.81)%
Manoj Kumar Jhaharia Joint Managing Director	25.86	31.20%		
M.S. Selvaraj Chief Financial Officer	7.98	(3.97)%		
K.B. Sajith Company Secretary	3.44	0.58%		

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

The company does not pay any remuneration to the non-executive 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 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

Place: Coimbatore
Date: 28th June, 2021

SHYAMLAL AGARWALA
Chairman
DIN : 00003055

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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 labour 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. Though COVID-19 restriction played a spoilsport during the first quarter, after relaxations the support of all stakeholders the operations have accelerated to pre-COVID level in subsequently. The Management's strategy, which have over five decades of experience in the Market, in procurement of Cotton, demand for Yarn & Fabrics both domestic and export enabled better performance during the year.
- ii. This year also normal monsoon is predicted. With higher carry-over stocks of cotton in view of lower consumption, the prices are expected to be reasonable throughout the year.

Threats:

- i. The dislocation of workers due to COVID-19 will pose a threat of shortage of manpower.
- iii. Lower utilisation levels due to the lock down and phased relaxations are also expected to affect the performance during the current year.

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: The Government has imposed a nationwide lockdown to control COVID-19 from March 24, 2020 onwards. This has impacted the economic activities substantially. Only from 5th May, 2020 some relaxations have been announced. Your company has commenced operations from 6th May, 2020 with minimum work

force. It is expected that it will take some more time to achieve normal operations. These disruptions will certainly affect the performance during the current year. 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: The entire world is down with unprecedented lock down for a prolonged period and the economic impact of which will affect the international trade severely. The financial liquidity is very low. This is going to affect the businesses substantially. 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 import 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 system 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 of the Board 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 & Analysis: The Company earned post tax Profit of Rs 619.99 Lakh (Previous year Rs.117.35 Lakh) after providing for current Income Tax and deferred Tax. The Financial performances of the company are explained in detail in the Directors report to Shareholders.

Human Resources/Industrial relations: The efforts of the staff and management are on imparting continuous training to improve overall working practices; Industrial relations are cordial and satisfactory.

Cautionary Statement: Certain Statements in this report on Management Discussion may be forward looking statements and 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: 28th June, 2021

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 envisages the endeavour to attain high levels of transparency, accountability, fairness and equity in all its facts of operation, to serve the best interest of all the stake holders in the Company, including Shareholders, Lenders, Employees and the Government.

2. BOARD OF DIRECTORS

A) Composition of the Board

The Board of Directors comprises of 6 (Six) Directors viz., one Chairman cum Managing Director, one Joint Managing Director, One Executive Director whom represent Promoters; of the remaining Three are Non-Executive Independent Directors, who bring in a wide range of skills and experience to the Board and has no business relationship with the Company. The number of independent directors is Two-Third of the total number of Directors. It also ensures a balanced combination of Executive and Non-Executive Directors. The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment has been issued and a copy of the same is posted in website of the Company viz., www.salonacotspin.com.

B) Familiarisation Programme

At the time of appointment of Directors a formal letter of appointment is issued, which set out roles, functions, duties and responsibilities of him. The Directors also explained the relevant regulations. The appointments are also provided with necessary information for him to understand the Company's operations, products and events relating to the Company.

C) Ceiling of Directorship/Committee position

None of the Directors of the Company's Board is a member of more than ten committees and Chairman of more than five committees across all companies in which he is a Director. The necessary disclosures regarding committee positions have been made by the Directors.

D) Board Meeting and General Meeting:

The Board met 4 (Four) times during the financial year on the dates mentioned below:

25.06.2020	14.08.2020	11.11.2020	12.02.2021
------------	------------	------------	------------

The Annual General Meeting for last year was held on 21st September 2020. The gap between two meetings of the board did not exceed four months.

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

Directors Name	No. of Board Meeting attended	Last AGM Attended Yes / No	No. of Director-ship held in other Companies	No of Board Committee Member-ships held in Other Companies	
				As Chairman	As Member
Sri Shyamlal Agarwala Managing Director	4	Yes	1	Nil	Nil
Sri Manoj Kumar Jhajharia Joint Managing Director	4	Yes	1	Nil	Nil
Sri.Arun Kumar Jhajharia	4	Yes	2	Nil	Nil
Sri Hari Desiken Ganesh	4	Yes	1	Nil	Nil
Sri Dhiresh Jayasi	4	Yes	Nil	Nil	Nil
Smt. Meenakumari	4	Yes	Nil	Nil	Nil

No Extra Ordinary General Meeting held during the year.

E) Committees of Board:

The Board of Directors and its Committees meet at periodic intervals. Policy formulation, setting up of goals and evaluation of performance and control function vest with the Board. The Board has constituted six committees, namely, Audit Committee, Nomination and Remuneration Committee, Share Transfer Committee, Corporate Social responsibility Committee, Risk Management Committee and Stakeholders Relationship Committee.

3. AUDIT COMMITTEE:

A) Composition, Names of members and Chairperson:

The Audit Committee members are, Sri Dhiresh Jayasi, Smt. S.Meenakumari and Sri Manoj Kumar Jhajharia.

The role of the Audit Committee is to review the internal control procedures, internal audit system, financial reporting process, accounting policies and annual statements before submission to the Board and other related aspects as per the guidelines of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Two of the members are Non-Executive and Independent Directors. Sri Dhiresh Jayasi, Non-Executive Independent Director, is the Chairman of the Committee and has good financial and accounting knowledge.

The Audit Committee met four times during the year under review, on the following dates:

25.06.2020	14.08.2020	11.11.2020	12.02.2021
------------	------------	------------	------------

A) Brief description of the terms of reference:

The terms of reference include all the terms stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia include the following:

- (1) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (2) 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.
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (4) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Sec.134 of the Companies Act, 2013.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft audit report.
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- (6) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- (7) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (8) Discussion with internal auditors any significant findings and follow up thereon.
- (9) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (10) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (11) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

3. NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors have constituted a nomination and remuneration committee to suggest suitable remuneration package payable to managerial and non-managerial personnel from time to time. The following directors are the member of the committee:

- | | | |
|---------------------------|---|----------|
| 1. Sri Dhires Jayasi | - | Chairman |
| 2. Smt. S.Meenakumari | - | Member |
| 3. Sri Shyamlal Agarwala- | | Member |

Remuneration Policy

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's/Senior Managerial Personnel's. The Policy is accordingly derived from the said Charter. The Policy on remuneration is available in the following web link: www.salonacotspin.com

Evaluation Criteria

The evaluation/assessment of Directors, Key Managerial personnel and Senior Managerial personnel of the Company is conducted on an annual basis. The followings are the criteria in determining the effectiveness of the performances of the Directors, Key Managerial personnel and Senior Managerial personnel.

1. Leadership abilities
2. Contribution to clearly defined corporate objectives and plans
3. Review of achievement of strategic and operational plans, objectives, budgets
4. Regular monitoring of corporate results against projections
5. Identify, monitor and mitigate significant corporate risks
6. Assess Policies, structures and procedures
7. Direct, monitor and evaluate KMPs, SMPs
8. Review man agreement's succession plan
9. Clearly defining roles and monitoring activities of committees
10. Review of Corporate's ethical conduct

Evaluation on the above parameters will be conducted by the independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the independent Directors.

The Chairman/Vice Chairman and Managing Director/Non-Independent Directors along with the independent Directors will evaluate/assess each of the Independent Directors on the above parameters. The Independent Director being evaluated will not participate the evaluation discussion.

The Nomination and Remuneration Committee shall consider the following attributes/Criteria whilst recommending to the Board the candidature for appointment as Director:

1. Qualification
2. Experience
3. Skills and
4. Abilities and Attributes

The details of remuneration paid to Managing Director and Executive Director are as follows:

Name of the Directors	Relationship with other Director	Business relationship with the company if any	Remuneration paid / Payable during 2020-2021 (Rs.)		
			Salary & Perquisites	Commission	Total
i. Shyamlal Agarwala, Managing Director	Father of Joint Managing Director and Director	Promoter	31,99,385	7,75,963	39,75,348
ii. Manoj Kumar Jhajharia, Joint Managing Director	Son of Managing Director	Promoter	25,85,538	Nil	25,85,838
iii. Arun Kumar Jhajharia Director	Son of Managing Director	Director	12,00,000	Nil	12,00,000

Sri Shyamlal Agarwala and Sri Manoj Kumar Jhajharia & Arunkumar Jhajharia are related to each other as father and son.

Remuneration paid to Directors:

All the Non-Executive Directors are paid sitting fee of Rs. 2000/- for each Board Meeting attended by them. The member of Audit Committee are also paid a sitting fee of Rs.2000/- for each committee meeting attended by them.

Sl No.	Name of the Director	Position	Sitting Fees
1.	Sri Dhiresh Jayasi	Non-Executive Independent	Rs.12,000
2.	Smt Meenakumari	Non-Executive Independent	Rs.8,000

Meeting of Independent Directors

During the year under review the Independent Directors met on 29th March, 2021 for the following purposes:

- Ø Evaluation of performance of non-Independent Directors and the Board as a whole
- Ø Evaluation of performance of the Chairman, Executive Director of the Company
- Ø Evaluation of quality and flow information to the Board

All the Independent Directors were present at the meeting.

5. RELATED PARTY TRANSACTIONS

The Company has adopted policy on dealing with Related Parties. The same is disclosed in the website of the Company and is available in the following web link www.salonacotspin.com

6. WHISTLE BLOWER MECHANISM

The Company has a vigil mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics, if any. The policy has been posted in the website of the Company viz., www.salonacotspin.com.

7. SHAREHOLDING OF NON EXECUTIVE DIRECTORS AS ON 31.03.2021

The Non-executive directors are not holding any shares in the company.

8. THE STAKEHOLDERS RELATIONSHIP COMMITTEE

The role is to redress the grievances of shareholders complaints for transfer / transmission of shares; complaints of shareholders are attended without delay and are dealt within a month's time.

The members of the Committee are Sri Shyamlal Agarwala, Sri Manoj Kumar Jhajharia and Sri Dhiresh Jayasi

The Chairman of the Committee is Sri Dhiresh Jayasi. The Committee met four times during the year under review as under:

25.06.2020	14.08.2020	11.11.2020	12.02.2021
------------	------------	------------	------------

NO OF COMPLAINTS RECEIVED FROM SHAREHOLDERS DURING THE FINANCIAL YEAR:

- a. Number of Complaints received from Shareholders : Nil
- b. Number of Complaints not solved : Nil
- c. Number of pending Transfers : Nil
- d. Compliance Officer : Sri. Manoj Kumar Jhajharia
Joint Managing Director

9. CODE OF CONDUCT

The Board of Directors has adopted a Code of Conduct and Ethics (“the Code”) to help ensure compliance with the legal requirements and standards of business conduct. The purpose of the Code is to deter wrong doing and promote ethical conduct.

The Code applies to all Directors and members of Senior Management of the Company. All Board Members and personnel of the Senior Management of the company have affirmed compliance with the Code. A declaration to this effect, signed by the Managing Directors is annexed. The Company has posted the code in its website.

10. INSIDER TRADING

In compliance with SEBI Regulations for prevention of insider trading the Company has framed a comprehensive code of conduct for its management staff. The code lays down guidelines and procedures to be followed and disclosures to be made by the management staff while dealing with the shares of the Company.

11. SECRETARIAL AUDIT

A Secretarial Audit was carried out pursuant to Section 204 (1) of the Companies Act 2013 by Sri S.R. Baalaji, B.Com. F.C.S., for the year ended 31.03.2021 and the Secretarial Audit Report forms part of the Annual Report.

12. ANNUAL GENERAL MEETINGS:

- a) Particulars of past three Annual General Meeting:

A.G.M	YEAR	VENUE	DATE	TIME
24 th	2018	Registered Office at Pungampalli	24.09.2018	10.00AM
25 th	2019	Registered Office at Pungampalli	12.09.2019	10.30AM
26 th	2020	Held through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”)	21.09.2020	10.30AM

- b) Details of Special resolution passed during the last 3 AGMs

A.G.M	DATE	YEAR	DETAILS
24 th	24.09.2018	2018	Reappoint Mr. Arun Kumar Jhajharia as director of the company
25 th	12.09.2019	2019	Re-appointment of Sri G.V.S. Desikan (DIN: 00050597) as an Independent Director, Re-appointment of Sri Dhires Jayasi (DIN: 06931744) as an Independent Director
26 th	21.09.2020	2020	Re-appointment of Smt. Meenakumari.S (DIN: 07143889) as an Independent Director for a second term of 5 years.

c) E-voting:

In pursuance of the Listing agreement E-Voting and voting at the AGM were extended to all the shareholders of the Company to facilitate voting on the Subjects/Resolutions contained in the 27th 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; Besides Reports were forwarded to the Stock Exchanges. It was also uploaded along with the scrutinizers report, in our website. Entire Resolutions contained in the said agenda were passed.

13. DISCLOSURES:

- a. During the year, there were no transactions of material nature, with its Promoters, the Directors and the Management, their relatives or subsidiaries etc. that may have potential conflict with the interests of the Company at large.
- b. The Audit Committee is periodically briefed of related party transactions entered into by the company in the ordinary course of business.
- c. The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that may have a potential conflict with the interest of the company at large.
- d. There were no instances of non-compliance, penalties and strictures imposed on the Company by the Stock exchanges or SEBI or any Statutory Authority, on any matter related to capital markets during the last three years.
- e. The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing the Financial Statements.
- f. Managing Director and CFO have certified to the Board in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO / CFO certification for the financial year ended 31st March 2021.
- g. Company has obtained a Certificate from Sri. S.R. Baalaji, Practising Company Secretary that all the directors are not debarred or disqualified from being appointed or continuing as directors of companies by SEBI or Ministry of Corporate Affairs or any other authority. Certificate is annexed as Annexure.
- h. Board of Directors has accepted all the recommendation of the Committees during 2020-21.
- i. Total fee for all the services, on consolidated basis, to statutory auditor and all entities in network firm/network entity of which the statutory auditor is a part is Rs. 5.07 Lakh.
- j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - a. number of complaints filed during the financial year - Nil
 - b. number of complaints disposed of during the financial year - Nil
 - c. number of complaints pending as on end of the financial year - Nil
- k. The Company has complied with all the requirements as specified in sub para (2) to (10) of Part C of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in the Corporate Governance report to the extent applicable.
- l. The Company has not adopted any of the non-mandatory requirements given in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

- m. The Company has complied with all the requirements as specified in Regulation 17 to 27 and has disseminated all the details in the website of the Company as per clauses (b) to (i) of 46 (2) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

14. NOMINATION FACILITY

The Company is accepting nomination forms from shareholders in the prescribed Form No.2B. Any shareholder, who is desirous of making a nomination, is requested to contact the share department at the registered office of the company or the Registrar and Share Transfer Agents. Nomination is only optional and can be cancelled or varied by the shareholder at any time.

15. MEANS OF COMMUNICATION:

- a. The Quarterly / Half yearly unaudited financial results and the annual audited financial results together with the relative notices are published in Newspapers, both in English and in Vernacular Language (Tamil) and the immediate transmission of data's are also made to Stock Exchanges as per the listing Agreement.
- b. The printed Annual Report containing, inter alia, Audited Annual Accounts, Director's Report, Auditor's Report, the Management Discussion and Analysis report, which forms part of the Annual Report and Cash flow Statements etc., are being e-mailed to individual shareholders.
- c. The financial results are also accessible on the Company's website www.salonacotspin.com

16. GENERAL SHAREHOLDERS INFORMATION:

- (i) Annual General Meeting:

The Twenty Seventh Annual General Meeting of the Company will be held on Monday, the 16th day of September 2021 at 10.30 A.M, through Video Conferencing/Other Audio Visual Means.

- (ii) Name of the Compliance Officer : Sri. K.B. Sajith,
Company Secretary

- (iii) Financial Year : 12 months ending 31.03.2021

Date of Book Closure: 10.09.2021 to 16.09.2021 (Both days inclusive)

The Register of Members and Share Transfer Books of the Company will remain closed from 10.09.2021 to 16.09.2021 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend.

- (iv) Financial Calendar (Tentative):

1	Publication of unaudited financial results for the quarter ended 30.6.2021	2 nd Week of August 2021
2	Publication of unaudited financial results for the quarter ended 30.9.2021	2 nd Week of November 2021
3	Publication of unaudited financial results for the quarter ended 31.12.2021	2 nd Week of February 2022
4	Publication of audited financial results for the quarter ended 31.3.2022	Last week of May 2022
5	Annual General Meeting	September 2022

The Company's shares are listed in National Stock Exchange and Calcutta Stock Exchanges (Applied for Voluntary Delisting from Calcutta Stock Exchange). The Company's shares are permitted for Trading in 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 and de-recognition to the stock exchanges. 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 shall comply the SEBI Circular dated 17.04.2015 within the prescribed time period.

(v) Market Price data:

Month	Salona Cotspin Limited	
	High	Low
April 2020	41.40	34.25
May 2020	52.35	37.00
June 2020	61.30	50.00
July 2020	62.90	52.80
August 2020	66.60	52.50
September 2020	64.50	50.55
October 2020	64.00	48.00
November 2020	85.00	55.50
December 2020	73.25	61.45
January 2021	84.30	66.95
February 2021	93.45	67.50
March 2021	101.40	87.50

(vi) The Company has appointed Registrars & Share Transfer Agents for physical and Demat segment. The Name and Address is given below:

M/s. S K D C Consultants Limited
 Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road,
 Ganapathy, Coimbatore – 641 006
 Phone No: 0422-6549995
 Fax No: 0422-2539837
 e mail – info@skdc-consultants.com
 Contact person: Mr. Marimuthu, Manager

(vii) Share Transfer Systems:

All transfers received are processed by the Registrars and Share transfer agents and are approved by the Share Transfer Committee. Share transfers are registered and returned to the shareholders within the stipulated time if the documents are in order.

Pursuant to Regulation 40(9) of SEBI LODR Regulation 2015, certificates, on half yearly basis, have been issued by a Company Secretary in practice for due compliance of share transfer formalities by the Company.

Pursuant to SEBI (Depositories and Participant's) Regulations 1996, certificates have also been received from a Company Secretary in Practice for timely dematerialization of shares of the company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the company.

(viii) Dematerialisation of shares:

As on 31.03.2021, 4904300 shares constituting 93.19 % of the total paid up Share Capital of the Company have been dematerialized with CDSL and NSDL.

(ix) Distribution of Shareholding :

No of Shares held	No of Share-holders	% of Share-holders	No of Shares	% of Share-holding
1 - 500	1394	76.85	270131	5.13
501 - 1000	226	12.46	204210	3.88
1001 - 2000	91	5.02	147138	2.80
2001 - 3000	31	1.71	82756	1.57
3001 - 4000	15	0.83	52120	0.99
4001 - 5000	5	0.27	23420	0.45
5001 - 10000	14	0.77	93219	1.77
10001 AND ABOVE	38	2.09	4389406	83.41
Total	1814	100.00	5262400	100.00

(x) Category –wise distribution of Shareholding :

Sl.No.	Category	No of Shares	Percentage
	Promoter's Holding		
1.	Promoters	3472356	65.984
	Sub Total	3472356	65.984
2.	Non Promoters Holding Banks, Financial Institutions, Insurance Companies.	0	0.00
	Others	-	-
3.	Private Corporate Bodies	394479	7.496
4	Individual shareholders holding nominal share capital up to Rs. 1 Lakh.	934309	17.756
5	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	319713	6.075
6	Directors and relatives	10000	0.190
7	NRI	2849	0.054
8	Clearing members	1445	0.027
9	HUF	127249	2.418
	Total	5262400	100.000

(i) Company Plants:

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

Wind Mills : Panakudi Village, Radhapuram Taluk.
Sinjuvadi Village, Pollachi Taluk
Vadambacherri Village, Palladam Taluk
Kozhumankondan Village, Palani Taluk

(ii) Address for Correspondence:

Administrative Office: 9, Ramalinga Nagar, IV Cross
Saibaba Colony. Coimbatore 641 011 TamilNadu

BY ORDER OF THE BOARD

SHYAMLAL AGARWALA
Chairman
DIN : 00003055

Place: Coimbatore
Date: 28th June, 2021

ANNEXUER 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 of
 M/s. Salona Cotspin Limited,
 SF No.74/12 & 75/13, Sathy Road,
 Pungampalli Village,
 Sathyamangalam - 638 402.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Salona Cotspin Limited having CIN: L17111TZ1994PLC004797 and having registered office at SF No.74/12 & 75/3, Sathy Road, Pungampalli Village, Sathyamangalam – 638 402 (hereinafter referred to as “the Company”), produced before me by the Company for the purpose of issuing this Certificate. In accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) Status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers. I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No.	Name of the Director	DIN	Date of appointment in Company
1	Mr. Shyamlal Agarwala	00003055	18-01-1997
2	Mr. Manojkumar Jhajharia	00003076	26-09-1998
3	Mr. Arunkumar Jhajharia	00003086	12-02-2018
4	Mr. Dhiresb Jayasi	06931744	25-07-2014
5	Mrs. Meenakumari Shanmugam	07143889	30-03-2015
6	Mr. Hari Desikan Ganesh	08710451	25-06-2020

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

Place : Coimbatore
 Date : 28th June, 2021

Name of the Company Secretary in Practice : SUNDARARAJAN BAALAJI
 F.C.S.: 5966; C.P. No. 3514
 UDIN : F005966C000531568

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 financial statements of Salona Cotspin Limited ("the Company"), which comprise the balance sheet as at March 31, 2021 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 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 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, 2021, 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 financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements 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.

Information other than the 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 financial statements and our auditor's report thereon.

Our opinion on the 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 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 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 financial statements

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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 include maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the company and for preventing and deducting frauds and other irregularities, selection and application of appropriate accounting policies, making judgement and estimate that are reasonable prudence, and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to a fraud or error. .

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the 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

As required by the Companies (Auditor's Report) Order, 2016 ("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.

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, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the 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, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 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 and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; 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, 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, to the Investor Education and Protection Fund by the Company.

For **GOPAL AIYER AND SUBRAMANIAN**

Chartered Accountants
(Firm registration No.: 000960S)

CA.R.MAHADEVAN

Partner

Membership No.027497

UDIN : 21027497AAAAMF6462

Place : Coimbatore
Date: 28th June, 2021

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)

1. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, no physical verification has been carried on by the management during the year. Accordingly, we were unable to comment on whether any material discrepancies were noticed on such verification and whether they are properly dealt with in the financial statements.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2. 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 as examined by us, no material discrepancies were noticed on such verification.
3. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
4. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.
5. 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 provision of section 73 to 76 or any other relevant provisions of the companies Act 2013 is not applicable.
6. 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 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.
7. According to the information and explanation given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues including, provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, cess and other material statutory dues applicable to it to the appropriate authority ..

- (b) There were no undisputed amount payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, cess and other material statutory dues in arrears as at March 31, 2021 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 31stMarch 2021..
- 8 In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government. Also the company has not issued any debenture and hence outstanding of debenture dues does not arise..
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Also the company has utilised the term loans availed by the company for the purpose for which these loans have been obtained..
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13. In our opinion and according to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act , where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14 During the year and according to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable to the company.
- 15 In our opinion and according to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with its directors or persons connected with them and hence provision of section 192 of companies Act 2013 are not applicable .
- 16 According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

CA.R.MAHADEVAN
Partner
(Membership No.027497)

Place: Coimbatore
Date: 28th June, 2021

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Salona Cotspin Limited of even date)

Report on the internal financial controls over financial reporting under clause (i) of sub - section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Salona Cotspin Limited (“the Company”) as at March 31, 2021, 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 board of directors of the Company 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. 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 in 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 control 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 transactions 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 accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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.MAHDEVAN

Partner

(Membership No.027497)

Place: Coimbatore

Date: 28th June, 2021

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	<p>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.</p> <p>Nil</p>
4.	Audit qualifications – Company may move towards a regime of unqualified financial statements	At present, the Company does not have any such training program for Directors.
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 mechanism for evaluating the performance of Non-Executive Board Members.
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	The Company has a whistle Blower Policy.
7.	Whistle Blower Policy	

BY ORDER OF THE BOARD

SHYAMLAL AGARWALA
Chairman.
DIN: 00003055

Place : COIMBATORE
Date: 28th June, 2021

CODE OF CONDUCT - DECLARATION

In compliance with the requirements of Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges, 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 31.03.2021.

Place: Coimbatore
Date: 28th June, 2021

For SALONA COTSPIN LIMITED
SHYAMLAL AGARWALA
Chairman
DIN: 00003055

CEO AND CFO CERTIFICATION

To the Board of Directors of SALONA COTSPIN LIMITED

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statements for the year ended 31st March 2021 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 existing accounting standards, applicable laws and regulations;
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2020-21, which are fraudulent, illegal or 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.

COIMBATORE
Date: 28th June, 2021

SHYAMLAL AGARWALA
Managing Director (CEO)
DIN: 00003055

M.S. SELVARAJ
General Manager-Accounts (CFO)

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
Salona Cotspin Limited,
SF No.74/12 & 75/3, Sathy Road,
Pungampalli Village,
Sathyamangalam – 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 year ended on 31st March 2021, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing 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 Listing 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 purposes 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 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 year ended 31st March 2021.
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 : 21027497AAAAMF6462

Place: Coimbatore

Dated : 28th June 2021

SALONA COTSPIN LIMITED
BALANCE SHEET AS AT 31ST MARCH 2021

No	Particulars	Note No.	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
(1)	ASSETS			
	Non-current assets			
	(a) Property, Plant and Equipment	2	26,58,24,568	23,82,60,259
	(b) Capital work-in-progress	3		
	(c) Other Intangible assets	4	6,08,706	9,84,775
	(d) Financial Assets			
	(i) Investments	5	73,462	72,020
	(ii) Loans & Advances	6	1,64,60,377	2,35,13,160
	(e) Other non-current assets	7		
			28,29,67,113	26,28,30,214
(2)	Current assets			
	(a) Inventories	8	42,76,64,130	36,66,39,792
	(b) Financial Assets			
	(i) Trade receivables	9	53,46,51,565	13,50,67,293
	(ii) Cash and cash equivalents	10	20,50,078	19,23,527
	(iii) Bank balances other than (iii) above	11	32,65,969	37,46,279
	(iv) Loans	11	6,63,34,407	1,36,73,330
	(c) Other current assets	12	6,61,89,136	4,92,31,876
			1,10,01,55,285	57,02,82,097
	Total Assets		1,38,31,22,398	83,31,12,311
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	13	5,32,88,927	5,32,88,927
	(b) Other Equity	14	32,68,81,048	26,75,94,756
	LIABILITIES			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	11,95,35,444	6,51,17,120
	(b) Provisions	16	86,27,432	62,99,427
	(c) Deferred tax liabilities (Net)	17	1,50,77,000	1,21,40,000
			52,34,09,851	40,44,40,230
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	59,52,99,933	31,46,40,527
	(ii) Trade payables	19	17,86,37,944	6,67,66,854
	(b) Other current liabilities	20	8,19,31,723	4,56,40,699
	(c) Provisions	21	18,29,900	16,24,000
	(d) Current Tax Liabilities (Net)	22	20,13,046	
			85,97,12,546	42,86,72,080
	Total Equity and Liabilities		1,38,31,22,398	83,31,12,311

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

Place : Coimbatore

Date: 28th June, 2021Shyamlal Agarwala
Managing Director
DIN 00003055K.B.Sajith
Company Secretary
ACS NO 35602Manoj Kumar Jhajharia
Joint Managing Director
DIN 00003076M.S.Selvaraj
Chief Financial Officer

SALONA COTSPIN LIMITED

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH 2021

No	Particulars	Note No.	Year Ended 31st March 2021 Rs.	Year Ended 31st March 2020 Rs.
I	Revenue From Operations	23	2,30,12,72,412	1,21,84,67,429
II	Other Income	24	11,35,283	7,69,590
III	Total Income (I+II)		2,30,24,07,695	1,21,92,37,019
IV	EXPENSES			
	Cost of materials consumed	25	52,76,13,579	59,95,46,081
	Purchases of Stock-in-Trade	26	1,32,08,90,837	18,40,90,116
	Changes in inventories of finished goods, Stock-in-Trade and Work-in-Progress	27	-3,28,60,861	6,61,43,701
	Employee benefits expense	28	6,34,67,947	6,71,36,665
	Finance costs	29	4,46,02,571	4,07,51,547
	Depreciation and amortization expense	30	2,65,77,364	2,64,62,146
	Other expenses	31	27,45,19,954	21,61,09,546
	Total expenses (IV)		2,22,48,11,391	1,20,02,39,802
V	Profit/(loss) before exceptional items and Tax (I-IV)		7,75,96,304	1,89,97,217
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		7,75,96,304	1,89,97,217
VIII	Tax expense:			
	(1) Current tax	32	1,26,59,620	31,26,250
	(2) Deferred tax	33	29,37,000	41,36,000
IX	Profit (Loss) for the period from Continuing Operations (VII-VIII)		6,19,99,684	1,17,34,967
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		6,19,99,684	1,17,34,967
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to Profit or Loss		-27,13,392	-2,68,199
	(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		-	-
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)		5,92,86,292	1,14,66,768.00
XVI	Earnings per equity share (for continuing Operation):			
	(1) Basic		11.78	2.23
	(2) Diluted		11.78	2.23
XVII	Earnings per equity share (for discontinued Operation):			
	(1) Basic		0.00	0.00
	(2) Diluted		0.00	0.00
XVIII	Earnings per equity share (for discontinued & Continuing Operations)			
	(1) Basic	11.78	2.23	2.23
	(2) Diluted		11.78	2.23

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)

Shyamlal Agarwala
Managing Director
DIN 00003055

Manoj Kumar Jhajharia
Joint Managing Director
DIN 00003076

R.Mahadevan (Membership No. 27497)

Partner

K.B.Sajith
Company Secretary
ACS NO 35602

M.S.Selvaraj
Chief Financial Officer

Place : Coimbatore

Date : 28th June, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

Name of the Company: **SALONA COTSPIN LIMITED**Statement of Changes in Equity for the period ended **31ST MARCH 2021****A. Equity Share Capital**

Balance as at 31st March 2020	5,32,88,927
Changes in equity share capital during the year	0
Balance as at 31st March 2021	5,32,88,927

B. Other Equity

(in Rupees)

	Reserves and Surplus		Items of other Comprehensive Income		
	General Reserve	Retained Earnings	Equity Instruments through OCI	Remeasurement of Post employment benefit obligations	Total
Balance as on 31st March 2020	15,00,000	26,22,78,865	-408	38,16,299	26,75,94,756
Add: Profit for the year		6,19,99,684			6,19,99,684
Add: Changes in fair value of equity instruments through FVTOCI (net of Tax)			1,442		1,442
Add: Remeasurement of Post employment benefit obligations				-27,14,834	-27,14,834
Less: Payment of Dividends					
Less: Taxes on Dividends paid					
Balance as on 31st March 2021	15,00,000	32,42,78,549	1,034	11,01,465	32,68,81,048

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

Place : Coimbatore

Date : 28th June, 2021Shyamlal Agarwala
Managing Director
DIN 00003055K.B.Sajith
Company Secretary
ACS NO 35602Manoj Kumar Jhajharia
Joint Managing Director
DIN 00003076M.S.Selvaraj
Chief Financial Officer

SALONA COTSPIN LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

	Particulars	31st March 2021 Rs.	31st March 2020 Rs.
A	Cash flow from operating activities:		
	Net Profit before taxation and extra ordinary items	7,48,82,912	1,87,29,018
	Adjustments for:		
	Depreciation	2,65,77,364	2,64,62,146
	Deferred Expenses written off		-
	Profit on sale of fixed assets		-
	Profit on sale of Investments		-
	Interest and financial charges paid	4,46,02,571	4,07,51,547
	Dividend Income		0
	Interest receipts	(8,90,147)	(7,77,366)
	Direct Taxes	(1,26,59,620)	(31,26,250)
	Operating profit before working capital changes	13,25,13,080	8,20,39,095
	Adjustments for working capital changes		
	(Increase)/Decrease in Operating assets		
	Inventories	(6,10,24,338)	44,57,963
Trade receivables	(39,95,84,272)	4,69,64,015	
Loans and Advances - short term	(5,26,61,077)	18,63,964	
Other Current Assets	(1,64,76,950)	(52,77,270)	
Other non-current assets			
Increase/(Decrease) in Operating liabilities			
Trade payables	11,18,71,090	2,71,43,830	
Other Current Liabilities	3,62,91,024	(73,55,817)	
Short term Provisions	22,18,946	(58,685)	
Loans and Advances - long term	70,52,783	(74,23,781)	
Long Term Provisions	23,28,005	6,00,623	
Net cash flow from operating activities (A)	(23,74,71,709)	14,29,53,937	
B	Cash flow from investing activities:		
	Purchase of Fixed Assets	(6,44,45,422)	(27,19,479)
	Purchase of Investment	(1,442)	23,13,929
	Sale of Fixed Assets	1,06,79,818	4,09,754
	Sale of Investments		
	Advance for Capital Goods		
	Deferred Revenue Expenditure		
Interest receipts	8,90,147	7,77,366	
Dividend Income			
Net cash from investing activities (B)	(5,28,76,899)	7,81,570	
C	Cash flow from financing activities:		
	Proceeds from long term borrowings	5,44,18,324	(2,16,36,074)
	Repayment of long term borrowings		-
	Proceeds from short term borrowings	28,06,59,406	(7,63,84,002)
	Increase/(Decrease) in Secured Loan		
	Increase/(Decrease) in long term borrowings		-
	Increase/(Decrease) in short term borrowings	28,06,59,406	(7,63,84,002)
	Interest and financial charges paid	(4,46,02,571)	(4,07,51,547)
	Increase In share Capital		
	Dividend Paid	-	38,06,461
	Net cash from financing activities	29,04,75,159	(14,25,78,084)
	Net increase/(decrease) in cash and cash equivalents	1,26,551	11,57,422
	Cash & cash equivalents at the beginning of the year	19,23,527	7,66,105
Cash & cash equivalents at the close of the year	20,50,078	19,23,527	
Cash and Cash equivalents at the close of the year comprise of			
Cash on hand	6,78,917	15,26,273	
Cash at bank in current accounts	13,71,160	3,97,254	
	20,50,078	19,23,527	
	-	-	

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

Place : Coimbatore

Date: 28th June, 2021

Shyamlal Agarwala
Managing Director
DIN 00003055

K.B.Sajith
Company Secretary
ACS NO 35602

Manoj Kumar Jhajharia
Joint Managing Director
DIN 00003076

M.S.Selvaraj
Chief Financial Officer

SALONA COTSPIN LIMITED**1. Corporate Information**

Salona Cotspin Limited is 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. The financial statement are approved for issue by the Company's Board of Directors on 28th June 2021.

2. Significant Accounting Policies**2.1 Statement of Compliance**

The financial statements have been prepared in accordance with IND AS notified under Sec.133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules 2015 and other relevant provision of the Act.

2.2. Basis of Accounting

The financial statements are prepared accordance with Indian Accounting Standards (IndAS) under the historical cost convention, as a going concern and on accrual basis except for certain financial instruments which are measured at fair values, the provision of Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind As are prescribed under section 133 of the Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.3 Use of estimates:

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3. Fixed Assets

- a. Fixed assets are stated at cost of acquisition, including and attributable cost for bringing the assets to its working condition for its intended use, less accumulated depreciation.
- b. GST, where eligible, has been reduced from the cost of fixed assets.

4. Investments.

Investments classified as non - current and are carried at their cost unless there is a permanent diminution in value of investments. Dividend and yields if any, are accounted on their entitlement.

5. Inventories

Inventories are valued on the following basis.

- | | |
|----------------------------------------------------|-----------------------------------------------|
| a) Stores and Spares | - Cost including GST if applicable |
| b) Raw Materials | - Cotton - Lower cost or Net Realisable Value |
| c) Finished Goods- Cotton hosiery yarn and Fabrics | - Lower of Cost or netRealisable Value. |
| d) By product | - Net Realisable value |
| e) Work in progress | - Lower of Cost or Net Realisable Value |

First in - First out cost formula is used while determining the cost of all the above items, except cotton for which actual cost formula is used.

6. Provisions and Contingent Liabilities:

The Company recognizes a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

7. Revenue Recognition

- i. Accrual basis of accounting is followed by the company for all regular sources of income and expenses.
- ii. Sales are accounted on transfer of property in goods to the buyers for a definite consideration; sales include exchange fluctuation gain / loss realised or incurred during the year in respect of export sales.
- iii. Input credit against goods are accounted for by adjustments against cost of relevant goods; Unadjusted GST Credit is carried over as advance.

8. Depreciation and amortisation

The Company provides for depreciation on Straight line method and effective from 1st April 2014, the Company has charged depreciation with reference to the estimated useful life of fixed assets prescribed by the Schedule II of the Companies Act 2013 or based on management's assessment of useful life based on technical advice in case if useful life is lower than what is prescribed under Schedule II.

For additions and deletions during the year prorata charge has been made from the date the asset is put into use. No depreciation is charged in the year of sale of the asset, which has no revenue impact.

If the cost of a part of the asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately for depreciation.

Intangible assets are ammortised over their estimated useful life.

9. Foreign Currency Transaction

Foreign currency transactions chargeable to revenue have been accounted for by adopting the exchange rate as per documents negotiated with the bankers. Export sales are net of exchange fluctuation gain / loss realised / incurred and accounted for as per realisation certificate received from the bankers. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date or at forward exchange rate, as may be applicable.

10. Retirement Benefits

- a) Retirement benefits such as periodical Contribution to Provident fund and Pension Fund being defined contribution plans are charged to revenue. Such contributions are on predetermined statutory rates payable to competent authority.
- b) Gratuity, which is a defined benefit, is accrued and provided for based on independent actuarial valuations as at the balance sheet date. Gratuity claims are settled on the occurring of the event / claim.
- c) The present value of the obligation under such plan is determined based on the actuarial valuation using the projected unit credit method which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation.
- d) 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.

11. Borrowing Cost:

- a. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognised as an expense.
- b. Interest on borrowings, if any, attributable to acquisition of qualifying assets are capitalised and included in the cost of the asset, as considered appropriate.

12. Related Party Transactions:

Transactions with the directors or similar key management personnel of an enterprise with respect to the name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties.

13. Leases:

Assets leased by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

14. Earnings per Share:

Earnings per share is arrived by dividing the Net profit after tax attributable to the equity shareholders by the number of equity shares

15. Taxes on Income:

Current tax is determined as per the provisions of the Income – Tax, 1961 in respect of taxable income for the year and based on the expected outcome of assessments / appeals.

Deferred tax assets and liabilities are recognised on timing differences between accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised and carried forward subject to consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

16. Cash Flow Statements:

Cash Flows are reported using the Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. Cash and cash equivalents include cash on hand and balances with banks in current and deposit accounts with necessary disclosure of cash and cash equivalent balances that are not available for use by the company.

17. Impairment of Assets:

An asset is treated as impaired when the carrying amount of the asset exceeds its estimated recoverable value. Carrying amounts of fixed assets are reviewed at each balance sheet date to determine indications of impairment, if any, of those assets. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss equal to the excess of the carrying amount over its recoverable value is recognised as an impairment loss. The impairment loss, if any, recognized in prior accounting period is reversed if there is a change in estimate of recoverable amount.

18. Dividend

Dividend on shares are recorded as a liability on the date of approval by the shareholders at the Annual General Meeting.

19. COVID 19

The Ministry of Home Affairs vide order No. 40-3/2020-DM-I(A) dated 24th March 2020 announced a nation-wide lockdown as a measure to contain the spread of COVID 19 which was declared a global pandemic by the World Health Organisation. Owing to the lockdown, the operations of the Company were impacted due to shutting down of its factory and offices. The Company has resumed its operations in a phased manner as per directives issued by the Central Government and the Tamil Nadu Government and is closely monitoring the impact of the pandemic on all aspects of its business. The Company is taking appropriate measures to ensure the safety and well-being of all its employees and ensuring full compliances with the directives issued by the Government in this regard.

The Management has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of inventory based on the information available to date, both internal and external, to the extent relevant, while preparing these financial results as of and for the year ended March 31, 2021. Based on the assessment of current indicators of future economic conditions, the Management does not envisage any significant impact on its financial results and financial position as on March 31, 2021. The impact COVID 19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the eventual outcome may be different from those estimated as on the date of approval of these financial results.

SALONA COTSPIN LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2021
NOTE NO.2, 3 & 4 PROPERTY, PLANT AND EQUIPMENT

No.	Particulars	← GROSS BLOCK →				← DEPRECIATION →				← NET BLOCK →		
		As on 01.04.2020	Additions / Acquisitions through Business Combinations	Deletions / Disposals	Other than Deletions Disposals of assets	As on 31.03.2021	Upto 01.04.2020	For the year	With -drawn on Account of Disposal	With -drawn on Other Account	Upto 31.03.2021	As on 31.03.2021
A	TANGIBLE ASSETS											
1	FREE HOLD LAND	2,30,38,848	-	-	-	2,30,38,848	-	-	-	-	2,30,38,848	2,30,38,848
2	BUILDING	8,94,86,288	-	-	-	8,94,86,288	3,82,18,416	31,53,331	-	4,13,71,747	4,81,14,541	5,12,67,872
3	PLANT & EQUIPMENTS	74,87,51,993	5,72,48,762	21,08,940	-	80,38,91,815	59,85,36,065	1,93,85,705	20,03,493	61,59,76,277	18,79,13,638	15,01,55,928
4	FURNITURE & FIXTURES	1,02,03,181	6,04,574	-	62,36,983	45,70,772	39,50,868	556,534	-	26,73,866	18,96,906	62,52,313
5	VEHICLES	1,27,18,269	10,04,088	-	1,37,82,357	76,88,920	14,55,182	-	-	91,44,102	46,38,255	50,29,349
6	OFFICE EQUIPMENTS	1,40,21,520	4,60,615	-	23,33,895	1,21,48,240	1,15,05,571	14,92,365	-	1,19,25,760	2,22,480	25,15,949
	TOTAL A	89,82,20,099	5,93,78,039	21,08,940	85,70,878	94,69,18,320	65,99,59,840	2,60,43,117	20,03,493	68,10,93,752	26,58,24,568	23,82,60,259
B	INTANGIBLE ASSETS **											
7	COMPUTER SOFTWARE	22,08,725	1,58,178	-	-	23,66,903	12,23,950	5,34,247	-	17,58,197	608,706	9,84,775
	TOTAL B	22,08,725	1,58,178	-	-	23,66,903	12,23,950	5,34,247	-	17,58,197	608,706	9,84,775
C	CAPITAL WORK-IN-PROGRESS											
8	BUILDING PLANT & EQUIPMENTS	-	-	-	-	-	-	-	-	-	-	-
	TOTAL C	-	-	-	-	-	-	-	-	-	-	-
D	INTANGIBLE ASSETS UNDER CONSTRUCTION											
	TOTAL D	-	-	-	-	-	-	-	-	-	-	-
	CURRENT YEAR FIGURES (TOTAL (A+B+C+D))	90,04,28,824	5,95,36,217	21,08,940	85,70,878	94,92,85,223	66,11,83,790	2,65,77,364	20,03,493	68,28,51,949	26,64,33,274	23,92,45,034
	PREVIOUS YEAR FIGURES	89,85,08,366	82,82,173	63,61,715	-	90,04,28,824	63,51,10,911	2,64,62,146	3,89,267	66,11,88,790	23,92,45,034	26,33,97,455

NOTES TO BALANCE SHEET AS AT 31ST MARCH 2021**NOTE NO. 5 : NON - CURRENT INVESTMENTS****A. Classifications:**

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
a	Investments in Equity Instruments valued at cost	73,462	72,020
		73,462	72,020

B. Break up details for Investments:**1) Details for Investments in Equity.**

No	Name of the Script	No of Shares/ Units	Cost of Acquisition	Carrying amount As at 31st March 2021 Rs.	Carrying amount As at 31st March 2020 Rs.
i)	Equity Instruments:				
	<u>Non-trade Quoted</u>				
1	Union Bank of India 272 Equity shares of Rs.10/- each (Previously 272 equity shares of Rs.10/- each)	272	29,920	9,262	7,820
	<u>Trade - Unquoted</u>				
1	6420 Equity Shares in Echanda Urja Private Limited	6,420	64,200	64,200	64,200
	Sub Total	6,692	94,120	73,462	72,020

2. Abstract of Investments in Equity

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
a	Aggregate amount of quoted investments	9,262	7,820
b	Market Value of Quoted Investments	-	-
c	Aggregate amount of unquoted investments	64,200	64,200
	Net Carrying amount of Investments	73,462	72,020

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

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
	Unsecured and Considered good		
1	Capital Advances	48,74,940	48,74,940
2	Security Deposits	95,45,437	1,62,17,235
3	Other Loans and Advances	20,40,000	24,20,985
	Total	1,64,60,377	2,35,13,160

B. Disclosures:

1) Capital advances

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
i)	Unsecured, considered Good Advances for acquisition of capital assets/ expenditure	48,74,940	48,74,940
	Total	48,74,940	48,74,940

2) Security Deposits:

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
i)	Unsecured, considered Good Deposits with Statutory Authorities	95,45,437	1,62,17,235
	Total	95,45,437	1,62,17,235

Security deposits are placed with Electricity, Telephone and other Statutory authorities.

3) Other loans and advances

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
	Rental Advance for Office Premises	20,40,000	24,20,985
	Total	20,40,000	24,20,985

NOTE NO. 7 : OTHER NON - CURRENT ASSETS

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
	Deferred revenue expenditure	-	-
	Opening balance	-	-
	Less: Amortised during the year	-	-
	Closing balance	-	-

NOTE NO. 8 : INVENTORIES

A. Classification

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
	Inventory on Hand		
a)	Raw Materials	23,43,32,758	20,69,27,372
b)	Work in Progress	3,55,78,166	3,86,89,201
c)	Finished Goods	15,13,41,046	11,55,34,007
d)	Stores & Spares	64,12,160	54,89,212
	Total	42,76,64,130	36,66,39,792

NOTE NO. 9 : TRADE RECEIVABLES

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
a)	Outstanding for a period exceeding six months - Unsecured, considered good		16,46,862
	Sub Total		16,46,862
b)	Others - Unsecured, considered good	53,46,51,565	13,34,20,431
	Sub Total	53,46,51,565	13,34,20,431
	Total	53,46,51,565	13,50,67,293

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

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
a)	Cash on hand	6,78,917	15,26,273
b)	Balances with banks:		
	- Balances in Current accounts	13,71,160	3,97,254
	- In earmarked accounts		
	Unpaid dividend accounts	7,77,182	7,77,182
c)	Other bank deposits		
	- Margin Money Deposits held under lien by Banks	24,88,787	29,69,097
	Total	53,16,047	56,69,806

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

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
1	Other loans and advances - Others	6,63,34,407	1,36,73,330
	Total	6,63,34,407	1,36,73,330

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

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
1	Trade Advances	-	45,00,000
	Less: Provision for Doubtful advances	-	45,00,000
	Total	-	-

(b) Unsecured and Considered good

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
1	Trade Advances	6,40,67,074	90,76,397
2	Advance Towards Direct Taxes (Net)	8,71,771	12,46,793
3	Prepaid Expenses	11,37,103	16,03,696
4	Advances to Staff and Other Operatives	1,67,966	2,09,257
5	Others	90,493	15,37,187
	Total	6,63,34,407	1,36,73,330

NOTE NO. 12 : OTHER CURRENT ASSETS

A. Classifications :-

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
a)	Other current assets	6,61,89,136	4,92,31,876
	Total	6,61,89,136	4,92,31,876

B. Disclosures :

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
	BREAKUP FOR OTHER CURRENT ASSETS		
	Export:		
	Duty Draw Back Receivable	43,83,258	16,64,444
	Incentative Under MEIS Receivables	73,67,932	24,95,253
	IGST Export Service Tax Receivable	1,89,67,884	66,08,564
	Interest:		
	Interest Receivable on Energy Supply Deposits	920	3,200
	Interest & Interest Subsidy Receivable	-	98,65,648
	Others:		
	Accrued Income	2,15,343	2,15,343
	Evening Peak Energy & Demand Charges Receivable	2,14,240	2,14,240
	Income tax Refund Due	2,80,391	2,80,391
	Bank Commitment Charges Receivable	68,895	-
	GST Input credit available	3,46,90,274	2,78,84,794
	Total	6,61,89,136	4,92,31,876

NOTES TO BALANCE SHEET AS AT 31ST MARCH 2021

NOTE NO. 13 : EQUITY SHARE CAPITAL

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

No.	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
1.	Authorised: 6000000 Equity Shares of Rs.10/- each	6,00,00,000	6,00,00,000
		6,00,00,000	6,00,00,000
2.	Issued Capital: 5262400 Equity Shares of Rs.10/- each	5,26,24,000	5,26,24,000
		5,26,24,000	5,26,24,000
3.	Subscribed, Called Up and Paid Up Capital 5262400 Equity Shares of Rs.10/- each fully paid up	5,26,24,000	5,26,24,000
		5,26,24,000	5,26,24,000
	Forfeited Shares 88700 Nos-(Previous Year 88700 Nos)-Originally Paid-up	6,64,927	6,64,927
		5,32,88,927	5,32,88,927

ii) *Reconciliation of number of equity shares:*

No.	Particulars	No. of shares		As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
		As at 31st March 2021 Rs.	As at 31st March 2020 Rs.		
	At the commencement of the year	52,62,400	52,62,400	5,26,24,000	5,26,24,000
	At the close of the year	52,62,400	52,62,400	5,26,24,000	5,26,24,000

During the year

a	No Shares have been issued	Nil	Nil
b	No shares have been Bought back	Nil	Nil
c	No shares have been forfeited	Nil	Nil

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

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

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

No.	Name of the person	As at 31st March 2021		As at 31st March 2020	
		% of holding	Number of shares	% of holding	Number of shares
1	Shyamlal Agarwala	8.16%	429393	7.86%	413393
2	Manoj Kumar Jhajharia	5.93%	312188	5.63%	296188
3	Pramod Kumar Jhajharia	5.97%	313966	5.66%	297966
4	Arun Kumar Jhajharia	6.28%	330671	5.98%	314671
5	Krishna Agarwal	8.47%	445901	8.19%	430901
6	Pansari Textiles & Investments Ltd	3.80%	200000	7.60%	400000
7	Pista Devi Jhajharia	6.18%	325403	5.88%	309403

NOTES TO BALANCE SHEET AS AT 31ST MARCH 2021

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

The Company has only one class of share namely equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote for every share held. The dividend approved by the shareholders in any annual general meeting and in case of any interim dividend declared, is payable to the equity shareholders in proportion to their holding. The equity shareholders are eligible to receive the remaining assets of the company on the occurrence of an event, requiring repayment of capital, in proportion of their shareholding.

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

There are no securities convertible into equity or preference shares

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

There are no shares reserved under any option

NOTE NO. 14 : OTHER EQUITY

No.	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
1	A. RESERVES:		
	General Reserve		
	Balance as Per Last Balance Sheet	15,00,000	15,00,000
	Transfer From Statement Of Profit & Loss	-	-
	Closing Balance-Total Of Reserves	15,00,000	15,00,000
2	B. SURPLUS:		
	Statement of Profit and Loss after all allocations and appropriations:-		
	Opening Balance (i)	26,60,94,756	25,84,34,449
	Add : Profit after tax for the year (ii)	5,92,86,292	1,14,66,768
	Total (iii = i+ii)	32,53,81,048	26,99,01,217
	Less: (a) Transfer to Reserve	-	-
	(b) Equity Dividend paid for the year 2018-19	-	31,57,440
	(c) Tax on Equity Dividend paid for 2018-19	-	6,49,021
	Total (iv)	-	38,06,461
	Total of Surplus (v = (iii) - (iv))	32,53,81,048	26,60,94,756
	Total of Reserves & Surplus-Per Balance Sheet	32,68,81,048	26,75,94,756

NOTE NO. 15 : LONG TERM BORROWINGS**A. Classifications:-**

No.	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
	Secured:		
(a)	Term Loans - From Banks	9,99,60,508	4,60,21,127
(b)	Deferred Payment Liabilities	-	-
(c)	Long term maturities of Finance Lease Obligation	8,74,936	3,95,993
	Unsecured:		
(d)	Other Loans and Advances	1,87,00,000	1,87,00,000
	Total Per Balance Sheet	11,95,35,444	6,51,17,120

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

No.	Particulars	Limit sanctioned (Rs. In Lacs)	Terms of repayment	Amount Outstanding	
				As at 31st March 2021	As at 31st March 2020
1	Secured : Punjab National Bank Term Loan -II	1330.00	Repayable in 24 equal quarterly installments after a moratorium of six months	1,80,98,149	4,60,21,127
	COVID19 - Term Loan CECF	80.00	Repayable in 18 equated monthly installments after a moratorium period of six months	5,25,219	
	WCTL UNDER GECL	282.72	Repayable in 36 installments after a moratorium period of 12 months.	1,82,46,197	
2	Union Bank of India COVID19 - Term Loan CELC	91.00	Repayable in 18 equated monthly principal installments after a moratorium period of six months	5,05,562	3,24,56,140
	Term Loan (UGECL)	376.91	Repayable in 36 equated monthly principal installments after a moratorium period of 12 months	3,24,56,140	
3	State Bank of India TERM LOAN (SOLAR PROJECT)	420.00	Repayable in 120 equated monthly principal installments after a moratorium period of 12 months	2,39,26,053	62,03,188
	Term Loan (GECL)	79.00	Repayable in 36 equated monthly principal installments after a moratorium period of 12 months	62,03,188	
	Total Per Balance Sheet			9,99,60,508	4,60,21,127

(a) (ii) Term Loans from Banks**Nature of Security and Details of Guarantee**

- The above facilities are secured on first charge on the specific fixed assets acquired besides a charge on all other fixed assets
- All the above facilities pursuant to an agreement rank pari passu amongst the bankers and the company.
- Rs.55.42 Lacs Per instalment (Number of instalment varies from time to time)
- Managing Director and Joint Managing Director have furnished their personal guarantee to bankers for the loans so availed and the guarantee is for the amount outstanding to the said bankers.
- The details of security listed above also covers for current maturities of long term debts for the above term loans

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

No	Name of the Financier	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
	Secured		
1	Kotak Mahendra Prime Ltd	19,881	3,95,993
2	Kotak Mahendra Bank Ltd	8,55,055	-
	Total Per Balance Sheet	8,74,936	3,95,993

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

(c) Other Loans & Advances

No	Nature of Loan	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
	Loans from Shareholders	-	-
	Unsecured		
1	Inter-corporate Loans	1,87,00,000	1,87,00,000
	Total Per Balance Sheet	1,87,00,000	1,87,00,000
(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 31st March 2021 Rs.	As at 31st March 2020 Rs.
1	<u>Provision for Employee Benefits</u>		
	Provision for Gratuity	86,27,432	62,99,427
	Total Per Balance Sheet	86,27,432	62,99,427

NOTE NO. 17 : DEFERRED TAX LIABILITIES (NET)

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
A.	Deferred Tax Liability		
	Opening Balance	1,49,12,000	1,45,39,000
	Add : Additions during the year	15,00,000	3,73,000
		1,64,12,000	1,49,12,000
	Less: Reversed During the year	-	-
	(A)	1,64,12,000	1,49,12,000
B	Deferred Tax Asset	27,72,000	65,35,000
	Add : Additions during the year	-	(37,63,000)
		27,72,000	27,72,000
	Less: Reversed During the year	14,37,000	-
	(B)	13,35,000	27,72,000
	Deferred Tax Liability (Net)	A-B	1,50,77,000
		1,50,77,000	1,21,40,000

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

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
(a)	Secured Loans repayable on demand i) From Banks	59,52,99,933	31,46,40,528
	Total Per Balance Sheet	59,52,99,933	31,46,40,528

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

No	Particulars	Limit Sanctioned Rs. In Lacs	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
1	Cash Credit From Banks:			
The	Catholic Syrian Bank Ltd	750.00	2,19,57,090	8,92,513
	Punjab National Bank	800.00	2,67,98,542	6,71,65,951
	State Bank of India	356.00	1,40,68,457	1,16,23,013
	Union Bank of India	1,400.00	5,02,440	1,777
2	Packing credit loans:			
The	Catholic Syrian Bank Ltd	(sub-limit)	5,74,09,406	7,23,84,409
	State Bank of India	(sub-limit)	2,04,58,023	
	Punjab National Bank	(sub-limit)	6,03,02,447	
	Union Bank of India	(sub-limit)	13,87,38,620	8,30,88,570
3	Foreign Bills Purchased by Banks:			
The	Catholic Syrian Bank Ltd	500.00	5,04,01,442	53,22,412
	State Bank of India	300.00	2,37,44,277	
	Union Bank of India	1,200.00	11,25,06,604	1,83,82,807
	Punjab National Bank	400.00	3,70,79,873	
	SHINHAN BANK FDBP		3,13,32,712	
4	Warehouse Receipt Loan			
CSB	Bank Ltd	600.00		5,57,79,075
	Total Per Balance Sheet	4,416.00	59,52,99,933	31,46,40,527

(ii) Nature of Security and terms of guarantee

- The above facilities are secured by way of hypothecation and / or pledge of stocks in trade, besides a first charge on its fixed assets
- 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.
- 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 31st March 2021 Rs.	As at 31st March 2020 Rs.
1	Micro Small & Medium Enterprises	-	13,357
2	Others	17,86,37,944	6,67,53,497
	Total Per Balance Sheet	17,86,37,944	6,67,66,854

Note:

Dues to Micro and Small Enterprises

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

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
a)	The Principal amount remaining unpaid to any supplier at the end of the year.		13,357
b)	Interest due remaining unpaid to any supplier at the end of the year		
c)	The amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the seller		
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006		
e)	The amount of interest accrued and remaining unpaid at the end of each accounting year.		
f)	The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance of a deductible		

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

NOTE NO. 20 : OTHER CURRENT LIABILITIES

A. Classifications:-

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
a	Current maturities of Long Term Debt	5,11,50,315	2,21,66,668
b	Interest accrued and due on borrowings	7,500	-
c	Current Maturities of Finance Lease Obligations	6,21,057	7,56,404
d	Unpaid dividends	7,77,082	7,77,082
e	Other Payables		
	Liability For Expenses	1,83,72,550	1,29,27,384
	Statutory Liabilities	1,10,03,219	90,13,161
	Total Per Balance Sheet	8,19,31,723	4,56,40,699

NOTE NO. 21 : SHORT - TERM PROVISIONS

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
1	<u>Provision for Employee Benefits</u>		
	Provision For Bonus	18,29,900	16,24,000
		18,29,900	16,24,000

NOTE NO. 22 : CURRENT TAX LIABILITIES - NET

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
1	Others		
	a. Provision For Proposed Dividends	-	-
	b. Provision For Dividend distribution tax	-	-
	c. Provision For Taxation (net)	20,13,046	-
	Total Per Balance Sheet	20,13,046	-

NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2021

NOTE NO. 23 : REVENUE FROM OPERATIONS

A. Classifications:-

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
1	Sale of Products	2,25,08,45,277	1,19,84,79,036
2	Other Operating Revenues	5,04,27,135	1,99,88,393
		2,30,12,72,412	1,21,84,67,429
	Total per statement of P & L	2,30,12,72,412	1,21,84,67,429

B. Other Disclosures:

(i) Other operating revenues

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
1	Export Incentives:		
	Duty Draw Back	3,45,11,896	1,17,83,727
	Incentive under MEIS	73,67,655	78,60,216
2	Other Miscellaneous Income	-	3,44,450
3	Foreign Exchange Fluctuation	85,47,584	-
	Total Per Statement Of P & L	5,04,27,135	1,99,88,393

NOTE NO. 24 : OTHER INCOME

A. Classifications:-

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
1	Interest Income	8,40,730	777,366
2	Dividend Income	-	-
3	Other Non- Operating Income (Net of Expenses directly attributable to such Income) (Refer note (iii) below)	2,94,553	(7,776)
	Total	11,35,283	769,590

B. Other Disclosures:

(i) Interest Income

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
1	From Current Investments		
	Interest Receipts:		
	Banks Fixed Deposits	1,82,814	10,519
	Energy Security Deposit	6,57,916	6,99,700
	Interest Receipts-Other parties		67,147
2	From Others		
	Interest Receipts-Other parties	49,417	
	Total Per Statement of P & L	8,90,147	7,77,366

NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2021

(ii) **Dividend Income**

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
	From Others:		
1	From Long Term Investments		
	Equity Instruments	-	-
	Total Per Statement of P & L		

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

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
1	Profit on sale of Fixed Assets	2,94,553	(7776)
2	Profit on sale of Equity Instruments	-	-
	Total Per Statement of P & L	2,94,553	(7776)

NOTE NO. 25 : COST OF MATERIALS CONSUMED

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
1	Raw Materials	52,13,21,599	59,29,56,065
2	Other Consumables	62,91,980	65,90,016
	Total Per Statement of P & L	52,76,13,579	59,95,46,081

A. Disclosures:

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
1	Consumption of Raw Materials		
	Cotton:		
	Opening Stock Of : Raw Materials	20,69,27,372	14,15,85,057
	Work-in Progress	46,20,090	64,67,807
	Add : Purchases during the year	54,85,62,128	65,64,50,663
		76,01,09,590	80,45,03,527
	Less: Closing stock of : Raw Materials	23,43,32,758	20,69,27,372
	Work-in Progress	44,55,233	46,20,090
	Consumption of raw materials	52,13,21,599	59,29,56,065
2	Consumption of Other Consumables		
	Packing Consumables:		
	Opening stock	3,16,671	4,12,054
	Add: Purchases during the year	64,17,419	64,94,634
		67,34,091	69,06,688
	Less: Closing stock	4,42,111	3,16,671
	Consumption of other materials	62,91,980	65,90,017

NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2021**NOTE NO. 26 : PURCHASE OF STOCK-IN-TRADE**

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
1	Yarn	1,27,08,15,214	12,72,59,018
2	Fabric	4,09,24,092	4,63,24,037
3	Garments	91,51,532	1,05,07,061
		1,32,08,90,837	18,40,90,116

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

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
a	Inventories at the commencement of the year	14,96,03,118	21,57,46,819
b	Less: Inventories at the close of the year	18,24,63,979	14,96,03,118
	Total Per Statement of P & L	(3,28,60,861)	6,61,43,701

Disclosure on Changes in Inventories:

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
1	Opening Stock:		
	Finished Goods - Yarn	2,36,32,885	7,38,63,355
	Finished Goods - Fabrics	80,56,169	97,00,033
	Finished Goods - Garments	8,17,68,307	10,92,39,395
	Work in Process	3,40,69,111	2,14,60,050
	By-Product - Seconds Cotton	20,76,646	14,83,986
		14,96,03,118	21,57,46,819
2	Less: Closing Stock:		
	Finished Goods - Yarn	6,18,01,330	2,36,32,885
	Finished Goods - Fabrics	97,80,599	80,56,169
	Finished Goods - Garments	7,29,46,668	8,17,68,307
	Work in Process	3,06,41,272	3,40,69,111
	By-Product - Seconds Cotton	72,94,110	20,76,646
		18,24,63,979	14,96,03,118
	Total Per Statement of P & L	(3,28,60,861)	6,61,43,701

NOTE NO. 28 : EMPLOYEE BENEFIT EXPENSES

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
1	Salaries & Wages	3,05,57,316	2,98,63,619
2	Contribution to Provident and Other Funds	11,30,598	14,38,373
3	Staff Welfare Expenses	2,40,19,147	3,00,64,750
4	Managerial Remuneration	77,60,886	57,69,923
	Total Per Statement of P & L	6,34,67,947	6,71,36,665

NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2021

Disclosure on Employee Benefit Expenses:

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
(i)	Staff Welfare Expenses		
	Medical Expenses Reimbursed/Insurance Premium	13,73,627	9,75,048
	Water Expenses	37,75,354	57,73,081
	Workmen & Staff Welfare Expenses	1,34,93,161	1,63,82,944
	Canteen Expenses	53,77,005	69,33,676
	Total Per Statement of P & L	2,40,19,147	3,00,64,750

NOTE NO. 29 : FINANCE COSTS

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
1	Interest Expenses (Refer note (i) below)	3,34,26,354	3,47,05,319
2	Other Borrowing Costs (Refer note (ii) below)	1,11,76,217	60,46,228
	Total Per Statement of P & L	4,46,02,571	4,07,51,547

Disclosure on Finance Cost:

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
(i)	Notes		
	Interest Expense:		
	Interest on borrowings from Banks	3,10,92,543	3,21,22,358
	Interest on borrowings from Others	22,44,000	22,44,000
	Finance Charges on Finance Lease	89,811	1,51,580
	Interest based on Defined benefit Gratuity Plan	-	1,87,381
	Total Per Statement Of P & L	3,34,26,354	3,47,05,319
(ii)	Other Borrowing Costs		
	Foreign Exchange difference / Net loss on the Forex		
	Discounts / premiums on borrowings	58,27,197	32,53,982
	Bank Charges	53,49,021	27,92,247
	Total Per Statement of P & L	1,11,76,217	60,46,228

NOTE NO. 30 : DEPRECIATION AND AMORTISATION EXPENSES

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
1	Depreciation	2,60,43,117	2,59,69,026
2	Amortization Expense	5,34,247	4,93,120
	Total Per Statement of P & L	2,65,77,364	2,64,62,146

NOTE NO. 31 : OTHER EXPENSES

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
1	Manufacturing Expenses (Refer note (i) below)	12,25,94,713	11,49,39,462
2	Administrative Expenses (Refer note (ii) below)	2,29,95,497	2,15,13,920
3	Repairs and Maintenance (Refer note (iii) below)	3,69,02,195	3,21,71,624
4	Sales and Distribution Expenses (Refer note (iv) below)	8,84,50,090	4,58,58,663
5	Miscellaneous Expenses (Refer note (v) below)	35,77,459	16,25,877
	Total Per Statement of P & L	27,45,19,954	21,61,09,546

NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2021

Disclosure on Other expenses

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
	Notes		
(i)	Manufacturing Expenses		
a	Power and Fuel	5,21,84,700	6,06,94,300
b	Consumption of Stores and Spare Parts	2,00,84,454	1,23,15,147
c	Other Manufacturing Expenses	5,03,25,559	4,19,30,015
	Total Per Statement Of P & L	12,25,94,713	11,49,39,462
(ii)	Administrative Expenses		
a	Rent	37,77,078	69,60,700
b	Rates and taxes, excluding taxes on income	12,89,612	7,38,687
c	Payments to Auditors,		
	a) For Audit	1,20,000	1,00,000
	b) For Taxation Matters	1,88,000	42,000
	c) For other Services	2,28,500	2,000
	d) For Cost Audit	25,000	20,000
	e) For Internal Audit	60,000	-
d	Insurance	18,43,125	17,55,416
e	Sitting Fees To Other Non whole Time Directors	19,750	42,000
f	Travelling Expenses	31,20,934	52,06,184
g	Communication Expenses	13,20,131	10,34,087
h	Printing & Stationery	6,01,316	10,15,719
i	Donation	5,83,500	15,800
j	General Expenses	12,37,063	9,66,471
k	Loss on value of Discarded show room assets	56,65,166	-
l	Professional & Legal Fees	13,55,664	19,97,327
m	Security Service Charges	15,52,471	16,02,526
n	Subscription		
	Trade Associations	4,071	15,000
	Research Association	4,116	
	Total	2,29,95,497	2,15,13,920
	Total Per Statement Of P & L		
(iii)	Repairs and Maintenance		
a	Buildings	91,59,828	78,90,037
b	Machinery	1,29,54,238	1,18,18,824
c	Wind Mills	66,01,654	55,49,709
d	Vehicles	35,30,572	30,50,188
e	Others	46,55,903	38,62,866
	Total Per Statement Of P & L	3,69,02,195	3,21,71,624
(iv)	Sales and Distribution Expenses		
a	Consumption of Other Packing Materials		
	Opening Stock	3,13,423	4,88,011
	Add: Purchases during the year	75,88,308	78,11,512
		79,01,731	82,99,523
	Less: Closing Stock	6,79,472	3,13,423
	Consumption of Other Packing Materials	72,22,259	79,86,100
b	Advertisement Charges	1,29,843	6,63,486
c	Commission Payments on sales / services	71,22,903	55,95,274
d	Commission Payments on Export Sales	4,44,84,719	1,21,98,475
e	Discounts Allowed	17,82,324	11,88,126
f	Other Sales Expenses	85,97,340	76,40,247
g	Export Sales Expenses	1,91,10,701	1,05,86,955
	Total Per Statement Of P & L	8,84,50,090	4,58,58,663
(v)	Miscellaneous Expenses		
	Provision for Doubtful / Debts Advances	-	-
	Others	35,77,459	16,25,877
	Total Per Statement Of P & L	35,77,459	16,25,877

NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2021

NOTE NO. 32 : CURRENT TAX

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
1	Current tax	1,26,59,620	31,26,250
		1,26,59,620	31,26,250
	Current Tax Liability	1,26,59,620	31,26,250

NOTE NO. 33 : DEFERRED TAX (NET)

No	Particulars	Year Ended March 2021 Rs.	Year Ended March 2020 Rs.
1	Provision for Deferred Tax Liability (Dr.)		
2	Reversal of Deferred Tax Liability (Cr.)	15,00,000	3,73,000
3	Provision for Deferred Tax Asset (Cr.)	-	37,63,000
4	Reversal of Deferred Tax Asset (Dr.)	14,37,000	-
	Net Deferred Tax per statement of Profit & Loss	29,37,000	41,36,000

OTHER NOTES**I. ADDITIONAL INFORMATION TO BALANCE SHEET****A Contingent Liabilities:**

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
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 31st March 2021 Rs.	As at 31st March 2020 Rs.
a)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for	3,54,12,000	3,54,12,000
b)	Uncalled liability on shares and other investments partly paid	-	-
c)	Other Commitments	-	-

C Proposed Dividends:

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
a)	On Equity Shares: Total Amount of Proposed Dividend	52,62,400	-
	Number of Shares	52,62,400	52,62,400
	Amount of Dividend per Share	1.00	-

D Dues to Micro, Small & Medium Enterprises :

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
	The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March 2021 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.	NIL	NIL
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	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
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.	8,547,584	75,91,780
3	Payments to Auditors		
	Statutory Auditor's Remuneration		
	(a) For Audit	120,000	1,00,000
	(b) For Taxation matters,		
	Direct Tax	188,000	42,000
	Indirect Tax	-	-
	(c) For company law matters,	-	-
	(d) For other services,	228,500	2,000
	(e) For Representation Services	-	-
		536,500	1,44,000
	Cost Auditor's Remuneration		
	(a) For Audit	25,000	20,000
	(b) For reimbursement of service tax;	-	-
		25,000	20,000
	Total Payments to auditor	561,500	1,64,000
4	Amounts Spent Towards Corporate Social Responsibility	170,038	4,55,945
5	Turnover		
i)	Indigenous		
	Cotton Yarn	29,26,65,501	32,69,31,166
	Knitted Fabrics	4,28,67,972	5,38,47,143
	Garments	5,18,87,967	5,78,36,590
	Cotton	87,19,506	-
ii)	Export		
	Cotton Yarn	25,27,09,277	16,08,71,275
	Knitted Fabrics	41,85,24,523	36,34,46,876
	Garments	29,005	-
iii)	By Products-Waste		
	Indigenous	5,29,81,868	6,59,76,668
	Export	74,81,598	-
iv)	Traded Goods		
	Cotton Yarn Export	1,11,46,69,723	12,04,63,236
	Fabrics Export	83,08,338	4,09,08,235
	Total	2,25,08,45,277	1,19,02,81,189
6	Closing Inventory		
	Finished Goods		
	Cotton Yarn	6,18,01,330	2,36,32,885
	Hosiery Knitted Cloth	97,80,599	80,56,169
	By Product	72,94,110	20,76,646
	Garments	7,29,46,668	8,17,68,307
	Work in Process	3,06,41,272	3,40,69,111
	Total	18,24,63,979	14,96,03,118

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
7	Opening Inventory Cotton Yarn Hosiery Knitted Cloth By Product Garments Work in process Note: A company falling in more than one category will make the above disclosures, to the extent relevant	2,36,32,885 80,56,169 20,76,646 8,17,68,307 3,40,69,111	7,38,63,355 97,00,033 14,83,986 10,92,39,395 2,14,60,050
	Total	14,96,03,118	21,57,46,819
8	Break Up for Consumption a) Raw Materials Indigenous Rs. % Imported Rs. % Total	52,13,21,599 100% - 0%	53,29,11,944 90% 6,00,44,121 10%
	b) Stores and Spares Indigenous Rs. % Imported Rs. % Total	1,93,55,858 96% 7,28,596 4%	1,23,15,147 100% - 0%
	Total	52,13,21,599	59,29,56,065
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; III. Capital goods;	- 7,28,596 -	6,00,44,121 - -
10	Expenditure in foreign currency: Purchase of Raw Materails Purchase of Fabrics & Yam Purchase of spares Purchase of Capital Goods Interest & Bank charges Commission on exports	- - 7,28,596 - 38,41,208 3,55,58,267	6,00,44,121 - - - 30,70,131 70,20,431
11	The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related; i) Total No.of Non-resident Shareholders No. ii) Total No. of Shares held No. iii) Total Amount of Dividend due / paid No. iv) Year to which the Dividend Related	11 2,849 - -	13 3,852 - -

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
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	1,80,17,22,463 - - -	68,41,36,039 - - -
13	POWER & FUEL COST IS AS UNDER		
	Electricity Charges incurred	9,16,13,972	10,03,79,153
	Fuel Consumed	3,737	2,96,729
	Total	9,16,17,709	10,06,75,882
	Less: Wind Electricity generated & Captively Consumed	3,94,33,009	3,99,81,582
	Net debit to P&L	5,21,84,700	6,06,94,300

III. DISCLOSURES PURSUANT TO ACCOUNTING STANDARDS

I. DISCLOSURES PURSUANT TO IND AS 19 : RETIREMENT BENEFITS

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
i)	<p>Defined Contribution Plans The Company makes Provident Fund, Pension Fund and Insurance fund contributions to defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. In case of provident, pension fund and Insurance Fund the contributions as specified under the law are paid to the Regional Provident Fund Commissioner and the Central Provident Fund under the Employees Pension Scheme.</p> <p><u>Payment to Defined Contribution Benefit Plans:</u></p>		
	Contribution to Provident Fund	2,38,406	3,36,360
	Contribution to Employees Pension Fund	5,38,915	6,04,850
	Contribution to Deposit Linked Insurance Fund	33,560	41,799
	Contribution to Employees State Insurance Fund	2,84,017	3,98,189
	Contribution to Tamil Nadu Labour Welfare Fund	8,280	8,280
ii)	<p>Defined benefit plans The company has an unfunded defined benefit gratuity plan. Every employee who has qualified and completed five years or more of service gets a gratuity on separation equal to 15 days salary (last drawn salary) for each completed year of continuous service or part thereof in excess of six months, subject to a maximum laid down by law.</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	2,8,66,736	24,68,036
	Add: Provision for the year	7,46,825	5,99,111
		36,13,561	30,67,147
	Less: Payments during the year	13,35,577	3,77,811
	Less : Actuarial (Gain) recognised	(27,14,834)	(1,77,400)
	Closing balance	49,92,818	28,66,736

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
2.	<u>DISCLOSURES PURSUANT TO IND AS 23 : BORROWING COSTS</u>		
	Borrowing costs capitalised during the year	<u>NIL</u>	<u>NIL</u>
3.	<u>DISCLOSURES PURSUANT TO IND AS 108 : SEGMENT REPORTING</u>		
	The company operates only on one segment which is the company's primary segment i.e.	Cotton Textiles	Cotton Textiles
4.	<u>DISCLOSURES PURSUANT TO IND AS 24 : RELATED PARTY DISCLOSURES</u>		
1	In terms of the Accounting Standard 24 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	
ii)	Enterprises that have a member of key management in common with the company:		
	Shristi Cotspinn Private Limited		
2	Transactions with related parties: Nature of transactions		
a)	Key Management Personnel:		
i)	Rent payments to Related Parties - Administrative office (Relative of Managing Director)	3,00,000	3,00,000
ii)	Remuneration to Managing Director	39,75,348	25,99,385
iii)	Remuneration to Joint Managing Director	25,85,538	19,70,538
iv)	Remuneration to Director	12,00,000	12,00,000
v)	Sitting fees to other Directors	19,750	42,000
vi)	Travelling reimbursement to Other Directors	42,000	42,000
vii)	Remuneration to chief executive:		
	Salary	11,78,400	11,78,400
	Company's contribution to PF and Other funds	21,600	21,600
		12,00,000	12,00,000
	<u>BREAK UP OF MANAGERIAL REMUNERATION PAID</u>		
	<u>MANAGING DIRECTOR</u>		
	Salary	24,00,000	24,00,000
	Perquisites	6,84,000	84,000
	Medical Reimbursement	-	-
	Gratuity Provision	1,15,385	1,15,385
	Commission to Managing Director	7,75,963	-
		39,75,348	25,99,385
	<u>JOINT MANAGING DIRECTOR</u>		
	Salary	18,00,000	18,00,000
	Perquisites	6,99,000	84,000
	Medical Reimbursement	-	-
	Gratuity Provision	86,538	86,538
		25,85,538	19,70,538

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
b)	Enterprises that have a member of key management in common with the company:		
	Sale of Goods		
	Shristi Cotspinn Private Limited	11,28,341	91,81,195
	Purchase of Goods		
	Shristi Cotspinn Private Limited	-	96,09,282
5.	<u>DISCLOSURES PURSUANT TO IND AS 33 :</u>		
	<u>EARNINGS PER SHARE</u>		
	Net Profit after tax Before other Comprehensive Income (A)	6,19,99,684	1,17,34,967
	Number of equity shares (B)	52,62,400	52,62,400
	Basic EPS (A/B)	11.78	2.23
	Number of equity shares (B1)	52,62,400	52,62,400
	Diluted EPS (A/B1)	11.78	2.23
6.	<u>DISCLOSURES PURSUANT TO IND AS 12 :</u>		
	<u>TAXES ON INCOME</u>		
	In terms of Accounting Standard 12 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 2020 and earlier credited / debited to profit & loss account and Net Deferred Tax Liability as on 31st March, 2020 are computed as below:		
	Deferred Tax Liability:		
	On Depreciation	1,64,12,000	1,49,12,000
	On Deferred Revenue expenditure	-	-
		1,64,12,000	1,49,12,000
	Deferred Tax Asset:		
	1. Fiscal Provisions		
	A.Provision For Bonus	5,07,000	4,52,000
	B.Provision For Tax on Electricity Self Generation	2,97,000	3,05,000
	C.Commission To managing Director	-	-
	2. Disallowed U/s.40A(7)	2,64,000	2,23,000
	3. Disallowance of Perquisites	-	-
	4. Provision For Doubtful Debts	2,67,000	-
	5. Unabsorbed Loss C/F	-	-
	6. MAT Credit Carried forward for Set off	-	17,91,600
		13,35,000	27,71,600
	Net Deferred Tax Liability	1,50,77,000	1,21,40,400
	Deferred Tax Liability at the beginning	1,21,40,000	80,04,000
	Net Deferred Tax Liability debited to Statement of Profit and Loss	-	-
	Net Deferred Tax Liability credited to Statement of Profit and Loss	(29,37,000)	(41,36,400)

No	Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
7.	<u>OTHER DISCLOSURES</u>		
a	The company has contributed to trade related research institutions by way of annual subscription	4,071	15,000
b	In the option 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 & Protection Fund	92,773	-
c	Previous year figures have been reworked grouped and regrouped to conform to the current year classification to make it comparable.		

Subject to our report of even date attached
for **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants (FRN 000960S)

For and on Behalf of the Board

R.Mahadevan (Membership No. 27497)
Partner

Shyamlal Agarwala
Managing Director
DIN 00003055

Manoj Kumar Jhajharia
Joint Managing Director
DIN 00003076

Place : Coimbatore
Date : 28th June 2021

K.B. Sajith
Company Secretary
ACSNO.35602

M.S. Selvaraj
Cheif Financial Officer