Pasari Spinning Mills Limited

Date: 29.08.2026

To,
Mr. Jeevan Noronha,
Manager,
Department of Corporate Services,
Bombay Stock Exchange,
Floor 25, P J Towers,
Dalal Street,
Mumbai – 400001

Sub: Annual General Meeting Notice and Annual Reports of Financial Year 2025-2026.

Ref: BSE code: 521080 - Pasari Spinning Mills Limited

Dear Sir,

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed the Annual Report of the Company and Notice convening the 35th AGM for the financial year 2025-26.

The 35th Annual General Meeting (AGM) of the Company is scheduled to be held on Saturday, 19th September, 2026 at 11.00 A.M through Video Conference / Other Audio Visual Means.

The Notice of AGM along with the Annual Report for the financial year 2025-26 is also being made available on the website of the Company at: https://www.pasarispinning.com in investor relation section.

This is for your information and records please

Thanking you

Yours faithfully,

For Pasari Spinning Mills Limited

KRISHNA KUMAR GUPTA

Digitally signed by KRISHNA KUMAR GUPTA

Krishna Kumar Gupta

Managing Director

DIN: 00003880

ANNUAL REPORT
2025-2026
PASARI SPINNING MILLS LIMITED

THIRTY FIFTHANNUAL REPORTS
OF
PASARI SPINNING MILLS LIMITED
CIN: L85110KA1991PLC012537
2025-26

Board of Directors

Mr. Krishna Kumar Gupta	Executive Director, Managing Director
Mrs. Poonam Gupta	Non-Executive Non-Independent Director
Mr. Gauri Shankar Gupta	Non-Executive, Non Independent Director
Mr. Kolagunda Kumar Siddappa	Non-Executive, Non Independent Director
Ms. Sheela Arvind	Non-Executive Independent Director
Mr. Byadarahally Lakshmaiah Pundareeka	Non-Executive Independent Director
Mr. Tarun Kumar Gupta	Chief Financial Officer
Ms. CS Unnti	Company Secretary & Compliance Officer

STATUTORY AUDITORS:

M/sRao & Emmar
Chartered Accountants
No.18, Ramanashree Arcade, 2nd Floor,
No 204 and 205, Ashok Nagar Post,
Mahatma Gandhi Road,
Banglore -560001

SECRETERIAL AUDITORS:

M/s Vinay & Ashwini
Company Secretaries
#104, 1st Floor, Sarvaboumanagara,
Chikkalasandra II Main,
Bangalore-560061

INTERNAL AUDITOR:

Mr. Rayaluru Venkatapathi
Cost Accountant
No. 84, Sri Sai Nilayam, 3rd Cross,
Balaji Nagar Uttrahalli,
Banglore-560061

AUDIT COMMITTEE:

Ms. Sheela Arvind Chairperson	Non-Executive, Independent Director
Mr. Byadarahally Lakshmaiah Pundareeka Member	Non-Executive, Independent Director
Mrs. Poonam Gupta Member	Non-Executive, Non Independent Director

NOMINATION & REMUNERATIONCOMMITTEE:

Ms. Sheela Arvind Chairperson	Non-Executive, Independent Director
Mr. Byadarahally Lakshmaiah Pundareeka Member	Non-Executive, Independent Director
Mrs. Poonam Gupta Member	Non-Executive, Non Independent Director

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Ms. Sheela Arvind Chairperson	Non-Executive, Independent Director
Mr. Byadarahally Lakshmaiah Pundareeka Member	Non-Executive, Independent Director
Mrs. Poonam Gupta Member	Non-Executive, Non Independent Director

REGISTERED OFFICE:

18, III Floor,
Anjaneya Temple Street,Yediyur,
Jayanagar 6th Block,Bangalore – 560082.

FACTORY PREMISES:

54 & 55, KIADB Indl Area,
1st Main III Cross,
Nanjangud – 571301

NOTICE

Notice is hereby given that the THIRTY FIFTH Annual General Meeting of the Members of Pasari Spinning Mills Limited will be held on **Saturday 19th September, 2026 at 11.00 A.M** through Video Conference/Other Audio Visual Means to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2026, the Profit & Loss Account and Cash Flow Statement together with the Boards Report and Auditors Report thereon as circulated to the shareholders.

2. To appoint a Director in place of Mr. Kolagunda Kumar Siddappa who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Re-Appointment of Mr. Byadarahally Lakshmaiah Pundareeka (DIN: 01415867) as an Independent Director for a second term of five consecutive years.

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with Rules framed thereunder, and pursuant to Regulations 17,25, and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), or re-enactment(s) thereof for the time being in force and in line with the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Byadarahally Lakshmaiah Pundareeka (DIN: 01415867), who holds office as an Independent Director up to 19th September 2026, be and is hereby reappointed as an Independent Director on the Board of the Company, not liable to retire by rotation, for a second consecutive term of 5 (five) years, commencing from 20th September, 2026 to 19th September 2031.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and the Company Secretary of the Company be and is hereby authorised to do all such acts, deeds,

matters and things and take all such steps as may be deemed necessary, proper, expedient, and desirable for the purpose of giving effect to this resolution and matters incidental thereto."

By order of the Board of Directors
for Pasari Spinning Mills Limited

Date: 12th August, 2026
Place: Bangalore

CS Unnti
Company Secretary & Compliance Officer
ICSI M No: 75917

Notes

1. Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 ("SEBI Circular") and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, AGM shall be conducted through VC / OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporate is entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. The Members can join the 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 AGM through VC/OAVM will be made available for 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 AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule20 of the Companies (Management and Administration) Rules, 2014 (as amended)the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the

authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April13, 2020, the Notice calling the AGM has been uploaded on the website of the Company atwww.pasarispinning.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.comand the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e.www.evoting.nsdl.com.

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time.

8. Members are requested to inform the Company's Registrars and Share Transfer Agents viz., **Kfin technologies Private Limited**, regarding changes, if any in their registered addresses along with the PIN code number.

9. Members desirous of getting any information about the accounts of the Company are requested to send their queries to the Registered Office of the Company at least 7 days prior to the date of the meeting so that the requisite information can be readily made available.

10. The Register of members and the share transfer books of the Company will remain closed from **Friday 11th September, 2026 to Saturday 19th September, 2026** (both days inclusive).

11. As per provisions of the Companies Act, 2013 the facility for making nominations is available to the shareholders. Nomination forms can be obtained from the Company's Registrars and share Transfer Agents, viz., **Kfin technologies Private Limited** in physical form.

12. Brief profile and other required information about the director liable to retire by rotation, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

Name	Mr. Kolagunda Kumar Siddappa
Date of Birth	22nd May, 1967
Date of appointment	20th September, 2021
Qualifications	Matriculation
Expertise in specific functional	Textile Industry

area		
Relationship with other directors	Not related	
Name of listed entities (other than the Company) in which he holds the Directorship and the membership of Committees of the Board	Directorships in Listed Companies:	None
	Membership of Committees in Listed Companies	None
No of shares held in Company	NIL	

13. ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

- Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 02/2022 dated May 05, 2022, Circular No. 09/2023 dated September 25, 2023 and Circular No. 09/2024 dated September 19, 2024 and all other relevant circulars issued from time to time issued by SEBI owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
- In support of the Green Initiative, the Company hereby request members who have not updated their Email IDs to update the same with their respective Depository Participant(s) or **Kfin technologies Private Limited** for receiving communications from the Company electronically.
- Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the RTA at einward.ris@kfintech.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (e.g. Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to einward.ris@kfintech.com.

14. Members are requested to address all correspondences including those for Remat/Demat, nomination requests, share transfers, change of address/mandates for physical holdings etc.,

at least 10 days before Annual General Meeting to enable the management to keep the information ready at the meeting. The queries may be addressed to:

The Share Transfer agents –
Kfin technologies Private Limited,
Tower B, Plot No. 31 32, Selenium Building,
Financial district, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi, Telangana, 500032.
Email: priya.maddula@kfintech.com

15. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE ASUNDER:

The remote e-voting period begins on **14th September, 2026 at 09:00 A.M. and ends on 18th September, 2026 at 05:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (cut-off date) i.e. **11th September, 2026**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **11th September, 2026.**

16. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.

- Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, Email ID, mobile number at pasaricompliance@pasariexports.com Questions / queries received by the Company **14th September, 2026 at 09:00 A.M and 18th September, 2026 at 05:00 P.M** shall only be considered and responded during the AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

17. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THEAGM ARE AS UNDER:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

18. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

- In case shares are held in physical mode please provide 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 pasaricompliance@pasariexports.com.
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to pasaricompliance@pasariexports.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to

the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

- Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring User ID and password for e-voting by providing above mentioned documents.

- In terms of SEBI circular 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 required to update their mobile number and Email ID correctly in their demat account in order toaccess e-Voting facility.

19. HOW DO I VOTE ELECTRONICALLY USING NSDL E-VOTING SYSTEM?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular 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.

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

Type of shareholders	**Login Method**
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client ID, PAN No., Verification code and generate OTP. Enter the OTP received on registered Email ID/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **IDeAS** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL**and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register online for IDeAS Portal" or click at** https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience.

	NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing User ID and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindiacom and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service provider's website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.comand click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be 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) 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. Upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL 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. NSDL and CDSL.

Login type	Helpdesk details
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.comor call at 022 - 4886 7000
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.comor contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve

the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose Email IDs are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote**.**

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by E-mail to **Mr. Vinay B L, Practicing Company Secretary** at vinay@vinaybl.com with a copy marked to evoting@nsdl.comInstitutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-Voting" tab in their login.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.comor call on.: 022 - 4886 7000 or send a request to **Falguni Chakraborty** at evoting@nsdl.com

20. PROCEDURE FOR INSPECTION OF DOCUMENTS:

All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection

By the Order of the Board
for Pasari Spinning Mills Limited

Date:12th August, 2026
Place: Bangalore

CS Unnti,
Company Secretary & Compliance Officer
ICSI M No: 75917

EXPLANATORY STATEMENT

3. Re-Appointment of Mr. Byadarahally Lakshmaiah Pundareeka (DIN: 01415867) as an Independent Director for a second term of five consecutive years.

Mr. Byadarahally Lakshmaiah Pundareeka (DIN: 01415867) was appointed as a Non-Executive Independent Director of the Company under Section 149 of the Companies Act, 2013 ("the Act") for an initial term of five consecutive years from 20 September 2021 to 19 September 2026.

Based on a comprehensive performance evaluation conducted during his initial tenure, his active participation in Board and Committee deliberations, and his specialized professional expertise, the Nomination and Remuneration Committee (NRC) and the Board of Directors have recommended his re-appointment for a second consecutive term of five years from 20 September 2026 up to 19 September 2031.

The Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director.

The Company has received all necessary declarations from Mr. Byadarahally Lakshmaiah Pundareeka (DIN: 01415867) confirming that he continues to meet the strict criteria of independence as prescribed both under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015, and that he is not disqualified under Section 164 of the Act. Further, the Company has verified and affirms that Mr. Byadarahally Lakshmaiah Pundareeka (DIN: 01415867) is not debarred or disqualified from holding the office of director by virtue of any SEBI order or any other such statutory authority.

In the opinion of the Board, Mr. Byadarahally Lakshmaiah Pundareeka (DIN: 01415867) fulfills all requirements specified under the Act, the rules framed thereunder, and the SEBI (LODR) Regulations, 2015 for re-appointment as an Independent Director, not liable to retire by rotation, and he is entirely independent of the management. Given his extensive background and expertise, his continued association would be of immense benefit and strategic value to the Company.

Copies of the draft letter of re-appointment, along with his formal consent and declarations, are available for inspection by members at the Registered Office of the Company on all working days between 11:00 A.M. and 5:00 P.M. up to the date of the AGM, and will also be available at the venue of the Meeting.

None of the Directors, Key Managerial Personnel of the Company, or their relatives, except Mr. Byadarahally Lakshmaiah Pundareeka (DIN: 01415867) and his relatives, are in any way concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 3.

The Board recommends the Special Resolution as set out at Item No. 3 of the Notice for the approval of the Members.

Brief profile

Name	Badarahalli Lakshmaiah Pundareeka
Date of Birth	10-04-1964
Date of appointment at the AGM	20 September 2021
Brief Profile	Mr. Badarahalli Lakshmaiah Pundareeka is having a good experience in the field of Engineering. He is founder and Director of V.PRAM Power Company Private Limited. He has completed B.E., M. Tech, and also he has cleared the Independent Director Exam in December 04, 2020.
Name of listed entities (other than the Company) in which holds the Directorship and the membership of Committees of the Board	**Directorships in Listed Companies:** 1. Opto Circuits (India) Limited – Non-Executive Independent Director (Under CIRP)
Membership of Committees in Listed Companies	None
No. of shares held in Company	Nil

By the Order of the Board
for Pasari Spinning Mills Limited

Date: 12th August, 2026
Place: Bangalore

CS Unnti
Company Secretary & Compliance Officer
ICSI M No: 75917

DIRECTORS REPORT
2025-2026
PASARI SPINNING MILLS LIMITED

BOARD'S REPORT

CIN: L85110KA1991PLC012537

Dear Members,

The Directors present the **Thirty Fifth** Annual Report of Pasari Spinning Mills Limited (the Company) on the business and operations of the Company along with the audited Financial Statements for the Financial Year ended 31st March, 2026.

1. FINANCIAL HIGHLIGHTS/PERFORMANCE OF THE COMPANY:

Amount in Rs.

Particulars	**2025-26**	**2024-25**
Total Revenue	53,25,285	68,66,480
Profit before tax	27,93,809	34,36,794
Tax Expenses:		
Current tax	-	-
Tax Related to earlier years:		
MAT Credit entitlement	-	-
Deferred tax Charge/(Credit)	(2,183)	(1,67,978)
Profit (Loss) for the year	27,95,992	36,04,772

2. PERFORMANCE OF THE COMPANY:

For the year ended 31st March, 2026, the Company has earned a profit of Rs.27,95,992/- (Rupees Twenty-Seven Lakh Ninety-Five Thousand Nine Hundred and Ninety-Two Only) as compared with the previous year's profit of Rs. 36,04,772/- (Rupees Thirty-Six Lakh Four Thousand Seven Hundred and Seventy-Two Only)

3. THE WEB ADDRESS, WHERE ANNUAL RETURN HAS BEEN PLACED:

The Company is having website i.e. www.pasarispinning.com and Annual Return of Company has been published on this website.

4. BIFR STATUS:

The Company has continued in its efforts to obtain the necessary reliefs/concessions from Government of Karnataka on matters relating to Sales Tax.

5. DIVIDEND:

During the year under review, the Company did not declare any dividend to its members as a prudent business policy.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCTION AND PROTECTION FUND:

During the period under review there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

7. RESERVES:

During the year under review the Company has earned a profit of Rs.27,95,992/- (Rupees Twenty-Seven Lakh Ninety-Five Thousand Nine Hundred and Ninety-Two Only) as compared with the previous year's profit of Rs. 36,04,772/- (Rupees Thirty-Six Lakh Four Thousand Seven Hundred and Seventy-Two Only)and the same has been transferred to Reserves and Surplus account.

8. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

The Company has discontinued its production operations from the financial year 2010-11. The Company has no intention to continue the production operations henceforth and has decided to lease out the Factory premises. The Company has not made any sales during the current year. Future outlook detailed discussion is made under the head "Management Discussion and Analysis Report "in **Annexure IV**, which forms part of Annual report.

9. CREDIT RATING:

During the year under review, credit rating is not applicable to the Company.

10. CHANGE IN NATURE OF BUSINESS:

The Company has not changed its business objectives and nature of business during the year under review.

11. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

12. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no significant and material orders passed by the Regulators or the Courts or Tribunals impacting the going concern status and Company's operation in the future.

However, the Hon'ble Bangalore District Court, vide its order dated 31st January, 2020 has dismissed the case M/s Pasari Spinning Mills Limited Vs The Cotton Corporation of India. An appeal for the same is filed before the Hon'ble High Court of Karnataka.

The Hon'ble Commercial Court, Mysuru, vide its order dated 3rd November 2025, issued a proclamation of sale in the matter of The Cotton Corporation of India Ltd. vs. Pasari Spinning Mills Ltd. & its Managing Director. Subsequently, the Company filed an Interlocutory Application seeking a stay on the said order. Thereafter, vide order dated 9th January 2026, the Hon'ble High Court of Karnataka granted a stay on the same.

13. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its Business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of the reliable financial disclosures.

14. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture but T.K.R Textiles Private Limited as Associate Company. However the Company, T.K.R Textiles Private Limited is struck off by the Registrar of Companies, Karnataka on an application made.

15. DEPOSITS:

During the year under review the Company has not accepted or renewed any deposits.

16. PARTICULARS OF EMPLOYEES:

As required by Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, there were no employees employed during the year

who were in receipt of remuneration which is not less than Rs.8,50,000 (Eight lakhs fifty thousand only) per month or Rs. 1,02,00,000 (One crore two lakhs only) per annum.

17. AUDITORS:

Statutory Auditors:

M/s Rao & Emmar, Chartered Accountants, Bangalore (Firm Registration No. 03084S), were reappointed at the 33rd AGM held on 13th November 2024 to serve as Statutory Auditors from the conclusion of that meeting until the conclusion of the 38th AGM, scheduled to be held in 2029.The Statutory Auditor's Report on the Company's accounts for the year ended 31st March, 2026 contains certain observations and Emphasis on the matter, which have been suitably explained in the Point No. 34 of Boards Report.

Secretarial Auditors:

The Board has appointed M/s Vinay & Ashwini, Company Secretaries, Bangalore as the Secretarial Auditors, to conduct the Secretarial Audit of the Company for the Five Years from 2025-26 to 2029–30 as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for the FY 2025-26 forms part of the Annual Report as **Annexure I** to the Board's Report.

Cost Auditors:

The provisions related to submission of Cost Audit Report are not applicable to the Company.

Internal Auditor:

The Board has appointed Mr. Rayaluru Venkatapathi, Cost Accountant, Bangalore as the Internal Auditor, to conduct the Internal Audit of the Company for the Financial Year 2025-26 as required under Section 204 of the Companies Act, 2013 and Rules made thereunder.

18. EXTRACT OF ANNUAL RETURN:

The requirement of preparing extract of Annual Return (MGT-9) is done away with by virtue of an amendment to Section 92(3) as well as Rule 12 of Companies (Management and Administration) Rules, 2014.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Significant measures are taken to reduce the energy consumption by using energy-efficient equipments. Conservation of energy is always on the "To Do" list at all levels of operations. Efforts are made in this direction on a continuous basis. The company has taken the following adequate measures to conserve the energy:

- Localized lighting in place of community lighting.
- Employees are habituated to switch off fans, lights during the lunch break and at close of office hours. The Company has started using LED lights which saves the energy considerably

Foreign Exchange:

Particulars	Current Year	Previous Year
Earnings in Foreign Currency	NIL	NIL
Expenditure in Foreign Currency	NIL	NIL

20. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Section 135 of the Companies Act, 2013, dealing with Corporate Social Responsibility is not applicable to the company as it has not met the prescribed threshold criteria.

21. DIRECTORS:

A) Changes in Directors:

During the year under review there were no changes in the constitution of Board. The details of the Directors are as under:

Name	Designation
Mr. Krishna Kumar Gupta	Managing Director
Mrs. Poonam Gupta	Director
Mr. Gauri Shankar Gupta	Director
Mr. Kolagunda Kumar Siddappa	Director
Mr. Byadarahally Lakshmaiah Pundareeka	Independent Director
Ms. Sheela Arvind	Independent Director

B) **Key Managerial Personnel:**

The Company has full time Company Secretary as well as CFO. There has been no change in the CFO or Company Secretary during the year.

C) **Declaration by Independent Director(s) and reappointment:**

The Company has received necessary declarations of independence from the both the Independent Directors under section 149(7) of the Companies Act, 2013, that they meet the criteria of independent director envisaged in section 149(6) of the Companies Act, 2013.

D) Programme for Familiarisation of Independent Directors:

The details of programme for familiarization of Independent Directors of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at its link www.pasarispinning.com

E) Formal Annual Evaluation:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination and Remuneration Committee.

22. ANNUAL GENERAL MEETING:

34th Annual General Meeting was held on 27th September 2025 through video conferencing or other audio-visual means (OAVM).

23. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

The Board of Directors duly met 5 times, during the year under review. The intervening gap between any two meetings was within prescribed period as per the Companies Act, 2013 and Securities and Exchange Board of India Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the same are as under:

Sl. No	Date of Meeting	No of directors on the Board	No. of Directors Present
1.	29th May, 2025	6	6
2.	12th August, 2025	6	6
3.	01st September, 2025	6	6
4.	14th November, 2025	6	6
5.	12th February, 2026	6	6

24. COST RECORDS:

The provision of Cost audit as per section 148 does not applicable on the Company.

25. CONSOLIDATED FINANCIAL STATEMENTS:

Company does not have any subsidiaries so there is no need to prepare consolidated financial statement for the F. Y. 2025-26.

26. SEBI(LODR) COMPLIANCE:

The Company has complied with all the provisions of the SEBI (LODR) Regulations, 2015, that are applicable to it.

27. COMPLIANCE WITH SECRETERIAL STANDARDS:

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

28. LISTING WITH STOCK EXCHANGE:

The Company confirms that it has paid the Annual Listing Fee for the year 2025-2026 BSE Limited with whom the Equity Shares of the Company have been listed.

29. CORPORATE GOVERNANCE:

Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception. A separate report on Corporate Governance is provided **Annexure II.**

30. POLOCIES OF THE COMPANY:

Vigil Mechanism/Whistle Blower Policy for directors and employees:

The Company has formulated Vigil Mechanism/Whistle Blower policy and the same is implemented.

Research and Development:

Since the Company does not have any production activities, the policy for the same is not applicable.

Insider Trading Code:

In compliance with the SEBI regulations on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code laid down guidelines, which advised them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioned them on on sequences of non compliances.

Internal Control System and Their Adequacy:

Detailed discussion is made under the head "Management Discussion and Analysis Report", which forms part of Annual report in **Annexure IV.**

Anti- Sexual Harassment Policy:

The Company has adopted a policy for prevention of sexual harassment at the workplace, in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). An Internal Complaints Committee ("ICC") has been duly constituted as per the provisions of the POSH Act to redress complaints regarding sexual harassment at the workplace.

During the financial year under review, the Company has complied with all the provisions of the POSH Act and the rules framed thereunder. Further details are as follows:

A	Number of complaints of Sexual Harassment received in the Year	0
B	Number of Complaints disposed off during the year	0
c	Number of cases pending for more than ninety days	0

A	Male	2
B	Female	1
c	Transgender	0

31. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Loans, Guarantees or Investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statements provided in the Annual Report.

32. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto is disclosed in Form No. AOC -2 as per **Annexure III**.

33. MANAGERIAL REMUNERATION:

Since the Company is not carrying on any profitable activities, the Directors of the Company (other than the Managing Director) have voluntarily waived their remuneration. Accordingly, no remuneration has been paid to the Directors during the year under review.

34. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on continues basis.Detail discussion is made under the heading "Management Discussion and Analysis Report", which forms part of Annual report in **Annexure IV.**

35. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 your directors confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures

(b) The 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/loss of the company for that period

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) Those proper internal financial controls were in place and that the internal financial controls were 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.

36. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:

Pursuant to Section 204 of the Companies Act, 2013, the Secretarial Audit Report issued by the Secretarial Auditor forms part of this Report and Independent Auditor's Report issued by Statutory Auditors. The observations made in the Report and the Board's explanations thereon are as under:

Observation	Management reply
The Company has received an email from BSE seeking waiver of fines. However, the Company has not yet made an application in this regard.	The Company is in the process of preparing the necessary application along with supporting documents and will be submitting the same to BSE for waiver of fines. Necessary action shall be taken as soon as possible.
As per Section 134 of the Companies Act, 2013, the Financial Statements of the Company are required to be signed by any two Directors (one of whom shall be the Managing Director), the Chief Executive Officer, the Chief Financial Officer, and the Company Secretary, wherever	The Financial Statements were duly considered and approved by the Board of Directors. However, due to medical conditions the CFO could not sign the financials.

appointed. It has been observed that the CFO of the Company has not signed the Financial Statements.	
We draw attention to Note No. 25 to the financial statements regarding the ongoing legal dispute with Cotton Corporation of India Limited in respect of cotton purchase transactions. Execution proceedings were initiated against the Company before the Hon'ble Commercial Court, Mysuru and a Proclamation of Sale was issued in respect of immovable properties of the Company. The matter is presently pending before the Hon'ble High Court of Karnataka, which has granted an interim stay on the execution proceedings pending further adjudication. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the financial statements have been prepared on a going concern basis based on management's assessment of future business operations and expected cash flows.	The Company has obtained interim stay on the execution proceedings pending further adjudication. On merits the Company has a good case.
Property, Plant and Equipment to the Financial Statements, wherein the Company has carried all assets at their nominal values and no revaluation was conducted to reassess their fair value or current condition	The management has reviewed the observations made by the Statutory Auditors and is taking appropriate steps as necessary.
We draw attention to Note No. 15 (a)	The management has reviewed the

Provisions of the Financial Statements to the Financial Statements, wherein the Company has not paid property tax since the financial year 2019 - 2020. The Company has, however, created an estimated provision of Rs. 18.87 lakhs towards this liability.	observations made by the Statutory Auditors and is taking appropriate steps as necessary. The Auditor's Report contains no qualifications, reservations, or adverse remarks.
We draw attention to note 4 to cash flow statement, the rental income is considered under operational activities since the factory and building is let out, though land and building is considered as Investment Property	The management has reviewed the observations made by the Statutory Auditors and is taking appropriate steps as necessary.
We draw attention to Note 25(vi)(a) to the financial statements, which describes the uncertainty relating to a demand of Rs. 18,016.07 thousand (original demand of Rs. 1,80,16,068), raised by the Commercial Tax Authorities (including interest and penalty thereon), pertaining to earlier years 1999-00 to 2001-02 under the KVAT/CST Act, Central Sales Tax and Karnataka Entry Tax Act, disclosed by the Company as a contingent liability. The Company had contested the matter before the erstwhile Board for Industrial and Financial Reconstruction (BIFR), and consequent to its dissolution in 2016, the matter now stands with the GST Department and remains unresolved. Pending final determination, no provision has been made in the books of account, and the amount continues to be disclosed at the value of the	The management has reviewed the observations made by the Statutory Auditors and is taking appropriate steps as necessary.

original demand. The eventual liability, if any, on final resolution of this matter cannot presently be ascertained	
The Company has discontinued its manufacturing operations and rented out its former factory building. The rental arrangement was neither revised nor reassessed during the year, and no fair value assessment was carried out. Rental income of Rs. 11.08 lakhs (December and January), earlier unadjusted, was adjusted by the Company during the year against the security deposit of Rs. 12.71 lakhs received from GreenPro Nettings Pvt. Ltd., with the effect recognised in rental income, resulting in a balance deposit of Rs. 1.63 lakhs as at year-end. Given the judgment involved in the recognition, completeness, and accounting treatment of rental income and this adjustment, the matter required significant auditor attention and was determined to be a Key Audit Matter.	The management has reviewed the observations made by the Statutory Auditors and is taking appropriate steps as necessary.
Other Disclosures of the Notes to the Financial Statements wherein the Company has provided for an amount of Rs. 63.90 Lakhs owing to non-progress of the legal dispute with the Cotton Corporation of India Limited. Further the balance litigated amount of Rs.639.22 lakhs has been disclosed as Contingent Liability.	The management has reviewed the observations made by the Statutory Auditors and is taking appropriate steps as necessary. The Auditor's Report contains no qualifications, reservations, or adverse remarks

(a) The Company does not have an internal audit system commensurate with the size and nature of its business. (b) The Company has not appointed any internal auditor during the year and, accordingly, there were no reports of the Internal Auditor issued during the year to be considered by us.	The Management would like to clarify that the Company has adequate internal control systems and procedures commensurate with the size and nature of its business. The Company has also appointed an Internal Auditor during the year, who undertakes the internal audit activities of the Company and reports to the Management. The Management reviews and considers the observations and recommendations made in the course of such internal audit.

37. FRAUD REPORTING:

Pursuant to the provisions of section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Board.

38. VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT:

The Company has not made any application to the Authorities for revision of Financial Statements or Boards Report during the year under review.

39. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

(i) The Company has not made any application or initiated any proceedings under the Insolvency and Bankruptcy Code, 2016.

(ii) There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.

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

No settlements have been done with banks or financial institutions.

41. AMOUNTS DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES:

Based on the information available with the company regarding the status of the suppliers under the MSME, there are no dues outstanding to Micro and Small Enterprises as at 31st March 2026.

42. DEPOSITORY SYSTEM:

In India there are two depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). To facilitate trading in DEMAT form, Company have established connectivity with NSDL and CDSL. Currently about 92.83 % of the Issued Capital is held in electronic mode as on 30th June, 2026.

43. INDUSTRIAL RELATION:

The Company acknowledges its human resources as an important asset and remains committed to maintaining cordial and harmonious relations. The overall industrial relations during the year under review were satisfactory.

44. MATERNITY BENEFITS:

During the year under review, the provisions relating to maternity leave were not applicable to the Company.

45. SHARE CAPITAL:

A. Authorised Capital

The Authorized Capital of the Company is Rs. 14,00,00,000/- (Rupees fourteen crore only) divided into 1,40,00,000 (Once crore forty lakh only) Equity Shares of Rs. 10/- each.

B. Paid up capital:

The Paid up capital of the Company is Rs. 13,80,00,000/- (Rupees thirteen crore eighty lakh only) divided into 1,38,00,000 (Once crore thirty eight lakh only) Equity Shares of Rs. 10/- each.

C. Changes In Share Capital:

There is no change in both the Authorised and paid up capital of the Company during the year under review.

D. Buy back of securities:

The Company has not bought back any of its securities during the year under review.

E. Sweat equity:

The Company has not issued any Sweat Equity Shares during the year under review.

F. Bonus shares:

No Bonus Shares were issued during the year under review.

G. Employees Stock Option Plan:

During the year under review the Company has not provided any Stock Option Scheme to the employees.

H. Issue of equity shares with differential rights:

No equity shares with differential rights were issued during the year under review.

46. ADDITIONAL INFORMATION:

The additional information required to be given under the Companies Act, 2013 and the Rules made thereunder, has been laid out in the Notes attached to and forming part of the Financial Statements. The Notes to the Financial Statements referred to the Auditor's Report are self-explanatory and therefore do not call for any further explanation.

47. ACKNOWLEDGEMENTS:

The Directors place on record their appreciation for cooperation and continued support extended by employees, consultants, customers, shareholders, investors, partners,

vendors, bankers, the Government, and statutory authorities for the Company's growth. We thank associates and consultants for their valuable contribution in our progress and look forward to their continued support.

Date:12th August, 2026
Place: Bangalore

Poonam Gupta
DIN: 08447607
Director
Address: A-21 Silver Palm, Bldg 3, Basavanagar Main, Vibhuthipura Extn, Marathahalli Colony, Bangalore- 560037

Krishna Kumar Gupta
DIN: 00003880
Managing Director
Address: A-21 Silver palm, Bldg 3, Basavanagar Main, Vibhuthipura Extn, Marathalli, Bangalore- 560067

ANNEXURE I

FORM NO. MR-3

Secretarial Audit Report

For the financial year ended 31st March, 2026

To,

The Members,

Pasari Spinning Mills Limited,

No. 18, III Floor, Anjaneya Temple Road,

Yediyur, Jayanagar 6th Block,

Bangalore-560082

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pasari Spinning Mills Limited (hereinafter called 'the Company') CIN- L85110KA1991PLC012537. Secretarial Audit was conducted in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (a statutory body constituted under the Company Secretaries Act, 1980) and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books papers, minutes books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors Report on Financial Statements and their certificate on compliance with the conditions of relevant provisions of the SEBI (Listing Obligations and Disclosure Requirement) and also the information provided by the Company its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the Company has during the audit period covering the financial year ended on 31st March, 2026 complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Pasari Spinning Mills Limited for the financial year ended on 31st March, 2026 according to the applicable provisions of:

1. The Companies Act, 2013(the Act) and the rules made thereunder;
2. The Securities Contract (Regulation)Act, 1956 and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;

4. 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 to the extent applicable to the Company;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 to the extent applicable to the Company:

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not applicable to the Company during the review period, as there were no substantial acquisitions of shares or takeovers)**
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time (**Not applicable to the Company during the review period, as there was no issue of capital**)
   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (**Not applicable to the Company during the period under review, as no stock options were granted to any employees**)
   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not applicable to the Company during the period under review, as there was no Issue and Listing of Debt Securities**)
   (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; (**Not applicable to the Company during the period under review**)
   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**Not applicable to the Company during the period under review, as there was no Delisting of Equity Shares**) and
   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, (**Not applicable to the Company during the period under review, as there was no Buyback of Securities**).
   (i) Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015

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

(j) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015and amendments made thereunder ("Listing Regulations").

Observations:

(i) Company has received an e mail from the BSE for seeking the waiver of fines. The Company has not yet made an application for the same.

(ii) Pursuant to Section 134 of the Companies Act, 2013 the Financial Statements of the Company must be signed by any two directors (one of whom shall be the Managing Director), the Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company, wherever they are appointed. It is observed that the CFO of the Company hasn't signed the financials of the Company.

(iii) We draw attention to Note No. 25 to the financial statements regarding the ongoing legal dispute with Cotton Corporation of India Limited in respect of cotton purchase transactions. Execution proceedings were initiated against the Company before the Hon'ble Commercial Court, Mysuru and a Proclamation of Sale was issued in respect of immovable properties of the Company. The matter is presently pending before the Hon'ble High Court of Karnataka, which has granted an interim stay on the execution proceedings pending further adjudication. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the financial statements have been prepared on a going concern basis based on management's assessment of future business operations and expected cash flows

(iv) Property, Plant and Equipment to the Financial Statements, wherein the Company has carried all assets at their nominal values and no revaluation was conducted to reassess their fair value or current condition

(v) We draw attention to Note No. 15 (a) Provisions of the Financial Statements to the Financial Statements, wherein the Company has not paid property tax since

the financial year 2019 - 2020. The Company has, however, created an estimated provision of Rs. 18.87 lakhs towards this liability.

(vi) We draw attention to note 4 to cash flow statement, the rental income is considered under operational activities since the factory and building is let out, though land and building is considered as Investment Property

(vii) We draw attention to Note 25(vi)(a) to the financial statements, which describes the uncertainty relating to a demand of Rs. 18,016.07 thousand (original demand of Rs. 1,80,16,068), raised by the Commercial Tax Authorities (including interest and penalty thereon), pertaining to earlier years 1999-00 to 2001-02 under the KVAT/CST Act, Central Sales Tax and Karnataka Entry Tax Act, disclosed by the Company as a contingent liability. The Company had contested the matter before the erstwhile Board for Industrial and Financial Reconstruction (BIFR), and consequent to its dissolution in 2016, the matter now stands with the GST Department and remains unresolved. Pending final determination, no provision has been made in the books of account, and the amount continues to be disclosed at the value of the original demand. The eventual liability, if any, on final resolution of this matter cannot presently be ascertained

(viii) The Company has discontinued its manufacturing operations and rented out its former factory building. The rental arrangement was neither revised nor reassessed during the year, and no fair value assessment was carried out. Rental income of Rs. 11.08 lakhs (December and January), earlier unadjusted, was adjusted by the Company during the year against the security deposit of Rs. 12.71 lakhs received from GreenPro Nettings Pvt. Ltd., with the effect recognised in rental income, resulting in a balance deposit of Rs. 1.63 lakhs as at year-end. Given the judgment involved in the recognition, completeness, and accounting treatment of rental income and this adjustment, the matter required significant auditor attention and was determined to be a Key Audit Matter.

(ix) Other Disclosures of the Notes to the Financial Statements wherein the Company has provided for an amount of Rs. 63.90 Lakhs owing to non-progress of the legal dispute with the Cotton Corporation of India Limited. Further the balance litigated amount of Rs.639.22 lakhs has been disclosed as Contingent Liability.

Qualifications made above in point no (iii) to (ix) are made by the statutory auditors, since we have similar observations and qualifications are also made by them the same language is retained for the purpose of having uniformity.

We further report that:

1) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, as on 31st March, 2026. There were no changes in the composition of the Board of Directors that took place during the period under review.
2) Adequate notice is given to all directors for the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system are in place for seeking and obtaining further information and clarifications on the agenda items for meaningful participation at the meeting.
3) Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.
4) We further report that the Company has to develop adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company may have to pay penalties because of non-compliances as reported above, if levied by the respective authorities.
5) Based on the information provided by the officials of the Company we report that during the period under review the company has not received any show cause notices and we further report there are no other Specific events, which requires reporting hereunder.

for Vinay &Ashwini
Company Secretaries

Date: 12th August, 2026
Place: Bangalore
UDIN:F009159H001110248

Vinay BL
M No. F9159, CP No. 10760
PR No: 6327/2024

Annexure A

The Members,

Pasari Spinning Mills Limited,

L85110KA1991PLC012537,

No. 18 III Floor, Anjaneya Temple Road,

Yediyur, Jayanagar 6th Block,

Bangalore-560082

Our report of even date is to be read along with this letter.

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

for Vinay &Ashwini
Company Secretaries

Date: 12th August, 2026
Place: Bangalore
UDIN: F009159H001110248

Vinay BL
M No. F9159, CP No. 10760
PR No: 6327/2024

ANNEXURE II

CORPORATE GOVERNANCE REPORT

A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its transactions with its stakeholders, including its employees, customers, shareholders, suppliers, partners, supporting agencies, Government, and society at large.

The overall responsibility for guiding Corporate Governance within the Company rests with the Board of Directors ('the Board'), which has put in place appropriate policies, guidelines and processes. The day-to-day implementation and monitoring of these policies, guidelines and processes rest with the Management of the Company and are in consonance with the requirements of the Companies Act, 2013, as amended from time to time, and applicable SEBI Regulations, including SEBI (LODR). Keeping in view the Company's size, complexity, and corporate traditions, Company has adopted the following main principles and philosophies:

I. Constitution of the Board of the Company and Committees of Directors of appropriate composition, size and expertise.
II. Complete transparency in the operations of the Company.
III. Maintaining prescribed levels of disclosure and complete openness in communication.
IV. Independent verification and safeguarding integrity of the Company's financial reporting.
V. A sound system of risk management and internal control.
VI. Timely and balanced disclosure of all material information concerning the Company to its stakeholders.

THE BOARD OF DIRECTORS

Table 01:Composition of Board of Directors

Name of the Director	DIN	Category	Date of Appointment	No of Directorship in other companies	Number of memberships in Audit/ Stakeholder Committee(s) in other companies	No of post of Chairperson in other companies
Mr. Krishna Kumar Gupta	00003880	Executive, Managing Director	31-08-2023	0	0	0
Mrs.Poonam Gupta	08447607	Non Executive Non Independent Director	09-05-2019	0	1	0
Mr. Kolagunda Kumar Siddappa	08305351	Non-Executive - Non Independent Director	20-09-2021	0	0	0
Mr. Gauri Shankar Gupta	00003860	Non-Executive- Non Independent Director	30-09-2019	0	0	0
Ms. Sheela Arvind	01020390	Non-Executive Independent Director	10-05-2022	0	1	0
Mr. Byadarahally Lakshmaiah Pundareeka	01415867	Non-Executive Independent Director	20-09-2021	1	1	0

Table 02: Directorship, Shareholding and Meetings of the Board of Directors:

Name of the Director	Equity Shareholding (as on March 31, 2026)	No. of Directorship		No. of Board Meetings during FY 2025-26		Whether attended lastAGM held on 27th September ,2025	Specific Core Skills, Expertise and Competencies
		Public	Private	Held	Attended		
Mr. Krishna Kumar Gupta	1,50,700 Shares	2	-	5	5	Yes	Finance, Corporate Governance, Management, Human Resource, Legal
Mrs. Poonam Gupta	32,629 Shares	1	-	5	5	Yes	Corporate Governance , Management, Human Resource
Ms. Sheela Arvind	NIL	1	3	5	5	Yes	Corporate Governance, Management , Corporate Law
Mr. Kolagunda Kumar Siddappa	NIL	1	-	5	5	Yes	Corporate Governance , Finance, Sales and Marketing
Mr. Gauri Shankar Gupta	100 Shares	2	-	5	5	Yes	Corporate Governance, Legal
Mr. Byadarahally Lakshmaiah Pundareeka	NIL	2	1	5	5	Yes	Management, Corporate Governance, Finance, Corporate Governance, Management, Human Resource, Legal

Board meetings:

The Board meets once in a quarter and additionally as and when required. The calendar of the Board meetings is decided in consultation with the Board, and the schedule of meetings is communicated to all Directors in advance to enable them to plan their effective participation during the Board meetings. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Schedule II Part A of SEBI (LODR), the Board is also kept informed of major events/ items and approvals taken wherever necessary.

The Board met 5 times in FY 2025-26:

Sl. No	Date of Meeting	No of directors on the Board	No. of Directors Present
1.	29th May, 2025	6	6
2.	12th August, 2025	6	6
3.	01st September, 2025	6	6
4.	14th November, 2025	6	6
5.	12th February, 2026	6	6

Independent Directors Meeting

The Independent Directors of your Company meet on 07th August, 2025without the presence of the Non-Independent Directors or any other Management Personnel. These Meetings are conducted to enable the Independent Directors to, inter-alia, discuss matters pertaining to:

(a) Evaluation of the performance of Non-Independent Directors and the Board of Directors & Committees as a whole.

(b) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

(c) Evaluation of the quality, quantity and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties effectively.

Remuneration of directors:

Since the Company is not carrying on any profitable activities, the Directors of the Company have voluntarily waived off their remuneration, no remuneration has been paid to the Directors during the year under review

Confirmation and certification:

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he / she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from M/S Vinay & Ashwini, Company Secretaries,, under Regulation 34(3) and Schedule V Para C Clause (10)(i) of Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI and Ministry of Corporate Affairs or any such authority and the same forms part of this Report.

Board independence:

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Act and Regulation 16 of Listing Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Directors and on evaluation of the relationships disclosed, supported by a certificate from M/S Vinay& Ashwini, Company Secretaries, as per the requirement of Regulation 25(8) of the Listing Regulations, the Board confirms that the Independent Directors fulfill the conditions as specified under Schedule V of the Listing Regulations and are independent of the management.

Independent director'sfamiliarization programme:

The details of programme for familiarization of independent directors of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company

operates, business model of the Company and related matters are put up on the website of the Company at its link www.pasarispinning.com

Governance by committees of the board of directors:

The Company has the following Committees of the Board of Directors:

(I) Audit Committee

(II) Nomination and Remuneration Committee

(III) Stakeholders Relationship Committee

1. *AUDIT COMMITTEE:*

The Company's Board has constituted an Audit Committee pursuant to the provisions of 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(a) Composition:

Name	Designation
Ms. Sheela arvind	Chairperson, Non-executive Independent Director
Mrs. Poonam gupta	Member, Non executive Director
Mr. Byadarahally Lakshmaiah Pundareeka	Member, Non- executive Independent Director

(b) Powers: Powers of the Audit Committee include:

(i) To investigate any activity within its responsibilities.

(ii) To have independent back office support and other resources from the company.

(iii) To have access to information contained in the records of the Company or from any employee.

(iv) To obtain legal or professional advice from external sources.

(v) To have the facility of separate discussions with both internal and external auditors as well as the management.

(vi) To secure attendance of outsiders with relevant expertise, if it considers necessary.

(c) Roles and Responsibilities:

(i) Recommend the appointment, re-appointment and removal of external auditor and internal auditor, approve terms of engagement, including fixation of audit fee, and also approve the payment for any other services. The Committee shall review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process.

(ii) Review the financial reporting process and the disclosure of financial information of the Company, as well as subsidiaries, to ensure that the financial statement is correct, sufficient and credible. Also, monitor the integrity of the financial statements of the Company.

(iii) Review, with management, the quarterly and annual financial statements before submission to the Board, focusing primarily on:

1. Any changes in accounting policies and practices and reasons for the same.
2. Major accounting entries based on exercise of judgment by management.
3. Qualifications in draft audit report.
4. Significant adjustments arising out of audit.
5. The going concern assumption.
6. Compliance with accounting standards.
7. Compliance with Stock Exchange and legal requirements concerning financial statements.
8. Management Discussion and Analysis of financial conditions and results of operations.
9. Director's Responsibility Statement.

(iv) Review the adequacy of internal control systems and review internal audit reports, management letters relating to internal control weaknesses, if any.

(v) Review the adequacy of internal audit function, 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.

(vi) Discussion, review and follow up on 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, including management override of internal controls and financial irregularities involving management team members.

(vii) Discussions with external auditors before the audit commence about the nature and scope of the audit, and have post-audit discussions to ascertain any areas of concern.

(viii) Review the Company's financial and risk management policies and systems. Assist executive management to identify the risk impacting the Company's business and document the process of risk identification, risk minimization and risk optimization as a part of risk management policy.

(ix) Look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, and monitor utilization of funds raised through public and preferential issues.

(x) Review the functioning of the Whistle Blower mechanism established in the Company.

(xi) Monitor and approve all Related Party Transactions including any modification/amendment with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of Company at large.

(xii) Any other matter referred to the Audit committee by the Board of Directors of the Company

(d) **Meeting and Attendance**: Dates of meeting:

1. 29th May, 2025
2. 12th August, 2025
3. 01st September, 2025
4. 14th November, 2025
5. 12th February, 2026

Members	Designation	No. of Meetings Held	No of meetings attended
Ms. Sheela Arvind	Chairperson & Independent Director	5	5
Mrs. Poonam Gupta	Member, Non-Executive Director	5	5
Mr. Byadarahally Lakshmaiah Pundareeka	Member & Non- executive Independent Director	5	5

As required under Regulation 18 of (Listing Obligations and Disclosure Requirements) Regulations with the Stock Exchanges, all necessary information was placed before the Board from time to time.

Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the year, which could have potential conflict of interest between the Company and its Promoters, Directors, Management and/or relatives.

2. ***NOMINATION AND REMUNERATION COMMITTEE:***

(a) Composition:

Name	Designation
Ms. Sheela Arvind	Chairperson, Non-executive Independent Director
Mrs. Poonam Gupta	Member, Non executive Director
Mr. Byadarahally Lakshmaiah Pundareeka	Member, Non- executive Independent Director

(b) Powers/Roles: The terms of reference of the Nomination and Remuneration Committee include the following:

i. To decide on all matters relating to the Company's stock option/share purchase schemes including the grant of options/shares to the Directors and employees of the Company and/or of its subsidiaries.

ii. To determine and make suitable recommendations to the Board in all matters relating to qualification, appointment, evaluation and remuneration of the Independent Directors of the Board, Executive Directors of the Company and its managerial personnel under 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

iii. To review performance and determine the remuneration payable to Executive Directors.

iv. Establishment and administration of employee compensation and benefit plans.

v. To decide and make suitable recommendations to the Board on any other matter that the Board may entrust the Committee with or as may be required by any statutes/regulations/guidelines/listing agreements, etc.

(c) Meetings and Attendance: Date of Meeting:

1. 12th February, 2026

Members	**Designation**	**No. of Meetings Held**	**No of meetings attended**
Ms. Sheela Arvind	Chairperson & Independent Director	1	1
Mrs. Poonam Gupta	Member, Non-Executive Director	1	1
Mr. Badarahalli Lakshmaiah Pundareeka	Member & Non- executive Independent Director	1	1

3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a) Composition:

Name	Designation
Ms. Sheela Arvind	Chairperson, Non-executive Independent Director
Mrs. Poonam Gupta	Member, Non executive Director
Mr. Byadarahally Lakshmaiah Pundareeka	Member, Non- executive Independent Director

b) Powers/Roles: The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

c) Meetings and Attendance: Date of Meeting:

1. 12th February, 2026

Members	Designation	No. of Meetings Held	No of meetings attended
Ms. Sheela Arvind	Chairperson & Independent Director	1	1
Mrs. Poonam Gupta	Member, Non-Executive Director	1	1
Mr. Byadarahally Lakshmaiah Pundareeka	Member & Non- executive Independent Director	1	1

GOVERNANCE BY MANAGEMENT

Related party transactions:

During FY 2025-26, there were no materially significant Related Party Transactions entered into by the Company with the Directors or Management or their relatives that may have a potential conflict with the interest of the Company at large. The particulars of every contract

or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto is disclosed in Form No. AOC -2 as per **Annexure III**

Disclosure on website:

Following information has been disseminated on the website of the Company at www.pasarispinning.com

1. Details of business of the Company.
2. Terms and conditions of appointment of Independent Directors.
3. Composition of various Committees of Board of Directors.
4. Code of Conduct for Board of Directors and Senior Management Personnel.
5. Details of establishment of vigil mechanism / Whistle Blower policy.
6. Grievance Redressal.
7. Policy on dealing with Related Party Transactions.
8. Policy for Determining Material Subsidiaries.
9. Details of Familiarisation Programmes imparted to Independent Directors.
10. Policy for Determination of Materiality of Events.
11. Policy for Sexual Harassment.
12. Nomination & Remuneration Policy.
13. Code of Business Conduct and Ethic.
14. Criteria of making payments to Non-Executive Directors

Statutory Auditor's fees:

The total fees paid by the Company to the Statutory Auditor and all its entities in the network firms/entities of the Statutory Auditor, for all the services provided to the Company is Rs.1,00,000/- (Rupees One Lakh Only)

Sexual harassment complaints:

Particulars	No. of cases outstanding as on April 01, 2025	No. of cases added during the year	No. of casesresolved duringthe year	No. of cases outstanding as onMarch 31, 2026
No. of	NIL	NIL	NIL	NIL

Complaints				

Report of Investor Complaints received and disposed of during year ended March 31, 2026:

Particulars	**No. of cases outstanding as on April 01, 2025**	**No. of cases added during the year**	**No. of casesresolved duringthe year**	**No. of cases outstanding as onMarch 31, 2026**
No. of Investor issues	NIL	NIL	NIL	NIL
No. of legal cases	NIL	NIL	NIL	NIL

Details on general meetings:

Location, date and time of the General Meetings held in the last 3 years are as under:

AGM	Date	Time	Venue
34th	27.09.2025	11.00 AM	Through Video Conference / Other Audio Visual Means
33rd	13.11.2024	11.00 AM	Through Video Conference / Other Audio Visual Means
32nd	27.09.2023	11.00 AM	Through Video Conference / Other Audio Visual Means

Details of Special Resolutions passed in the previous three AGMs

AGM	Particulars of Special Resolutions passed thereat
34th	Appointed M/s Vinay & Ashwini a peer-reviewed firm of Practicing Company Secretaries, as the Secretarial Auditors of the Company for a period of five financial years commences from F.Y. 2025–26 to F.Y. 2029–30
33rd	No special resolution passed.
32nd	Regularization of Mr. Krishna Kumar Gupta as Managing director of the company.

None of the businesses required to be transacted at the **Thirty Fifth** Annual General Meeting, is proposed to be passed by postal ballot.

Material transactions disclosures:

Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, or the Management, their subsidiaries or relatives, etc, that may have potential conflict with the interest of Company at large.

(Amount in Rs)

Name of the party	Nature of transaction	Amount
Pasari Exports Limited	Borrowings	1,21,45,190

No penalties or strictures have been imposed on the Company by SEBI or any statutory authority on any matter related to capital markets during the last three years. However, during the financial year, BSE Limited imposed penalties on the Company for non-compliance with the provisions of Regulation 29(2) and 29(3) and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Means of communication:

Quarterly/annual results:

The Quarterly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board in accordance with the Statutory requirement. These results are also made available on the website of the Company at www.pasarispinning.com.

During the year the Company has not made any presentations to analysts.

General information to shareholder:

S.NO	PARTICULARS	DETAILS
1	Annual General Meeting	18th September, 2026
2	Venue	Through Video Conference/ Other Audio Visual Means
3	Financial Year	1st April, 2025 to 31st March, 2026
4	Date of Book Closure	Thursday 10th September, 2026 to Friday 18th September, 2026 (Both Dates Inclusive)
5	Listing	Bombay Stock Exchange(BSE)
6	Stock Code	521080
7	ISIN: (EQUITY)	INE 604F01010

Market price data:

Month	High Price	Low Price
Apr-25	9.78	6.27
May-25	9.00	7.17
Jun-25	8.84	7.82
Jul-25	10.49	7.88
Aug-25	9.90	8.00
Sep-25	9.09	8.08
Oct-25	9.85	7.53
Nov-25	8.97	7.00
Dec-25	8.46	7.01
Jan-26	8.82	6.27
Feb-26	7.89	6.20
Mar-26	7.84	5.57

Sensex for the period:

Month	High	Low
Apr-25	80,661.31	71,425.01
May-25	82,718.14	78,968.34
Jun-25	84,099.53	80,354.59
Jul-25	83,935.01	80,575.45
Aug-25	82,231.17	79,741.76
Sep-25	83,141.21	79,818.38
Oct-25	85,290.06	80,159.90
Nov-25	86,055.86	82,670.95
Dec-25	86,159.02	84,150.19
Jan-26	85,883.50	81,088.59
Feb-26	85,871.73	79,899.42
Mar-26	80,632.55	71,774.13

Registrars and Share transfer Agents:

Kfin Technologies Private Limited

Selenium, Tower B, Plot No- 31 & 32, Financial District,

Nanakramguda, Serilingampally, Hyderabad

Rangareddi-500032

Tel: 040 67162222

Email Id: einward.ris@kfintech.com

Share transfer system:

All shares have been transferred and returned within 21 days from the date of lodgment, provided the necessary documents were in order.

Dematerialisation of shares & liquidity:

As of the end of 31st March 2026 shares comprising approximately 92.82% % of shares of the company's Equity share capital have been dematerialized.

Distribution of shareholding as on 31.03.2026:

PASARI SPINNING MILLS LIMITED					
Distribution of Shareholding as on 31/03/2026 (TOTAL)					
Slno	Category (Shares)	No.of Holders	% To Holders	No.of Shares	% To Equity
1	1 - 5000	11322	98.66	2758984	19.99
2	5001 - 10000	72	0.63	550480	3.99
3	10001 - 20000	38	0.33	547936	3.97
4	20001 - 30000	10	0.09	243437	1.76
5	30001 - 40000	13	0.11	448744	3.25
6	40001 - 50000	6	0.05	277280	2.01
7	50001 - 100000	5	0.04	359382	2.60
8	100001 and above	10	0.09	8613757	62.42
	TOTAL:	**11476**	**100.00**	**13800000**	**100.00**

Shareholding pattern as at 31.03.2026

Sl. No	Category of Shareholder	No of shareholder	Total No of Shares	Total shareholding as a percentage of total number of shares
(A)	a) Shareholding Of Promoter And Promoter Group b) Shareholding Of Promoter Individuals/HUF c) Shareholding Of Promoter Bodies Corporate	3 1 0	73,22,242 100 0	53.06 0.00 0
(A)	**Total Promoter's Holding**	**4**	**73,22,342**	**53.06**
(B)	PUBLIC SHAREHOLDING			
	I. INSTITUTIONS a) Foreign Portfolio Investors b) Financial Institutions/Banks	1 1	10 100	0 0

	II. NON INSTITUTIONS			
	a) Directors and their relatives (excluding independent directors and nominee directors)	143	1,09,768	0.08
	b)Resident Individuals and non-resident individuals	10,924	5701473	41.32
	c)Non Resident Indian Non Repatriable	138	28743	0.75
	d) Others	112	563000	4.08
(B)	**Total Public Shareholding**	11323	**64,77,658**	46.94
	(A)+(B)	**11323**	**13,80,0000**	**100**

Relevant addresses:

Plant location	**Address of Registered Office of the Company**
Company's factory was located at: #54 & 55, KIADB Industrial Area, 1st Main, 3rd Cross, Nanjangud – 571301	Pasari Spinning Mills Limited #18, (old No 16), III Floor, Anjaneya Temple Road, Yediyur, 6th Block, Jayanagar, Bangalore – 560082

The above report was approved by the Board of Directors at their meeting held on **12th August, 2026**

For and on behalf of the Board of Directors

for Pasari Spinning Mills Limited

Date: 12th August, 2026

Place: Bangalore

Krishna Kumar Gupta
Managing Director
DIN: 00003880
Address: A-21 Silver palm, Bldg 3, Basavanagar Main, Vibhuthipura Extn, Marathalli, Bangalore-560067

ANNEXURE A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

To

The Members

Pasari Spinning Mills Limited

No. 18, III Floor, Anjaneya Temple Road

Yediyur, Jayanagar 6th Block,

Bangalore-560082

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Pasari Spinning Mills Limited having CIN L85110KA1991PLC012537 and having registered office at No. 18, III Floor, Anjaneya Temple Road, Yediyur, Jayanagar 6th Block, Bangalore-560082 (hereinafter referred to as 'the Company'), produced before us 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 our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.inas considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026have 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.

Sr. No.	Name of Director	DIN	Date of appointment	Date of Cessation
1	Mr.Krishna Kumar Gupta	00003880	31-08-2023	NA
2	Mrs. Poonam Gupta	08447607	09-05-2019	NA
3	Ms. Sheela Arvind	01020390	10-05-2022	NA

4	Mr. Kolagunda Kumar Siddappa	08305351	20-09-2021	NA
5	Mr. Gauri Shankar Gupta	00003860	30-09-2019	NA
6	Mr. Byadarahally Lakshmaiah Pundareeka	01415867	30-06-2021	NA

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our 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.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the financial year ended 31st March, 2026.

for Vinay & Ashwini
Company Secretaries

Date: 12th August, 2026
Place: Bangalore
UDIN: F009159H001110259

Vinay BL
M No. F9159, CP No. 10760
PR No: 6327/2024

ANNEXURE B

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,

The Board of Directors,

Pasari Spinning Mills Limited,

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of **Pasari Spinning Mills Limited** ("the Company"), to the best of our knowledge and belief certify that:

(a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2026 and to the best of our knowledge and belief, we state that:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violates the Company's Code of Conduct.

(c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

(d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the

design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee

(i) Significant changes, if any, in the internal control over financial reporting during the year;

(ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Date: 12th August, 2026

Place: Bangalore

Tarun Kumar Gupta
Chief Financial Officer
Address: 28, Flat No 6, Panchavati Aprts, Wellington Street Cross, Richmond Town, Bangalore-560025

Krishna Kumar Gupta
DIN: 00003880
Managing Director
Address: A-21 Silver palm, Bldg 3, Basavanagar Main, Vibhuthipura Extn, Marathalli, Bangalore-560067

ANNEXURE C

Certificate of Compliance with the Corporate Governance

Practicing Company Secretary Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Members,

Pasari Spinning Mills Limited,

No. 18, III Floor, Anjaneya Temple Road,

Yediyur, Jayanagar 6th Block,

Bangalore-560082

We have examined all the relevant records of Pasari Spinning Mills Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the period from 1st April 2025 to 31st March 2026.

Further, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification. The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate 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. In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as applicable under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except those which are indicated in Secretarial Audit Report.

Date: 12th August, 2026
Place: Bangalore
UDIN:F009159H001110261

for Vinay & Ashwini
Company Secretaries
Vinay BL
M No. F9159, CP No. 10760
PR No: 6327/2024

ANNEXURE III
PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH THE RELATED PARTIES
(AOC-2)

For the financial year ended 31st March, 2026

1. **DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS.**

   There were no contracts or arrangements or transactions entered during the year ended 31st March, 2026 which was not at arm's length basis.

2. **DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM LENGTH BASIS.**

   There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2026.

   For the disclosure purpose the details of contracts or arrangement or transactions for the year ended 31st March, 2026are as follows:

S. NO	Name	Relation
1.	Mr. Gauri Shankar Gupta	Non Independent Director
2.	Mr. Tarun Kumar Gupta	Chief Financial Officer
3.	Mr. Krishna Kumar Gupta	Managing Director
4.	Mrs. Poonam Gupta	Non-Executive Director
5.	Ms. Sneha Gupta	Relative of Director
6.	Ms. Kamaladevi Gupta	Relative of Director
7.	M/S T.K.R Textiles Privat Limited	Associate Company
8.	M/S Pasari Exports Limited	Parent Company

Name of the related party	Nature of relationship	Nature of contracts/ arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value	Date of approval by the Board	Amount Outstanding,

(a)	(b)	(c)	(d)	(e)	(f)	(g)
M/S Pasari Exports Limited	Common Directorship	Unsecured Loan	NA	Unsecured Loan	NA	1,21,45,190
Mrs. Kamala Devi Gupta	Relative of Director	Unsecured Loan	NA	Unsecured Loan	NA	56,500
Mr. Tarun Kumar Gupta	CFO	Unsecured Loan	NA	Unsecured Loan	NA	1,10,280
Mr. Krishna Kumar Gupta	Managing Director	Unsecured Loan	NA	Unsecured Loan	NA	5,01,980

Date: 12th August, 2026
Place: Bangalore

Poonam Gupta
DIN: 08447607
Director
Address: A-21 Silver Palm, Bldg 3, Basavanagar Main, Vibhuthipura Extn, Marathahalli Colony, Bangalore- 560037

Krishna Kumar Gupta
DIN: 00003880
Managing Director
Address: A-21 Silver palm, Bldg 3, Basavanagar Main, Vibhuthipura Extn, Marathalli, Bangalore- 560067

ANNEXURE IV
MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

India's economy is projected to grow by 6.4% in 2026, according to a report by the IMF which noted that multinationals extending their manufacturing processes into the country to diversify their supply chains will have a positive impact on Indian exports. The expansion in 2026 was driven by strong public investment outlays as well as the vitality of the services sector which benefited from robust local demand for consumer services and firm external demand for the country's business services exports. These factors are expected to continue to support growth in India in 2026.Adverse economic conditions prevailed in major importing Countries, coupled with the Red Sea crisis are impacting the export of Indian textile products, including ready-made garments, to foreign destinations. However, with the US market showing signs of revival, experts believe exports to improve in the upcoming months. The domestic market, which accounts for around three-fourths of the overall demand, continues to witness a steady growth. Demand ahead of the spring-summer season in the West is likely to boost the off take of garments from India, thereby supporting the growth of the entire value chain. With better consumer demand big retailers in the overseas markets will have to restock inventory, improving order flow from Indian exporters. A favorable landscape marked by easing cost pressures and demand revival is likely to support the growth of Indian textiles in 2026. Addressing structural challenges and leveraging policy support are pivotal for the textile industry's sustained growth.

Indian Textiles Industry:

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fiber/yarns from natural fibers like cotton, jute, silk and wool, to synthetic/man-made fibers like polyester, viscose, nylon and acrylic. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the

ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

2. OPPORTUNITIES AND THREATS:

The promoters of your company are planning to enter into retail industries, currently the retail market is lucrative when compared with manufacturing industries and thereby have the hope of recovering from the present financial crisis.

Opportunities:

India is one of the fastest-growing economies and this creates a boost in the purchasing power of the people while it also spurs the demand of products of the textile industry. This boost results in a wide range of capacity to manufacture different products that can be transported within India as well as across the world. Apart from this, India has one of the most extremely varied textile sectors as it has hand-woven textiles on one end while capital intensive mills on the other end which results in an enormous number of opportunities in the textile industry.

Threats:

Though there are many opportunities and investments in the textile industry, like any other industry, the textile industry of India also undergoes certain challenges. The frequently changing policies stated by the government at the central and state levels create immense pressure on the textile industry. Another challenge that the textile industry faces is the limitation to access the latest and best technology while also failing to meet the global standards in the competitive export market. Apart from these issues like competition from neighboring countries regarding low-cost garments is also the challenge the Indian textile industry faces.

3. SEGMENT WISE PERFORMANCE AND COMPANY OUTLOOK:

Due to:

- Increase in cost of raw material

- No substantial increase in the selling price of finished product (Cotton Yam)
- Regular absenteeism of the workmen
- Frequent interruption in the power supply
- Increase in the cost of electricity
- Higher Indirect Taxes, Power and Interest Rates
- Non favorable market conditions to the textile industry.
- There is Declining in Mill Segment.

Company was unable to run the factory, and the production was stopped from the end of July 2011, and the promoters, requested the Hon'ble Labour Department to grant the permission for closure of the factory. The Hon'ble labour department has granted the permission to close the factory located at Nanjangud vide its order No Ka.Ee 114 LMW 2007 dated 29th November 2011. PASARI SPINNING MILLS LIMITED was undertaking manufacture of Cotton Yarn at its Unit located at KIADB Industrial Area, Nanjangud, and Mysore District with spindle capacity of 17,472.

4. OUTLOOK:

The promoters of your company are planning for entering into retail industries, currently the retail market is lucrative when compared with manufacturing industries and thereby have the hope of recovering from the present financial crisis

5. RISK AND CONCERNS:

Risks:

General Economic conditions:

Presence in a highly competitive market and dependence on government & policy support and any slowdown in the global and/or Indian economy could adversely affect our business. Textile business in general is sensitive to fluctuations in the economy. Since Worldwide spread of Novel Corona Virus (Covid-19), disruption of supply chain and elimination of Quota system will lead to fluctuations in Export demand and Continuous Quality

Improvement is need of the hour as there are different demand patterns all over the world, could lead to a downturn in the Textile Industry.

Socio-political risks:

In addition to economic risks, the Company faces risks from the socio-political environment, internationally as well as within the country and is affected by events like political instability, extreme weather conditions, Unfavorable labour Laws and natural calamities etc.

Concerns:

The Promoters of your Company, taken the permission for closure of the Factory from the Hon'ble labour department, Government of Karnataka, which stopped the further losses of the Company

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Company has reviewed internal controls and its effectiveness through the internal audit process. Internal audits were undertaken for every operational unit and all major corporate functions under the direction of the Audit committee.

The focus of these reviews is as follows:

- Identify weakness and areas of improvement
- Safeguarding of tangible and intangible assets
- Management of business and operational risks
- Compliance with applicable statutes.
- Compliance with the Pasari "Code of Conduct".

The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the compliance reports submitted to them.

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The Company could not achieve the targeted results because of Closure of the factory.

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

Your Company had not employed workers and staff including the factory and head office.

By the Order of the Board
for Pasari Spinning Mills Limited

Date: 12th August, 2026
Place: Bangalore

Krishna Kumar Gupta
Managing Director
DIN: 00003880
Address: A-21 Silver palm,
Bldg 3, Basavanagar Main, Vibhuthipura
Extn, Marathalli, Bangalore- 560067

INDEPENDENT AUDITOR'S REPORT
2025-2026
PASARI SPINNING MILLS LIMITED

INDEPENDENTAUDITOR'S REPORT

To
The Members of Pasari Spinning Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Pasari Spinning Mills Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including other Comprehensive Income) and Statement of Changes in Equity and Cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations provided to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and present a true and fair view, in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act ("Ind AS") read with other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit and other comprehensive income, changes in equity, and its cash flows for the year ended 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules 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 for the year ended March 31, 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Recognition and Completeness of Rental Income
Refer Note 4 to the Financial Statements

Why the matter was considered significant: The Company has discontinued its manufacturing operations and rented out its former factory building. The rental arrangement was neither revised nor reassessed during the year, and no fair value assessment was carried out. Rental income of Rs. 11.08 lakhs (December and January), earlier unadjusted, was adjusted by the Company during the year against the security deposit of Rs. 12.71 lakhs received from Green Pro Nettings Pvt Ltd., with the effect recognised in rental income, resulting in a balance deposit of Rs. 1.63 lakhs as at year-end. Given the judgment involved in the recognition, completeness, and accounting treatment of rental income and this adjustment, the matter required significant auditor attention and was determined to be a Key Audit Matter.

How the matter was addressed: Our procedures included examining the rental arrangement and supporting documents, verifying rental income with underlying records, comparing income with the prior period, assessing year-end cut-off, examining the security deposit adjustment and related accounting entries, and evaluating the accounting treatment and disclosures in the financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note No. 25 to the financial statements regarding the ongoing legal dispute with Cotton Corporation of India Limited in respect of cotton purchase transactions. Execution proceedings were initiated against the Company before the Hon'ble Commercial Court, Mysore and a Proclamation of Sale was issued in respect of immovable properties of the Company. The matter is presently pending before the Hon'ble High Court of Karnataka, which has granted an interim stay on the execution proceedings pending further adjudication.

These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the financial statements have been prepared on a going concern basis based on management's assessment of future business operations and expected cash flows.

Emphasis of Matter Paragraph

Emphasis of matter paragraphs are those matters that are of such importance that it is fundamental to users' understanding of the financial statements or as appropriate any other matter that is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report.

- We draw attention to Note No. 3 - Property, Plant and Equipment to the Financial Statements, wherein the Company has carried all assets at their nominal values, and no revaluation was conducted to reassess their fair value or current condition.
- We draw attention to Note No. 15 (a)- Provisions of the Financial Statements to the Financial Statements, wherein the Company has not paid property tax since the financial year 2019-2020.

The Company has, however, created an estimated provision of Rs. 18.87 lakhs towards this liability.

- We draw attention to Note No. 25 – to the financial statements regarding the ongoing dispute between the Company and Cotton Corporation of India Limited ("CCI") in respect of cotton purchases and related claims. Arbitration proceedings and subsequent legal appeals arising out of the said dispute are presently pending before the Hon'ble High Court of Karnataka. During the year, execution proceedings were initiated against the Company before the Hon'ble Commercial Court, Mysuru and a Proclamation of Sale under Order XXI Rule 66 of the Code of Civil Procedure, 1908 was issued in respect of certain immovable properties of the Company for recovery of alleged dues amounting to Rs. 703.12 lakhs. The Hon'ble High Court of Karnataka has granted an interim stay on the execution proceedings vide order dated January 06, 2026 and the matter is pending adjudication. Further, security deposits amounting to Rs. 63.90 lakhs given to Cotton Corporation of India Limited have been fully provided for by the Company in earlier years considering uncertainty associated with the matter. The balance disputed amount of Rs. 6,39.23 lakhs has been disclosed as contingent liability pending final outcome of the legal proceedings.
- We draw attention to note 4 to cash flow statement, the rental income is considered under operational activities since the factory and building is let out, though land and building is considered as Investment Property.
- We draw attention to Note 25(vi)(a) to the financial statements, which describes the uncertainty relating to a demand of Rs. 18,016.07 thousand (original demand of Rs. 1,80,16,068), raised by the Commercial Tax Authorities (including interest and penalty thereon), pertaining to earlier years 1999-00 to 2001-02 under the KVAT/CST Act, Central Sales Tax and Karnataka Entry Tax Act, disclosed by the Company as a contingent liability. The Company had contested the matter before the erstwhile Board for Industrial and Financial Reconstruction (BIFR), and consequent to its dissolution in 2016, the matter now stands with the GST Department and remains unresolved. Pending final determination, no provision has been made in the books of account, and the amount continues to be disclosed at the value of the original demand. The eventual liability, if any, on final resolution of this matter cannot presently be ascertained.

Our opinion is not qualified in respect of the above matters.

Other Matters

Pursuant to Section 134 of the Companies Act, 2013 the Financial Statements of the Company must be signed by any two directors (one of whom shall be the Managing Director), the Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company, wherever they are appointed. However, it is observed that the Chief Financial Officer has not signed the Financial Statements of the Company.

Our opinion is not qualified in respect of the above matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these fin ancial 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 accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We also:

- 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:

1. planning the scope of our audit work and in evaluating the results of our work;

2. to evaluate the effect of any identified misstatements in the standalone 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

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015; as amended.
e) On the basis of the written representations received from the Directors as on March 31, 2026 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
f) With respect to the adequacy of the internal financial controls with reference to financial

statements 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 with reference to financial statements;

g) 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;

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 25(i) to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There is no requirement of transferring the amounts, to the Investor Education and Protection Fund by the Company.

iv.

a) The Management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented to us that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly/ indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (a) and (b) as above, contain any material misstatement.

v. The Company has not declared any dividend during the previous and current year.

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

3. 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.

For Rao & Emmar
Chartered Accountants
Firm Registration Number: 003084S

B J Praveen
Partner
Membership No: 215713
UDIN: 26215713ZEZKKK1044
Date: May 30, 2026
Place: Bengaluru

Annexure -A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' sectionof our report to the members of Pasari Spinning Mills Limited of even date)

i. In respect of the Company's Property, Plant & Equipment:

a)

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. The Company does not have any intangible assets. Accordingly, the requirement to maintain records showing full particulars of intangible assets is not applicable.

b) The fixed assets of the Company were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company as at balance sheet date.

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

e) As per the information & explanations provided to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)

ii.

a) The Company does not hold any inventory. Accordingly, the requirements of clause 3(ii)(a) of the Order are not applicable.

b) According to the information and explanations given to us, the Company has not sanctioned any working capital limits in excess of Rs. 5 crore, in aggregate, from banks or financial institutions on the basis of security of current assets during the year. Accordingly, the requirements of clause 3(ii)(b) of the Order are not applicable.

iii. In respect of loans, secured or unsecured granted by Company:

Based on our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans, secured or unsecured, to any parties during the year. Accordingly, the requirements of clause **3(iii)(a)(A) and 3(iii)(a)(B)** of the Order are not applicable to the Company.

Further, the terms and conditions of such loans or advances, repayment of principal or interest, regularity of repayment, amounts overdue for more than ninety days, renewal or extension of loans or advances, and loans or advances repayable on demand or without

specifying any terms or period of repayment are not applicable to the Company. Hence, the requirements of clauses **3(iii)(b), (c), (d), (e) and (f)** of the Order are not applicable to the Company.

iv. In our Based on our examination of the records of the Company, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and security, as applicable. Accordingly, there are no instances of non-compliance with the provisions of Sections 185 and 186 of the Companies Act, 2013 to be reported under clause **3(iv)** of the Order.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable to the Company.

vi. The Central Government of India has not prescribed the maintenance of Cost records under sub-section (1) of section 148 of the Act for any of the activities of the Company and accordingly paragraph 3 (vi) of the order is not applicable.

vii. In respect of statutory dues:

a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it, except for Property Tax amounting to Rs. 18.87 lakhs, which has remained unpaid for a period of more than six months from the date it became payable and is outstanding as at March 31, 2026.

b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2026 on account of any dispute are as follows:

Name of Statute	**Nature of Dues**	**Amount (Rs.)**	**Period to which the amount relates**	**Forum where dispute is pending**
Central Sales Tax	CST, including interest	19,09,414	1999-00 to 2001-02	GST- Department
Karnataka Entry Tax Act	KCAT, including interest	84,48,131	1999-00 to 2000-01	GST- Department
KVAT and CST Act	Penalty and Interest	76,58,523	1999-00 to 2001-02	GST- Department
Total		**1,80,16,068**		

The above amount is disclosed as a contingent liability in Note (vi) to the financial statements, and no provision has been made in the books of account in this regard, for the reasons stated therein.

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

ix. In our opinion and according to the information and explanations given to us in respect to the loans and borrowings from Banks and Financial Institutions by the Company,

a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender during the year. There were no dues to any financial institution, bank, Government or debenture holders which were outstanding as at March 31, 2026.

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

c) The Company has not obtained any term loans during the year. Accordingly, the requirement to report on whether the term loans obtained by the Company were applied for the purposes for which they were obtained is not applicable.

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

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures

f) The Company has not raised any loans on the pledge of securities held in its subsidiaries, associates or joint ventures during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable

x.

a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) 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, clause 3(x)(b) of the order is not applicable.

xi.

a) 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.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) To the best of our knowledge and according to the information and explanations given to us, the Company has not received any Whistle-blower complaints.

xii. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.

xiii. 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 section 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.

xiv.

a) The Company does not have an internal audit system commensurate with the size and nature of its business.

b) The Company has not appointed any internal auditor during the year and, accordingly, there were no reports of the Internal Auditor issued during the year to be considered by us.

xv. 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 Directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

xvi. 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. Accordingly, reporting under clauses 3(xvi)(a), (b), (c) and (d) of the Order is not applicable to the Company.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. As the Company is not liable for CSR provisioning, paragraph 3 (xx) of the order is not applicable to the Company.

For Rao & Emmar

Chartered Accountants

Firm Registration Number: 003084S

B J Praveen

Partner

Membership No: 215713

UDIN: 26215713ZEZKKK1044

Date: May 30, 2026

Place: Bengaluru

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 Pasari Spinning Mills Limited of even date)

Report on the Audit of Internal Financial Controls with Reference to Financial Statements under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal financial controls with reference to financial statements of Pasari Spinning Mills Limited ("the Company") as at March 31, 2026, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 Company's internal financial controls with reference to financial statements 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 with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk

that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

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 authorizations of Management and Directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rao & Emmar

Chartered Accountants

Firm Registration Number: 003084S

B J Praveen

Partner

Membership No: 215713

UDIN: 26215713ZEZKKK1044

Date: May 30, 2026

Place: Bengaluru

FINANCIAL STATEMENTS
2025-2026
NOTES TO THE ACCOUNTS

M/S. PASARI SPINNING MILLS LIMITED
CIN: L85110KA1991PLC012537
Regd Office: NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560 082
BALANCE SHEET AS AT 31/03/2026

	PARTICULARS	Note No.	31st March, 2026 Rs. in 1000's	31st March, 2025 Rs. in 1000's
A	**ASSETS**			
1	**Non-Current Assets**			
	Property, Plant and Equipment	3	-	-
	Capital Work-in-Progress			
	Investment Properties	4	2,557.46	2,659.79
	Goodwill			
	Other Intangible Assets			
	Intangible Assets Under Development			
	Biological Assets other than Bearer Plant			
	Financial Assets			
	(i) Investments		-	-
	(ii)Trade Receivables		-	-
	(iii) Loans	5(i)	-	-
	(ii) Other Financial Assets	5(ii)	6,416.50	7,416.50
	Deferred Tax Asset (Net)	6	13,285.21	13,283.03
	Other Non-Current Assets	7	-	-
	Total Non-Current Assets		22,259.18	23,359.32
2	**Current Assets**			
	Inventories	8	-	-
	Financial Assets			
	(i) Investments	5(iii)	86.53	80.36
	(ii) Trade Receivables	5(iv)	1,107.98	1,215.63
	(iii) Cash and Cash Equivalents	5(v)	1,446.57	2,103.59
	(iv) Loans		-	-
	(v) Other Financial Assets	5(vi)	943.67	1,097.78
	Other Current Assets		-	-
	Total Current Assets		3,666.75	4,497.36
	Total Assets (1+2)		**25,925.93**	**27,856.68**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	Equity Share Capital	9	1,38,000.00	1,38,000.00
	Other Equity			
	(i) Reserves and Surplus	10	(1,34,662.94)	(1,37,458.93)
	(ii) Other Reserves			
	Total Equity		3,337.06	541.07
2	**Liabilities**			
	Non-Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	11(i)	12,813.96	17,813.96
	(iii) Other Financial Liabilities		-	-
	Provisions	12	6,390.00	6,390.00
	Other Non-Current Liabilities			
	Total Non-Current Liabilities		19,203.96	24,203.96
	Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	11(ii)	-	-
	(ii) Trade payables Due To:			
	Micro and Small Enterprise		-	-
	Other Than Micro and Small Enterprise	13	30.22	15.58
	(iii) Other financial liabilities	14	1,273.91	1,270.69
	Provisions	15	2,005.00	1,662.00
	Other Current Liabilities	16	(24.22)	163.38
	Total Current Liabilities		3,284.91	3,111.66
	Total Liabilities		**22,488.86**	**27,315.61**
	Total Equity and Liabilities (1+2)		**25,825.93**	**27,856.68**
	Significant Accounting Policies and Other Disclosures	1-2, 23-24	-	0.00

The accompanying notes are an integral part of these financial statements.
As per our report of even data

For Rao and Emmar
Chartered Accountants
Firm Registration No. 003654S

Praveen B J
Partner
Membership No. 215713
Place: Bengaluru
Date: May 29, 2026
UDIN: 26215713ZEZKKK1044

For **PASARI SPINNING MILLS LIMITED**

Krishna Kumar Gupta
Managing Director
DIN: 00003860

Poonam Gupta
Director
DIN:08447607

CS Unnti
Company Secretary
& compliance Officer

M/S. PASARI SPINNING MILLS LIMITED
CIN: L85110KA1991PLC012537
Regd Office: NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560 082
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2026

PARTICULARS	Note No.	31st MARCH, 2026 Rs. In 1000's	31st MARCH, 2025 Rs. In 1000's
Continuing Operations			
Revenue from Operations		-	-
Other Operating Income	17	5,279.07	6,753.53
Other Income	18	46.21	112.95
Total Income		5,325.29	6,866.48
Expenses :			
Cost of Materials Consumed	19	-	-
Manufacturing and Other Operating Expenses		-	-
Changes in Inventories of Finished Goods & Work-in-Progress		-	-
Employee Benefit Expenses	20	266.40	288.00
Finance Costs	21	-	65.30
Depreciation and Amortisation Expense	3	102.33	771.07
Other Expenses	22	2,162.75	2,305.31
Total Expenses		2,531.48	3,429.68
Profit Before Exceptional Items and Tax From Continuing Operations		2,793.81	3,436.79
Exceptional Items		-	-
Profit Before Tax from Continuing Operations		2,793.81	3,436.79
Income Tax expense :			
(i) Current Tax for the year		-	-
(ii) Tax relating to earlier years		-	-
MAT Credit Entitlement for the year		-	-
Deferred Tax charge/ (credit)		(2.18)	(167.98)
Profit from Continuing Operations		2,795.99	3,604.77
Profit/(Loss) from Discontinuing Operations		-	-
Profit for the Year		2,795.99	3,604.77
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year (Net of tax)		-	-
Total comprehensive Income for the year		2,795.99	3,604.77
Earning per equity share:			
(1) Basic		0.20	0.26
(2) Diluted		0.20	0.26
Significant Accounting Policies and Other Disclosures	1-2, 23-24		

The accompanying notes are an integral part of these financial statements.
As per our report of even date

For **Rao and Emmar**
Chartered Accountants
Firm Registration No. 003645

Praveen B J
Partner
Membership No. 215713
Place: Bengaluru
Date: May 29, 2026
UDIN:26215713ZEZKKK1044

For **PASARI SPINNING MILLS LIMITED**

Krishna Kumar Gupta
Managing Director
DIN: 00003880

Poonam Gupta
Director
DIN:08447607

CS Unnti
Company Secretary
& compliance Officer

M/S. PASARI SPINNING MILLS LIMITED
CIN: L85110KA1991PLC012537
Regd Office: NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560 082
CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2026

PARTICULARS	31st MARCH, 2026 Rs. In 1000's	31st MARCH, 2025 Rs. In 1000's
A. Cash flow from operating activities		
Profit before tax from continuing operations	2,793.81	3,436.79
Profit before tax from discontinued operation	-	-
Adjustments for :		
Depreciation and amortisation expense	102.33	771.07
Bad debts written off	-	-
Deposits written off	-	-
Net (gain)/loss on financial assets measured at FVTPL	11.82	25.38
Net (gain)/loss on sale of Shares	-	-
Dividend received	(4.57)	(3.36)
Interest received	(3.75)	(72.43)
Finance cost	-	65.30
Operating profit before working capital changes	2,899.64	4,222.76
Changes in working capital:		
(Increase)/Decrease in inventories	-	-
(Increase)/Decrease in trade receivables	107.65	(607.82)
(Increase)/Decrease in other financial assets	1,000.00	415.12
(Increase)/Decrease in other non-current assets	-	-
(Increase)/Decrease in other current Asset	154.11	(421.32)
Increase/(Decrease) short term borrowings	-	-
Increase/(Decrease) other financial liabilities	3.22	-
Increase/(Decrease) other non-current liabilities	-	-
Increase/(Decrease) in other current liabilities	(187.60)	9.28
Increase/(Decrease) in long term provisions	-	-
Increase/(Decrease) in short term provisions	343.00	825.00
Increase/(Decrease) in trade payables	14.63	(51.06)
Net Cash generated from operations	4,334.66	4,391.97
Income taxes paid (net of refunds)	-	-
Net cash from/ (used in) operating activities	4,334.66	4,391.97
B. Cash flow from investing activities		
Purchase of investments	-	-
Proceeds from sale of investments	-	-
Dividend received	4.57	3.36
Interest Received	3.75	72.43
Net cash from/ (used in) investing activities	8.32	75.79
C. Cash flow from financing activities		
Unsecured loan from related parties	(5,000.00)	(2,002.30)
Repayment of Secured loans	-	(808.78)
Interest paid	-	(65.30)
Net cash from/ (used in) financing activities	(5,000.00)	(2,876.38)
Net cash flows during the year (A+B+C)	(657.02)	1,591.38
Cash and cash equivalents (Opening balance)	2,103.59	512.22
Cash and cash equivalents (Closing balance)	**1,446.57**	**2,103.59**

Note:
1. Cash & Cash Equivalents represents Cash & Bank Balances and deposits with Banks as per **Note 5 (v)**.
2. Above cash flow statement has been prepared under indirect method in accordance with the Indian Accounting (Ind AS) 7 on "Statement of Cash Flows".
3. The Figures in bracket represent the Cash Outflow and the figures having no bracket represents the Cash Inflow.
4. The rental income is considered under operational activities since the factory and building is let out, though land and building is considered as

This is the Cash Flow Statement we have referred to, in our Report of even date

For **Rao and Emmar**
Chartered Accountants
Firm Registration No. 003084S

Praveen B J
Partner
Membership No. 215173

Place: Bengaluru
Date: May 29, 2026

For PASARI SPINNING MILLS LIMITED

CS Unnti
Company Secretary
& compliance Officer

Krishna Kumar Gupta
Managing Director
DIN: 00003880

Poonam Gupta
Director
DIN:08447607

M/S. PASARI SPINNING MILLS LIMITED
CIN: L85110KA1991PLC012537
Regd Office: NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560082
Notes to the Financial Statements for the year ended March 31, 2026

Note 1: General Information

The Company was incorporated on 25th November 1991, vide CIN: L85110KA1991PLC012537, to carry on the business of Textile , Spinning, Weaving, Dying and Printing factories, conventional or modern using cotton, silk, wool, polyester fiber.

The Company has discontinued its production operations from the financial year 2010-11. The Company has no intention to continue the production operations henceforth and has decided to lease out the Factory premises. The Company has not made any sales during the current year.

Note 2: Summary of Significant Accounting Policies

(i) Basis of preparation:

(a) Compliance with Ind AS

The financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other relevant provisions of the Act.

The financial statements up to the year ended March 31, 2026 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2021, as amended from time to time, and other relevant provisions of the Companies Act, 2013.

(b) Historical cost convention

The financial statement has been prepared on a historical cost basis, except for:
- certain financial assets and liabilities (including derivative instruments) that are measured at fair value

(c) The assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(ii) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as mentioned below:

(a) Sale of products is recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer which is based on the agreed terms. Revenue is based on price agreed with the customers. Amounts disclosed as revenue are net of returns, trade discounts, cash discounts, sales incentives, sales tax, etc.

(b) Rental income arising from operating lease of investment properties is accounted on accrual basis based on contractual terms with the lessee and is disclosed under other operating revenue in statement of profit and loss.

(iii) Investments and other financial assets:

(a) Classification

The Company classifies its financial assets under the following measurement categories:
- those to be measured subsequently at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL), and
- those measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Initial recognition and measurement

All financial assets are recognised initially at its fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

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PASARI SPINNING MILLS LTD. B'LORE-82

M/S. PASARI SPINNING MILLS LIMITED
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(c) Subsequent measurement
Financial assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVOCI. All equity investments are measured at fair value through other comprehensive income, except for investments in subsidiary/ associate which is measured at cost. Changes in the fair value of financial assets are recognised in statement of other comprehensive income. In those cases, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on such financial assets that are subsequently measured at FVTPL and is recognised and presented in the statement of profit and loss.

(d) Impairment of financial assets
Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. The Company assesses the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The losses arising from impairment are recognised in the profit or loss.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(e) Derecognition of financial assets
The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire or it transfers substantially all risk and rewards of ownership of the financial asset. A gain or loss on such financial assets that are subsequently measured at amortised cost is recognised in statement of profit and loss when the asset is derecognised.

(f) Income recognition

Interest income

Interest income from financial assets measured at amortised cost is recognised using the effective interest rate method and are disclosed in statement of profit and loss.

Dividends

Dividends from equity instruments are recognised as other income in statement of profit and loss only when the right to receive payment is established.

(iv) Property, plant and equipment:

Freehold land is carried at historical cost and other items of property, plant and equipment including capital spares are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Company and it can be used for more than one year and the cost can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gains and losses on disposal are determined by comparing proceeds with carrying amount.

Depreciation on property, plant and equipments is provided using the straight line method. As required under Schedule II to the Companies Act 2013, the Company periodically assesses the estimated useful life of its tangible assets based on the technical evaluation considering anticipated technological changes and actual usage of the assets.

The estimated useful life is either equal to or lower than those prescribed under Part C of Schedule II to the Companies Act, 2013.

The estimated useful life for various property, plant and equipments is given below:

Assets	Useful life (Yrs)	Depreciation Rate
Buildings	30	3.17%
Furniture and Fixtures	10	9.50%
Vehicles	8	11.88%
Office equipment	5	19.00%
Computer	3	31.67%

Low value assets not exceeding INR 5,000/- per unit are depreciated at 100%

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(v) Investment properties:
Property that is held for rental income and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including related transaction cost. It is carried at cost less accumulated depreciation. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Land is carried at historical cost, however, buildings are depreciated using the straight line method over their estimated useful lives as mentioned in 2(iv) above.

(vi) Inventories:
Raw Materials, Consumable stores and spares are valued at lower of cost or market value after providing for obsolescence and depletion in value wherever applicable.

(vii) Retirement benefits:
(a) Contributions to PF/EPF are accounted on accrual basis.
(b) Gratuity and leave encashment are accounted on cash basis.

(viii) Foreign currency transactions:
Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency monetary Assets and Liabilities are translated at year end exchange rates. The exchange difference arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise, except in case of the liabilities for the acquisition of fixed assets, where such exchange difference is adjusted in the carrying cost of fixed assets. This is not applicable to the Company.

(ix) Leases:
As a lessee
Leases in which the Company has substantial portion of the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are capitalised at the lower of the fair value of the leased assets at the inception of the lease term and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Cost of leasehold land (other than those which will be converted to freehold after a certain period upon satisfying prescribed conditions) is amortised over the lease term.

Leases in which the Company doesn't have substantial portion of the risks and rewards of ownership are classified as operating leases. Payment made under operating leases are charged to statement of profit and loss on a straight line basis.

As a lessor
Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return of the net investment outstanding in respect of the leases.

Lease income from operating leases, where the Company is a lessor, is recognised as income on a straight line basis. The respective leased assets are disclosed as investment properties.

(x) Taxes on income:
Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax asset in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

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Notes to the Financial Statements for the year ended March 31, 2026

(xi) Impairment of assets:
At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent the carrying amount exceeds recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level of which that are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(xii) Trade and other payables:
These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. They are recognised initially at their fair value and subsequently measured at amortised cost.

(xiii) Borrowings:
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using effective interest method.

(xiv) Provisions and Contingent Liabilities:
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

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

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

(xv) Cash and cash equivalents:
Cash and cash equivalents includes cash and cheques on hand, current accounts and fixed deposit accounts with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(xvi) Earning per share (basic and diluted):
Earning per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year.

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STATEMENT OF CHANGES IN EQUITY
For the period ended 31.03.2026

Note 9: A. Equity Share Capital

Particulars	Amount
Balance as at 01.04.2025	13,80,00,000
Changes in Equity Share Capital (2025-26)	-
Balance as at end 31.03.2026	13,80,00,000

(1) Current Reporting Period

Balance at the beginning of the current reporting period (In actuals)	Changes in Equity	Restated balance at the beginning	Changes in equity share capital during	Balance at the end of
13,80,00,000	-	13,80,00,000	-	13,80,00,000

(2) Previous Reporting Period

Balance at the beginning of the current reporting period (In actuals)	Changes in Equity	Restated balance at the beginning	Changes in equity share capital during	Balance at the end of
13,80,00,000	-	13,80,00,000	-	13,80,00,000

Note 10: Other Equity

	Share Application Money pending Allotment	Equity Component of Compound	Reserves & Surplus				Debt Instruments through Other Comprehen	Equity Instruments through Other Comprehen	Effective portion of Cash flow hedges	Revaluation Surplus	Exchange differences on translating the	Other Items of other Comprehensive	Money Received against Share Warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (Specify Nature)	Retained Earnings								
Balance as at 01.04.2019	-	-	-	-	-	(12,41,91,105.43)	-	-	-	-	-	-	-	(12,41,91,105.43)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) for the year	-	-	-	-	-	28,30,126.90	-	-	-	-	-	-	-	28,30,126.90
Any other changes (To be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2020	-	-	-	-	-	(12,13,60,978.53)	-	-	-	-	-	-	-	(12,13,60,978.53)

(1) Current Reporting Period

	Share Application Money pending Allotment	Equity Component of Compound	Reserves & Surplus				Debt Instruments through Other Comprehen	Equity Instruments through Other Comprehen	Effective portion of Cash flow hedges	Revaluation Surplus	Exchange differences on translating the	Other Items of other Comprehensive	Money Received against Share Warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (Specify Nature)	Retained Earnings								
Balance as at 31.03.2025		-	-	-	-	(1,37,458.93)	-	-	-	-	-	-	-	(1,37,458.93)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) for the year	-	-	-	-	-	2,795.99	-	-	-	-	-	-	-	2,795.99
Any other changes (To be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of MAT Credit														-
Reversal of Deferred Tax														-
Balance as at 31.03.2026	-	-	-	-	-	(1,34,662.94)	-	-	-	-	-	-	-	(1,34,662.94)

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PASARI SPINNING MILLS LTD. B'LORE-52

1.Previous Year Reporting Period

	Share Application Money pending Allotment	Equity Component of Compound	Reserves & Surplus				Debt Instruments through Other Comprehen	Equity Instruments through Other Comprehen	Effective portion of Cash flow hedges	Revaluation Surplus	Exchange differences on translating the	Other Items of other Comprehensive	Money Received against Share Warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (Specify Nature)	Retained Earnings								
Balance as at 31.03.2024	-	-	-	-	-	(1,41,083.70)	-	-	-	-	-	-	-	(1,41,083.70)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) for the year	-	-	-	-	-	3,604.77	-	-	-	-	-	-	-	3,604.77
Any other changes (To be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of MAT Credit														-
Reversal of Deferred Tax														-
Balance as at 31.03.2025	-	-	-	-	-	(1,37,458.93)	-	-	-	-	-	-	-	(1,37,458.93)

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Notes to the Financial Statements for the year ended March 31, 2025

All Amounts in Rs. in 1000's

Note 4 : Investment properties

Particulars	As at March 31, 2026	As at March 31, 2025
Gross carrying amount		
Opening gross carrying amount/ Deemed cost	26,881.47	26,881.47
Transfer from property, plant and equipment's	-	-
Additions	-	-
Closing gross carrying amount	26,881.47	26,881.47
Accumulated depreciation		
Opening accumulated depreciation	24,221.69	23,450.61
Transfer from property, plant and equipment's	-	-
Depreciation charge	102.33	771.07
Closing accumulated depreciation	24,324.01	24,221.69
Closing Capital work-in-progress	-	-
	2,557.46	2,659.79

(i) Amounts recognised in statement of profit and loss for investment properties

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rental income	5,279.07	6,753.53
Direct operating expenses from property that generated rental income	512.48	391.21
Profit from investment properties before depreciation	4,766.60	6,362.32
Depreciation charge	771.07	771.07
Profit from investment properties	3,995.53	5,591.25

(a) The Company has not revised or reassessed the rental arrangements during the year and there has been no increase in rental income as compared to previous years. Further, the fair value / market value assessment of rental income has not been carried out during the year.

Further, rental income pertaining to the months of December and January amounting to Rs.11,07,984 has not been adjusted against the security deposit received from GreenPro Nettings Pvt Ltd amounting to Rs.12,70,690. Pending such adjustment, the balance security deposit works out to Rs.1,62,706 as at the reporting date. The management is in the process of reviewing the accounting treatment and adjustment thereof.

(ii) Fair value of investment properties:

Particulars	As at March 31, 2026	As at March 31, 2025
Land [refer note (a)]	1,17,624.20	1,17,624.20
Building [refer note (a)]	45,194.49	45,194.49
Total	1,62,818.69	1,62,818.69

(a) As per Ind As 40, Investment Properties, the Company has estimated the fair value of land at Rs. 11,76,24,197 and Building at Rs.4,51,94,493 as at 31/03/2022. However, the valuation is not as per Registered Valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

(b) 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.

(c) The company has not revalued the property value since 31st March, 2022, which implies that the book value stated here doesnot portray the real value of the asset held by the company.

Details of Land:
Plot No. 54, 55 of Nanjangud Industrial Area, situated in Sy. Nos. 120, 133, 149 and 150 of Kallahally Village, Kasaba Hobli, Nanjangud Taluk, Mysore District

Note 5 : Financial assets

(i) Loans

(a) The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment

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All Amounts in Rs. In 1000's

(ii) Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Income Tax Refund Receivable	-	-
Sales Tax 05-06 to 09-10		
MAT Credit Entitlement		
Indira Vikas Patra		
Water Deposit	25.00	25.00
Excise Duty - Deposit	-	
Sales Tax Deposit	1.50	1.50
Fixed Deposit	-	1,000.00
Others Advances [refer other disclosures note number 24 (i)]	6,390.00	6,390.00
	6,416.50	7,416.50

The Company had purchased cotton from Cotton Corporation of India Limited (CCIL) and had made advance payments towards such purchases. However, according to the management, Cotton Corporation of India supplied inferior / poor quality material, due to which the Company had raised a claim for price difference at Rs.180 per candy. The matter was disputed and litigated by Cotton Corporation of India and is presently pending before the Hon'ble High Court of Karnataka.

Loans and Advances recoverable from Cotton Corporation of India amounting to Rs.63,90,000 pertaining to earlier years are considered recoverable by the management and are subject matter of the aforesaid dispute.

(a) There are ongoing dispute between the Company and Cotton Corporation of India Limited ("CCI") in respect of cotton purchases and related claims. Arbitration proceedings and subsequent legal appeals arising out of the said dispute are presently pending before the Hon'ble High Court of Karnataka. During the year, execution proceedings were initiated against the Company before the Hon'ble Commercial Court, Mysuru and a Proclamation of Sale under Order XXI Rule 66 of the Code of Civil Procedure, 1908 was issued in respect of an immovable property of the Company for recovery of alleged dues amounting to Rs. 703.12 lakhs.

The Hon'ble High Court of Karnataka has granted stay on the execution proceedings vide order dated January 06, 2026 and the matter is pending adjudication. Further, security deposits amounting to Rs. 63.90 lakhs given to Cotton Corporation of India Limited have been fully provided for by the Company in earlier years considering uncertainty associated with the matter. The balance disputed amount of Rs. 639.23 lakhs has been disclosed as contingent liability pending final outcome of the legal proceedings.

(iii) Current investments
(valued at FVTPL)

Particulars	As at March 31, 2026	As at March 31, 2025
Quoted investment in equity instruments	68.53	80.36
Quoted investment in mutual funds	-	-
	68.53	80.36

(iv) Trade receivables
(Unsecured, considered good)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables		
- Related parties		-
- Others	1,107.98	1,215.63
Less: Allowance for doubtful debts	-	-
	1,107.98	1,215.63

(a) Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivable Ageing Schedule as at March 31, 2026

Particulars	Outstanding for following periods from due date of payments				
	Less than 6 months	6 months - 1 year	1 - 2 years		More than 3 years
(i) Undisputed Trade Receivables - Considered Good	1,107.98	-	-		-
(ii) Undisputed Trade Receivables - Considered Doubtful	-	-	-		-
(iii) Disputed Trade Receivables - Considered Good	-	-	-		-
(iv) Disputed Trade Receivables - Considered Doubtful	-	-	-		-

Trade Receivable Ageing Schedule as at March 31, 2025

Particulars	Outstanding for following periods from due date of payments				
	Less than 6 months	6 months - 1 year	1 - 2 years		More than 3 years
(i) Undisputed Trade Receivables - Considered Good	1,215.63	-	-		-
(ii) Undisputed Trade Receivables - Considered Doubtful	-	-	-		-
(iii) Disputed Trade Receivables -	-	-	-		-
(iv) Disputed Trade Receivables -	-	-	-		-

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All Amounts in Rs. In 1000's

(V) Cash & Cash Equivalents

Particulars		As at March 31, 2026	As at March 31, 2025
Balances with banks			
- in current accounts		1,431.37	1,977.05
- deposit accounts			
- ICICI Securities			
Cash in hand	15,203.51	15.20	126.54
		1,446.57	2,103.59

(vi) Other Financial Assets

Particulars	As at March 31, 2026	As at March 31, 2025
TDS Receivable*	943.68	1,097.79
Dividend Receivable	-	-
Fixed Deposits		
Advance paid to Creditors		
	943.68	1,097.79

*TDS receivable for FY 2021-22, 2022-23 and 2025-26 is subject to reconciliation.

Note 6 : Deferred Tax Asset

Particulars	As at March 31, 2026	As at March 31, 2025
On account of Depreciation between books and Income tax written down value (WDV) of depreciable Property, Plant and equipment	13,285.03	13,283.03
Other timing differences		
	13,285.03	13,283.03

Movement in Deferred Tax Asset

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	13,283.03	13,115.05
(Charged)/ Credited to statement of profit and loss (DTA)	2.00	167.98
Excess Balance written off		
	13,285.03	13,283.03

(i) On account of Depreciation between books and Income tax written down value (WDV) of depreciable Property, Plant and equipment and unabsorbed depreciation and business loss.
(ii) The Company has recognised Deferred Tax as it has estimated that there is a reasonable certainty that sufficient future taxable income will be available to realise these assets.

Note 7 : Other Non-Current Assets
(Unsecured considered good)

Particulars	As at March 31, 2026	As at March 31, 2025
	-	-
	-	-

Note 8 : Inventories
(at lower of cost and net realisable value)

Particulars	As at March 31, 2026	As at March 31, 2025
Stores and spares	-	-
	-	-

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All Amounts in Rs. In 1000's

Note 9 : B. Equity share capital
Authorised equity share capital

Particulars	No of shares	Amount
As at April 1, 2025	1,40,00,000.00	1,40,000.00
Increase/ (decrease) during the year	-	-
As at March 31, 2026	1,40,00,000.00	1,40,000.00

(I) Movements in equity share capital (issued, subscribed and fully paid up)

Particulars	No of shares	Amount
As at April 1, 2025	1,38,00,000.00	1,38,000.00
Increase/ (decrease) during the year	-	
As at March 31, 2026	1,38,00,000.00	1,38,000.00

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

(ii) Equity shares held by the Group Company

Name of Shareholder	As at March 31, 2026	As at March 31, 2024
	No of shares	No of shares
Pasari Exports Ltd.	70,20,842	70,20,842

(iii) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:

Name of Shareholder	2026		As at March 31, 2025
	No of shares		No of shares
Pasari Exports Ltd.	70,20,842.00		70,20,842.00

(iv) Details of shares held by Promoters

Shares held by Promoters at the end of the year				% Change during the year
S.No.	Promoter Name	No. of Shares		
1	Gouri Shankar Gupta	100		-
2	Krishna Kumar Gupta	1,50,700		-
3	Tarun Kumar Gupta	1,50,700		-
4	Pasari Exports Ltd.	70,20,842		-
Total		73,22,342		

(iv) There are no shares reserved for issue under options and contracts/ commitments. Further, there are no shares that have been allotted during last 5 years pursuant to a contract without payment being received in cash or by way of bonus shares.

Rao & Emmar Chartered Accountants BANGALORE

PASARI SPINNING MILLS LTD. B'LORE-82

M/S. PASARI SPINNING MILLS LIMITED
CIN: L85110KA1991PLC012537
Regd Office: NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560082
Notes to the Financial Statements for the year ended March 31, 2025

All Amounts in Rs. In 1000's

Note 10 : Reserves and surplus

Retained earnings	As at March 31, 2026	As at March 31, 2025
Opening balance	(1,37,458.93)	(1,41,063.70)
Net profit /(Net loss) for the year	2,795.99	3,604.77
Closing balance	(1,34,662.94)	(1,37,458.93)

Note 11 : Borrowings

(i) Non-current borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Secured Loans		
Term loan from Canara Bank [Refer note (a)]	-	-
Unsecured Loans		
Loan from related parties [Refer note 21 (v) in notes to financial statements]	12,813.96	17,813.96
	12,813.96	17,813.96

a. There are no terms and conditions attached to the loan from related parties.There is also no stipulation of schedule of repayment of interest and principal and these loans are interest free and repayable on demand.

b. During the year, the Company settled a portion of its outstanding liability towards Pasari Exports Limited, a related party, amounting to Rs. 50.00 lakhs. Consequently, the balance payable to Pasari Exports Limited as at March 31, 2026 stands at Rs. 121.45 lakhs (March 31, 2025: Rs. 171.45 lakhs).

(ii) Current Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Current maturities of long term debt	-	-
	-	-

(iii) : Other Financial Liabilities

	As at March 31, 2026	As at March 31, 2025
Hutch deposit	-	-
JTM deposit	-	-
Rental deposit	-	-
Expenses payable	-	-
	-	-

Note 12 : Non Current Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Other Advances CCIL	6,390.00	6,390.00
	6,390.00	6,390.00

a The Company had purchased cotton from Cotton Corporation of India Limited (CCIL) and had made advance payments towards such purchases. However, according to the management, Cotton Corporation of India supplied inferior / poor quality material, due to which the Company had raised a claim for price difference at Rs.180 per candy. The matter was disputed and litigated by Cotton Corporation of India and is presently pending before the Hon'ble High Court of Karnataka.

Loans and Advances recoverable from Cotton Corporation of India amounting to Rs.63,90,000 pertaining to earlier years are considered recoverable by the management and are subject matter of the aforesaid dispute.
There are ongoing dispute between the Company and Cotton Corporation of India Limited ("CCI") in respect of cotton purchases and related claims. Arbitration proceedings and subsequent legal appeals arising out of the said dispute are presently pending before the Hon'ble High Court of Karnataka. During the year, execution proceedings were initiated against the Company before the Hon'ble Commercial Court, Mysuru and a Proclamation of Sale under Order XXI Rule 66 of the Code of Civil Procedure, 1908 was issued in respect of an immovable property of the Company for recovery of alleged dues amounting to Rs. 703.12 lakhs.

The Hon'ble High Court of Karnataka has granted stay on the execution proceedings vide order dated January 06, 2026 and the matter is pending adjudication. Further, security deposits amounting to Rs. 63.90 lakhs given to Cotton Corporation of India Limited have been fully provided for by the Company in earlier years considering uncertainty associated with the matter. The balance disputed amount of Rs. 639.23 lakhs has been disclosed as contingent liability pending final outcome of the legal proceedings.

Rao & Emmar BANGALORE Chartered Accountants

PASARI SPINNING MILLS LTD. B'LORE-82

M/S. PASARI SPINNING MILLS LIMITED
CIN: L86110KA1991PLC012637
Regd Office: NO 16 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 9TH BLOCK, BANGALORE - 560082
Notes to the Financial Statements for the year ended March 31, 2025

All Amounts in Rs. in 1000's

Note 13 : Trade Payables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Payables*	30.22	15.58
	30.22	15.58

* Trade Payables are subject to confirmation

Particulars	As at March 31, 2025					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 Years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	30.22	-	-	-	30.22
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
					-	-
Total	-	30.22	-	-	-	30.22

Particulars	As at March 31, 2025					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 Years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	15.58	-	-	-	15.58
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
					-	-
Total	-	15.58	-	-	-	15.58

Note 14 : Other Financial Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Rental deposit	1,270.69	1,270.69
Outstanding Liabilities	3.22	
	1,273.91	1,270.69

Note 15 : Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Audit fee payable	118.00	75.00
Provision for Income Tax		
Provision for Property Tax Payable*	1,887.00	1,587.00
	2,005.00	1,662.00

(a)The Company has not paid property tax since FY 2019-20. However, an estimated provision of Rs.18.87 lakhs has been made in the financial statements towards the said liability, of which Rs.3.00 lakhs pertains to the current year.

Note 16 : Other Current Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory liabilities		
GST	(24.91)	163.38
Income Tax -TDS	0.70	0.00
TOTAL	(24.22)	163.38

M/S. PASARI SPINNING MILLS LIMITED
CIN: L85110KA1991PLC012537
Regd Office: NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560 082
Notes to the Financial Statements for the year ended March 31, 2026
All Amounts in Rs. In 1000's

Note 17 : Other Operating Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rental Income	5,279.07	6,753.53
Provision/ liabilities no longer required written back	-	-
Less: Discount Allowed	-	-
	5,279.07	6,753.53

Note 18 : Other Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Dividend Income	4.57	3.38
Gain on financial assets measured at FVTPL	-	-
Interest on fixed deposit	3.75	72.43
Miscellaneous Income	-	0.00
Profit on sale of shares	-	-
Profit on sale of Mutual Funds	-	
Speculation Income	-	-
Interest on Income Tax Refund		
Forfeiture Money on cancellation of Sale of Land		
Deposits Written Off		
Interest on IT refund	37.89	37.16
	46.21	112.95

Note 19 : Cost of materials consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Stock of raw materials & Stores	-	-
Add : Purchases of Materials, stores & consumables (Returns)	-	-
	-	-
Less: Closing Stock of raw materials and Stores	-	-
	-	-

Note 20 : Employee Benefit Expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries	266.40	288.00
	266.40	288.00

Note 21 : Finance Cost

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on term loan	-	65.30
Interest on provident fund	-	-
Interest paid on electricity charges	-	
	-	65.30

Rao & Emmar Chartered Accountants BANGALORE

PASARI SPINNING MILLS LTD. B'LORE-82

M/S. PASARI SPINNING MILLS LIMITED
CIN: L85110KA1991PLC012537
Regd Office: NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560 082
Notes to the Financial Statements for the year ended March 31, 2026
All Amounts in Rs. In 1000's

Note 22 : Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Advertisement	32.25	27.98
Bad debts written off		
Bank Charges	1.48	1.44
Brokerage on Sales	-	-
Courier, postage & telegram	0.11	0.37
Director's Sitting Fee	52.50	60.00
Security Charges	222.00	172.50
General expenses		12.13
Garden Maintenance	90.00	83.00
Guest house maintenance		
Provision for bad & doubtful advances		-
Interest on delayed payment	3.03	-
Listing fee	478.21	425.00
Legal expenses	263.00	49.00
Loss on Sale of Shares		-
Loss on Sale of Mutual Funds		
Office Maintainance	114.00	110.01
Building Maintainance	200.48	135.71
Speculation Loss	-	-
Meeting expenses	88.85	35.98
Loss on financial assets measured at FVTPL	11.82	25.38
Printing & stationery	-	0.60
Professional & other consultancy charges	-	5.00
Property Tax	-	795.00
Rates and taxes, excluding, taxes on income	39.43	23.93
Share transfer agent expenses	39.37	85.19
Remuneration to Auditor [refer note (a)]	130.00	105.00
Telephone expenses	-	
Carriage Onwards	-	27.50
Travelling expenses	96.22	124.50
Vehicle insurance	-	-
Gst expense	-	0.10
Vehicle Maintainance		-
Current Assts W/O		-
Repairs & Maintaince		-
Provision for Property Tax	300.00	
	2,162.75	2,305.31

a. Remuneration to Auditors includes

Particulars	2025-26	2024-25
Statutory Audit	100.00	75.00
Limited Review	30.00	30.00
TOTAL	130.00	105.00

Note 23 : Contingent Liability

Sl.No	Particulars	2025-26	2024-25
i.	Claim by Cotton Corporation of India (Refer Note 25(i))	63,922.75	63,922.75

R.Rao & Emmar BANGALORE Chartered Accountants

PASARI SPINNING MILLS LTD. B'LORE-82

M/S. PASARI SPINNING MILLS LIMITED
CIN: L85110KA1991PLC012537
Regd Office: NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 8TH BLOCK, BANGALORE - 560 082
Notes to the Financial Statements for the year ended March 31, 2026
All Amounts in Rs. In 1000's

Note 24 : Additional disclosure as per Schedule III of Companies Act, 2013

(i) **Ratio Analysis**

Ratios	Numerator	Denominator	Current Year	Previous Year
a) Current Ratio (In times)	Total current assets	Total current liabilities	1.09	1.45
b) Debt- Equity Ratio (In times)	Debt consists of borrowings and lease liabilities	Total equity	3.84	32.92
c) Debt Service Coverage Ratio (In times)	EBITDA = Earnings Before Interest, Tax, Depreciation, and Amortization	Debt service = Current maturities of	NA	NA
d) Return on Equity Ratio (In %)	Profit for the year less	Total equity	0.84	6.66
e) Inventory Turnover Ratio (In times)	Cost of Goods sold	Average	NA	NA
f) Trade Receivable Turnover Ratio (In times)	Revenue from operations	Average	4.34	7.41
g) Trade Payable Turnover Ratio (In times)	Cost of Operations	Average	94.44	56.07
h) Net Capital Turnover Ratio (In times)	Revenue from operations	Average working capital (i.e.	18.73	4.87
i) Net Profit Ratio (In %)	Profit for the year	Revenue	52.96%	53.38%
j) Return on Capital Employed (In %)	Profit before tax and finance costs	Capital employed =	12.39%	14.15%

(ii) Since the Company doesn't meet its applicability criteria for CSR Provisioning, Section 135 of companies act is not applicable

(iii) There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

(iv) The Company has not been sanctioned working capital from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(v) The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

(vi) There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

(vii) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) The company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

(x) The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

(xi) The company is not declared wilful defaulter by any bank or financial institution or other lender.

Rao & Emmar Chartered Accountants BANGALORE

PASARI SPINNING MILLS LTD. B'LORE-82

M/S. PASARI SPINNING MILLS LIMITED
CIN: L85110KA1991PLC012537
Regd Office: NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, VEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560 082
Notes to the Financial Statements for the year ended March 31, 2026
All Amounts in Rs. In 1000's

Note 25: Other Disclosure

(i) The Company had purchased cotton from Cotton Corporation of India Limited and had made advance payments towards such purchases. However, according to the management, Cotton Corporation of India Limited supplied inferior / poor quality material, pursuant to which the Company had raised a claim for price difference at Rs.180 per candy. The dispute was referred to arbitration and the arbitration award was passed in favour of Cotton Corporation of India Limited. Subsequently, the Company challenged the said award before the City Civil & Sessions Court, Bengaluru, where the matter was dismissed in favour of Cotton Corporation of India Limited. Aggrieved by the said order, the Company has preferred an appeal before the Hon'ble High Court of Karnataka, where the matter is presently pending adjudication.

Loans and Advances recoverable from Cotton Corporation of India Limited amounting to Rs.63,90,000 pertaining to earlier years are subject matter of the aforesaid dispute. Considering the uncertainty involved in recovery, the Company had made provision for the said amount during the financial year 2022-23 and the same has been continued in the current year.

Further, Cotton Corporation of India Limited has filed execution proceedings against the Company before the Principal District & Sessions Judge, Mysuru, for recovery of an amount aggregating to Rs.7,03,12,476.47 in connection with the aforesaid matter. The Hon'ble High Court of Karnataka, vide interim order dated 06 January 2026, has granted stay on the operation and implementation of the proclamation of sale and related execution proceedings initiated against the Company.

Based on the management assessment and legal opinion obtained, the Company believes that it has a reasonably strong case before the Hon'ble High Court of Karnataka. Pending final adjudication of the matter, the balance litigated amount of Rs.6,39,22,746/- has been disclosed as Contingent Liability in the financial statements.

(ii) The Company's Registrar and Transfer Agent for all maters related to share transfers, dematerialization, dividends etc. is Kfin Technologies Private Limited.

(iii) Loan from related party pertains to unsecured interest free loan from Pasari Exports Limited, the Parent Company, T.K.R Textiles Ltd, the Associate Company and from Directors and their relatives. Company has not executed agreement for the unsecured loan obtained.

(v) Disclosure for Related Party Transactions
List of Related Parties

Name of the Related Party	Nature of Relationship
Gauri Shankar Gupta	Non Independent Director
Tarun Kumar Gupta	Chief Financial Officer
Krishna Kumar Gupta	Managing Director
Poonam Gupta	Non Executive Director
Sneha Gupta	Relative of Director
Kamaladevi Gupta	Relative of Director
T.K.R Textiles Pvt Ltd	Associate Company
Pasari Exports Ltd	Parent Company

Rao & Emmar BANGALORE Chartered Accountants

PASARI SPINNING MILLS LTD. B'LORE-82

M/S. PASARI SPINNING MILLS LIMITED
CIN: L85110KA1991PLC012537
Regd Office: NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560 082
Notes to the Financial Statements for the year ended March 31, 2026
All Amounts in Rs. In 1000's

Balance Payable/Receivable from above Related Parties as on Balance Sheet date:

Name of Related Party	Payable/Receivable	2025-26	2024-25
Loan From Mr.GS Gupta	Payable	-	-
Loan From Mrs.Kamaladevi Gupta	Payable	56.50	56.50
Loan From Mr.TK Gupta	Payable	110.28	110.28
Loan From Mr. K K Gupta	Payable	501.98	501.98
Loan From Mrs. Poonam Gupta	Payable	-	-
Loan From Mrs. Sneha Gupta	Payable	-	-
Loans from T.K.R.Textile Pvt Ltd	Payable	-	-
Loan from Pasari Exports Ltd	Payable	12,145.19	17,145.19
		12,813.96	17,813.96

Payable to Related Parties as at 31st March 2026

1 **Pasari Exports Limited**

Opening Balance as on April 1, 2025	17,145.19
Add: Amount Paid	
Less: Amount Received	5,000.00
Closing Balance as on March 31, 2026	12,145.19

2 **Gauri Shankar Gupta**

Opening Balance as on April 1, 2025	-
Add: Amount Paid	-
Less: Amount Received	-
Closing Balance as on March 31, 2026	-

3 **Kamaladevi Gupta**

Opening Balance as on April 1, 2025	56.50
Add: Amount Paid	-
Less: Amount Received	-
Closing Balance as on March 31, 2026	56.50

4 **Tarun Kumar Gupta**

Opening Balance as on April 1, 2025	110.28
Add: Amount Paid	-
Less: Amount Received	-
Closing Balance as on March 31, 2026	110.28

5 **Krishna Kumar Gupta**

Opening Balance as on April 1, 2025	501.98
Add: Amount Paid	-
Less: Amount Received	-
Closing Balance as on March 31, 2026	501.98

8 **TKR Textile Private Limited**

Opening Balance as on April 1, 2025	-
Add: Amount Paid	-
Less: Amount Received	-
Closing Balance as on March 31, 2026	-

Payable to Related Parties as at 31st March 2025

1 **Pasari Exports Limited**

Opening Bala	19,147.49
Add: Amount Paid	
Less: Amo	2,002.30
Closing Balar	17,145.19

2 **Gauri Shankar Gupta**

Opening Bala	-
Add: Amo	-
Less: Amo	-
Closing Balar	-

3 **Kamaladevi Gupta**

Opening Bala	56.50
Add: Amo	-
Less: Amo	-
Closing Balar	56.50

4 **Tarun Kumar Gupta**

Opening Bala	110.28
Add: Amo	-
Less: Amo	-
Closing Balar	110.28

5 **Krishna Kumar Gupta**

Opening Bala	501.98
Add: Amo	-
Less: Amo	-
Closing Balar	501.98

8 **Private**

Opening Bala	-
Add: Amount	-
Less: Amoun	-
Closing Balar	-

Rao & Emmar BANGALORE Chartered Accountants

PASARI SPINNING MILLS LTD. B'LORE-82

M/S. PASARI SPINNING MILLS LIMITED
CIN: L65110KA1981PLC012537
Regd Office: NO 18 IIRD FLOOR, ANJANEYA TEMPLE ROAD, VEDIYUR, JAYANAGAR 9TH BLOCK, BANGALORE - 560 082
Notes to the Financial Statements for the year ended March 31, 2026
All Amounts in Rs. in 1000's

(vi) **Contingent Liabilities and Commitments:**

a

Contingent Liabilities	2025-26	2024-25
Claims against Company not acknowledged as Debt	18,016	18,016.07
Guarantees	-	-
Other money for which the Company is contingently liable	-	-
	18,016	18,016.07

The Commercial Tax Authorities had raised a demand, including interest and penalty thereon, aggregating to **Rs. 1,80,16,068**, pertaining to earlier years (1999-00 to 2001-02). As per the payment schedule prescribed in the original order, the amount was payable in five half-yearly instalments. The Company has not paid any of the instalments as demanded and had gone in appeal before the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) for settlement of the matter. Consequent to the dissolution of the BIFR in 2015, the matter now stands with the GST Department. No provision has been made in the books of account in this regard, and the amount continues to be disclosed as a contingent liability at the value of the original demand. The actual liability, if any, upon final determination of the matter may differ from the amount disclosed.

Name of Statute	Nature of Dues	Amount in Rs.	For the Year
Central Sales Tax	CST	4,45,490	1999-00
		5,80,226	2000-01
		6,83,692	2001-02
Karnataka Entry Tax Act	KCAT	46,593	1999-00
		98,299	2000-01
		4,35,199	1999-00
		46,57,137	2000-01
		32,10,915	2001-02
KVAT and CST Act	Penalty	5,000	1999-00
		2,50,000	2000-01
		16,35,296	2001-02
KVAT and CST Act	Interest	3,11,988	1999-00
		33,37,878	2000-01
		19,18,381	2001-02
Total		**1,80,16,068**	

b

Commitments	2025-26	2024-25
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	-	-
Other Commitments	-	-

(vii) TDS receivable for the year FY 2021-22,FY 2022-23 and FY 2025-26 is subject to reconciliation.

(viii) The Previous year figures have been reworked, regrouped, rearranged /reclassified wherever necessary to correspond with current year classification/disclosure.

(ix) Except for the figures of the Basic and Diluted EPS, all amounts are in Thousands

As per our report of even date

For Rao and Emmar
Chartered Accountants
Firm Registration No. 003084S

Pravsen S J
Partner
Membership No. 215713

Place: Bengaluru
Date: May 29, 2026

Rao & Emmar BANGALORE Chartered Accountants

For PASARI SPINNING MILLS LIMITED

Krishna Kumar Gupta
Managing Director
DIN: 00003883

Poonam Gupta
Director
DIN:08447607

CS Unnti
Company Secretary
& Compliance officer

M/S. PASARI SPINNING MILLS LIMITED
CIN: L85110KA1991PLC012537
Regd Office: NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560082
DEPRECIATION UNDER SLM METHOD AS PER COMPANIES ACT, 2013

Note 3: Property, Plant and Equipment

Rs. In 1000's

		Gross Block				Accumulated Depreciation				Net Block	
Fixed Assets	**Depreciation Rate**	**As at 1st Apr 2025**	**Additions**	**Disposals**	**As at 31st Mar 2026**	**As at 1st Apr 2025**	**Depreciation for the year**	**Disposals**	**As at 31st Mar 2026**	**As at 31st Mar 2026**	**As at 31st Mar 2025**
TANGIBLE ASSETS											
Furniture and Fixtures	9.50%	341.52	-	-	341.52	341.52	-	-	341.52	-	-
Vehicles	11.88%	0.00	-	-	0.00	0.00	-	-	0.00	-	-
Office equipment	19.00%	275.63	-	-	275.63	275.63	-	-	275.63	-	-
Computer	31.67%	474.08	-	-	474.08	474.08	-	-	474.08	-	-
Total		1,091.24	-	-	1,091.24	1,091.24	-	-	1,091.24	-	-
Previous Year's Total		-	-	-	-	-	-	-	-	-	-

		Gross Block				Accumulated Depreciation				Net Block	
Fixed Assets	**Depreciation Rate**	**As at 1st Apr 2024**	**Additions**	**Disposals**	**As at 31st Mar 2025**	**As at 1st Apr 2024**	**Depreciation for the year**	**Disposals**	**As at 31st Mar 2025**	**As at 31st Mar 2025**	**As at 31st Mar 2024**
TANGIBLE ASSETS											
Furniture and Fixtures	9.50%	341.52	-	-	341.52	341.52	-	-	341.52	-	-
Vehicles	11.88%	1,901.31	-	1,901.31	0.00	1,901.31	-	1,901.31	0.00	-	-
Office equipment	19.00%	275.63	-	-	275.63	275.63	-	-	275.63	-	-
Computer	31.67%	474.08	-	-	474.08	474.08	-	-	474.08	-	-
Total		2,992.55	-	1,901.31	1,091.24	2,992.55	-	1,901.31	1,091.24	-	-
Previous Year's Total		3,055.13	-	62.58	2,992.55	3,055.13	-	62.58	2,992.55	-	-

Note:
(a)The fixed assets of the company are currently reflected at nominal values, as they have been fully depreciated or written down over time. These assets continue to be carried at amortized cost in the financial statements. The company has not undertaken any recent revaluation of these assets to reassess their fair value or current utility.
(b) A vehicle that was disposed of in previous years had not been recorded as such in the Fixed Assets Schedule at that time. The disposal has been accounted for during the current year. As the asset was carried at a nominal value, there is no material impact on the financial statements.

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PASARI SPINNING MILLS LTD. B'LORE-82

Deferred Tax Statement as on 31.03.2026

Particulars	Amount Rs. In 1000's	Amount Rs. In 1000's
Deferred Tax Assets as at 1.4.2025		13,283
Carried Forward Loss & Unabsorbed Depreciation		
Tax Expense There on @ 22%		-
Depreciation:		
As per Income Tax	93	
As per Companies Act	102	
Difference in Depreciation due to rate & Method of Accounting Effect	9	
Tax Expense There on @ 22%		2
Deferred Tax Assets For the Year		2
Closing balance as on 31.03.2026		**13,285**
Entries :		
1) Deferred Tax Asset - Dr	2	
To Profit & Loss A/c		2

Deferred Tax Statement as on 31.03.2025

Particulars	Amount Rs. In 1000's	Amount Rs. In 1000's
Deferred Tax Assets as at 1.4.2024		13,115
Carried Forward Loss & Unabsorbed Depreciation		
Tax Expense There on @ 22%		-
Depreciation:		
As per Income Tax	104	
As per Companies Act	771	
Difference in Depreciation due to rate & Method of Accounting Effect	667	
Tax Expense There on @ 22%		168
Deferred Tax Assets For the Year		168
Closing balance as on 31.03.2025		**13,283**
Entries :		
1) Deferred Tax Asset - Dr	168	
To Profit & Loss A/c		168

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Ratio Analysis

Ratios	Numerator	Denominator	Current Year			Previous year		
			N	D	R	N	D	R
a) Current Ratio (In times)	Total current assets	Total current liabilities	3,566.75	3,284.91	1.09	4,497.36	3,111.66	1.45
b) Debt- Equity Ratio (In times)	Debt consists of borrowings and lease liabilities	Total equity	12,813.96	3,337.06	3.84	17,813.96	541.07	32.92
c) Debt Service Coverage Ratio (In times)	EBITDA = Earnings Before Interest, Tax, Depreciation, and Amortization	Debt service = Current maturities of Debt	2,896.14	-	NA	4,273.17	-	NA
d) Return on Equity Ratio (In %)	Profit for the year less Preference dividend (if any)	Total equity	2,795.99	3,337.06	0.84	3,604.77	541.07	6.66
e) Inventory Turnover Ratio (In times)	Cost of Goods sold	Average Inventory	-	-	NA	-	-	NA
f) Trade Receivable Turnover Ratio (In times)	Revenue from operations	Average trade receivables	5,279.07	1,215.63	4.34	6,753.53	911.72	7.41
g) Trade Payable Turnover Ratio (In times)	Cost of Operations	Average trade payables	2,162.75	22.90	94.44	2,305.31	41.11	56.07
h) Net Capital Turnover Ratio (In times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	5,279.07	281.84	18.73	6,753.53	1,385.70	4.87
i) Net Profit Ratio (In %)	Profit for the year	Revenue from operations	2,795.99	5,279.07	0.53	3,604.77	6,753.53	0.53
j) Return on Capital Employed (In %)	Profit before tax and finance costs	Capital employed = Total asset - Current Liabilities	2,793.81	22,541.02	0.12	3,502.10	24,745.03	0.14

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PASARI SPINNING MILLS LTD. B'LORE-82

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