

28th **ANNUAL REPORT** 2018 / 2019



Board of Directors

B K Patodia	Chairman
N K Bafna	Independent Director
Prem Malik	Independent Director
S Sundareshan	Independent Director
Rajen K Mariwala	Independent Director (up to 18.9.2019)
Pamela Anna Mathew	Independent Director (up to 7.8.2019)
Rajesh Jacob	Nominee of KSIDC, Trivandrum
Umang Patodia	Managing Director

Dipu George	Company Secretary
T Ravindran	General Manager (Finance) & Chief Financial Officer

Bankers & Financial Institutions

Central Bank of India
State Bank of India
Export-Import Bank of India
IDBI Bank Limited
The Karur Vysya Bank Limited
Oriental Bank of Commerce
Canara Bank
Bank of Maharashtra

Auditors	M/s. L U Krishnan & Co. Chartered Accountants Chennai
-----------------	---

Legal Advisors	M/s. Menon & Pai, Kochi
-----------------------	-------------------------

Registered Office	3rd Floor, Palal Towers, Ravipuram, M G Road, Ernakulam, Kochi 682 016
--------------------------	---

Corporate Office	43, 4th Floor, Mittal Chambers, 228 Nariman Point, Mumbai 400 021
-------------------------	--

Corporate ID No. (CIN)	L18101KL1991PLC006194
-------------------------------	-----------------------

Contents

Notice	01
Directors' Report	15
Report on Corporate Governance	32
Management Discussion & Analysis	44
Auditors' Report	47
Balance Sheet	54
Statement of Profit and Loss.....	55
Cash Flow Statement	56
Notes to Financial Statements.....	58

PATSPIN INDIA LIMITED

NOTICE

NOTICE is hereby given that the **TWENTY EIGHTH** Annual General Meeting of the members of **PATSPIN INDIA LIMITED** will be held on Friday the 20th day of September, 2019 at the Bharat Hotel (BTH), Durbar Hall Road, Kochi 682 016 at 9:30 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the Reports of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri B.K. Patodia (DIN: 00003516), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

Re-appointment of Shri. Umang Patodia as Managing Director as well as fixation of remuneration pursuant to Schedule V of the Companies Act, 2013

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 (the “Act”) and the Rules made thereunder read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri Umang Patodia (holding DIN: 00003588) as Managing Director of the Company, for a period of five years with effect from 4.8.2019, on the terms and conditions including remuneration as are set out and approved by the Nomination & Remuneration Committee and the Board of Directors. The draft remuneration structure placed before this meeting is specifically sanctioned with liberty to the Board of Directors (hereinafter referred to the “Board” which term shall be deemed to include the Nomination & Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and or remuneration and or agreement, subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013 including any statutory re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri. Umang Patodia”.

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Act, the remuneration payable to Shri. Umang Patodia by way of salary, perquisites, commission and other allowance shall not in any event exceed 5% of the net profits of the Company in that financial year”.

“**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Shri. Umang Patodia, the remuneration, perquisites and other allowances shall be governed by the limits prescribed in Section II of Part II of Schedule V to the Act”.

“**RESOLVED FURTHER THAT** Shri Umang Patodia shall not be liable to retire by rotation”

AND

“**FURTHER RESOLVED THAT** the Board and Company Secretary be and are hereby authorized to take all such steps as may be necessary proper or expedient to give effect to this resolution”.

4. To consider and if thought fit, to pass the following resolution as Special Resolution:

Re-appointment of Shri N.K.Bafna (DIN: 00019372) as an Independent Director of the Company

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17 (1A) of SEBI (LODR) Regulations, 2015 and other applicable provisions, if any, as amended from time to time, Shri N.K.Bafna (DIN: 00019372), aged about 80 years, being eligible as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years from 19th September, 2019, whose current period of office is expiring on 18th September 2019 and who has consented to act as an Independent Director of the Company and who has submitted his declaration that he meets the criteria of independence as specified for Independent Director under Section 149 (6) of the Companies Act 2013 and Regulation 16 (1)(b) and 25 (8) of SEBI (LODR) Regulations 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom the company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 (1) of the Companies Act 2013 be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of five years from 19th September, 2019 to 18th September, 2024.”

“**FURTHER RESOLVED THAT** pursuant to SEBI (LODR) (Amendment) Regulations, 2018, approval of the members of the company be and is hereby accorded effective from 1st April, 2019 to Shri N.K.Bafna (DIN: 00019372) for continuation of the Directorship in the company who has attained the age of seventy five years up to the expiry of his present term as an Independent Director i.e. up to 18th September 2019, on the existing

NOTICE (Contd...)

terms and conditions and further for the next five consecutive years effective from 19th September 2019 as an Independent Director of the company”

“**FURTHER RESOLVED THAT** the Board of Directors and Company Secretary of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution”

5. To consider and if thought fit, to pass the following resolution as Special Resolution:

Re-appointment of Shri Prem Malik (DIN: 00023051) as an Independent Director of the Company

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17 (1A) of SEBI (LODR) Regulations, 2015 and other applicable provisions, if any, as amended from time to time, Shri Prem Malik (DIN: 00023051), aged about 77 years, being eligible as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years from 19th September, 2019, whose current period of office is expiring on 18th September 2019 and who has consented to act as an Independent Director of the Company and who has submitted his declarations that he meets the criteria of independence as specified for Independent Director under Section 149 (6) of the Companies Act 2013 and Regulation 16 (1)(b) and 25 (8) of SEBI (LODR) Regulations 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom the company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 (1) of the Companies Act 2013 be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of five years from 19th September, 2019 to 18th September, 2024.”

“**FURTHER RESOLVED THAT** pursuant to SEBI (LODR) (Amendment) Regulations, 2018, approval of the members of the company be and is hereby accorded effective from 1st April, 2019 to Shri Prem Malik (DIN: 00023051) for continuation of the Directorship in the company who has attained the age of seventy five years up to the expiry of his present term as an Independent Director i.e. up to 18th September 2019, on the existing terms and conditions and further for the next five consecutive years effective from 19th September 2019 as an Independent Director of the company”

“**FURTHER RESOLVED THAT** the Board of Directors and Company Secretary of the Company be and are

hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution”

6. To consider and if thought fit, to pass the following resolution as Special Resolution:

Re-appointment of Shri S. Sundareshan (DIN: 01675195) as an Independent Director of the Company

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (LODR) Regulations, 2015, (“Listing Regulations”) as amended from time to time, Shri S. Sundareshan (DIN: 01675195), whose term as an Independent Director of the Company expires on 18th September, 2019 and who has consented to act as an Independent Director of the Company and who has submitted his declarations that he meets the criteria of independence as specified for Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (LODR) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom a notice in writing pursuant to Section 160 (1) of the Companies Act, 2013 has been received from a member signifying his intention to propose his candidature for the office of the Director of Company, be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of 5 years from 19th September, 2019 to 18th September, 2024 and he will not be liable to retire by rotation”

“**FURTHER RESOLVED THAT** the Board of Directors and Company Secretary of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution”

7. Ratification of Cost Auditors remuneration

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

“**RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) there off or the time being in force), the remuneration payable to M/s. Hareesh K.N and Associates, Cost Accountants (Firm Reg. No. 101974), who have been appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the

NOTICE (Contd...)

financial year 2018-19 on a remuneration of Rs. 40,000 and for financial year 2019-20 Rs. 55,000 plus taxes as applicable and reimbursement of expenses incurred by them in connection with the audit, be and is hereby ratified.”

By Order of the Board of Directors

Dipu George

Company Secretary
ACS No. 38716

Place: Kochi
Date: 7.8.2019

NOTES:-

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

The instrument appointing proxy in order to be effective should be deposited at the Registered Office of the Company duly completed and signed not less than 48 hours before the commencement of the meeting. A proxy form is send herewith. Proxy submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution / authority, as applicable.

2. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto and forms part of the Notice.
3. Details under Regulation 36 of SEBI (LODR) Regulations, 2015, “Listing Regulations” in respect of the Directors seeking appointment, re-appointment / continuation at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment
4. Relevant documents referred in the accompanying Notice and in the Statements are open for inspection by the Members at the Company’s Registered Office between 11 A.M. to 1 P.M. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing General Meeting.
5. The Company has already notified Closure of Register of Members and Share Transfer Books thereof from Monday, 16th September 2019 to Friday, 20th September 2019 (both days inclusive) for the purpose of the Annual General Meeting.
6. Pursuant section 125 of the Companies Act 2013 there is no unclaimed dividend for transferring to Investors

Education and Protection Fund (IEPF). Further as per Section 124 (6) of the Act, there is no unclaimed shares to transfer to IEPF Demat Account.

7. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Security Holders are entitled to make nomination in respect of securities held by them in physical form. Individual Security holder(s) can avail of the facility of nomination. The nominee shall be a person in whom all rights of transfer and / or amount payable in respect of the securities shall vest in the event of the death of the Security holder(s). In the case of joint holding; all joint holders shall together nominate any person as nominee. A minor can be a nominee provided the name and address of the guardian is given in the Nomination form. The facility of nomination is not available to non-individual Shareholders such as Bodies-Corporate, Kartas of Hindu Undivided Families, Partnership Firms, Societies, Trust and holders of Power of Attorney. For further details please contact Company’s Secretarial Department. Security holders desirous of making nominations are requested to send their requests in Form No.SH-13 (which will be made available on request) to the Registrar and Share Transfer Agent, M/s Integrated Registry Management Services Private Limited.

REQUEST TO THE MEMBERS:

1. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 7 (Seven) days in advance, so as to enable the Company to keep the information ready.
2. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID / folio no.
3. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.
4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address as soon as possible. All communications relating to shares including change in their address are to be addressed to the Company’s Share Transfer Agent M/s Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No.1, Ramakrishna Street, T Nagar, Chennai-600017, Tel: 044 28140801-803; E-Mail: corpseiv@integratedindia.in
5. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to Company’s Share Transfer Agent M/s Integrated Registry Management Services Private Limited, for doing the needful.
6. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification

NOTICE (Contd...)

No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

7. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to register/update your e-mail addresses, in respect of shares held in dematerialized form with your respective Depository Participants and in respect of shares held in physical form with above RTA directly to enable Company to send communication / documents via e-mail.
8. Copies of the Annual Report 2019 along with Notice of the 28th AGM, Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email address are registered with the Company/ Depository Participant (s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
9. Members who hold shares in physical forms are requested to dematerialise their holdings for facilitating the transfers of Company's equity shares in all stock exchanges connected to the depository system.
- 10. Voting through electronic means**

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (LODR) Regulation, 2015 with the Stock Exchanges, the Company is pleased to offer Remote e voting facility to the members to cast their votes electronically as an alternative to participation at the Annual General Meeting (AGM) to be held on Friday the 20th day of September, 2019 at 9.30 A.M. at the Bharat Hotel (BTH), Durbar Hall Road, Kochi 682 016. Please note that remote e voting through electronic means is optional. The company is also providing the facility of poll at the meeting by way of ballot. The Company has engaged the services of Central Depository Services India Ltd (CDSL) to provide remote e voting facilities. The remote e voting facility is available at the link <https://www.evotingindia.com>:

The Company had fixed cut off date on Friday, 13th September, 2019 for determining voting right of shareholders entitled to participating in the remote e voting process. In this regard, your demat account/ folio number has been enrolled by the Company for your participation in remote e-voting on resolutions placed by the Company on e-voting system.

The remote e voting facility will be available during the following period:

Commencement of remote e voting	9.00 AM onwards on Tuesday 17th September 2019
End of remote e voting	Up to 5.00 PM on Thursday 19th September 2019

During this period, members of the company may cast their vote electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote(s) on a resolution is cast by the member, the member shall not be allowed to change it subsequently, as well as not allowed to vote at the meeting

The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the company as on Friday, 13th September, 2019. A person, whose name is recorded in the Register of members or in the Register of beneficial owners maintained by the Depositories as on the cutoff date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through ballot paper.

Any person who acquires shares of the company and becomes member of the company after dispatch of the Notice and holding shares as on cut off date i.e Friday, 13th September, 2019 may obtain the sequence number by sending a request at corpserv@integratedindia.in.

The instructions for members for voting electronically (both for physical shareholders as well as demat holders) are as under:

- (i) The voting period begins on Tuesday 17th September 2019 at 9:00 A.M. and ends on Thursday 19th September 2019 at 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday 13th September 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders/Members
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

NOTICE (Contd...)

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of Patspin India Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the

Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

The following person shall be responsible to address grievances concerned with facility for remote e-voting:
 Contact Name – Mr. Rakesh Dalvi, Designation - Manager, Address - Marathon Futurex, A-Wing, 25th

NOTICE (Contd...)

floor, N M Joshi Marg, Lower Parel, Mumbai 400013.
Contact No. 1800225533. Email id - helpdesk.evoting@
cdslindia.com.

- The company has appointed Shri. MRL Narasimha(Membership No 2851 CP No.799), practicing company secretary as the Scrutinizer to scrutinize the remote e voting process in fair and transparent manner
- The Scrutinizer shall, immediately after the conclusion of the voting at the AGM, first count the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment in the company and make not later than three days of conclusion of the meeting a consolidated Scrutinizers Report of the Total votes cast in favour or against, if any, to the Chairman or person authorized by him in writing who shall counter sign the same. The chairman or the person authorized by him shall declare the result of the voting forthwith.
- The results declared alongwith the Scrutinizers Report shall be placed on the Company's website www.patspin.com and on the website of CDSL immediately after the result have been declared by the Chairman. The company shall simultaneously communicate the result to BSE Limited and National Stock Exchange of India Limited, where, the shares of the company are listed.

NOTICE (Contd...)**Details of Directors seeking appointment/re-appointment at the forthcoming AGM in pursuance of Regulation 36 of SEBI (LODR) Regulations 2015**

Name of the Director	Shri B.K. Patodia		
DIN	00003516		
Age & Date of Birth	74 years, 1.1.1945		
Nationality	Indian		
Qualification	B.E. (Birla Institute of Science and Technology, Pilani)		
Expertise	He is the past Chairman of the Cotton Textiles Export Promotion Council, (Texprocil), Mumbai, the Indian Cotton Mills' Federation, (now known as Confederation of Indian Textile Industry) and Southern India Mills' Association, Coimbatore. He has also served as President of Cochin Chamber of Commerce and Industry, Kochi and Employers' Federation of Southern India, Chennai. Shri. B.K. Patodia is the past Chairman of the Joint Cotton Committee of International Textile Manufacturers Federation (ITMF), Zurich. He is a member of the Advisory Board on the Committee of Management of ITMF. He is also a member of the Spinners Committee of ITMF. Shri. B.K. Patodia is a Director on the Boards of several leading Companies and is also a Member of several Government Committees including the Cotton Advisory Board and Cotton Yarn Advisory Board appointed by the Ministry of Textiles, Government of India. He was also actively involved in the Sub-Group on Cotton to formulate National Fibre Policy of the Ministry of Textiles..		
Date of Appointment in the Company	20.09.1991		
Other Directorships (Listed / Public Co.)	(i) GTN Textiles Limited, (ii) GTN Enterprises Limited, (iii) India Thermit Corporation Limited (iv) Hind Rectifiers Limited		
Membership / Chairman in other Committees	GTN Textiles Limited	1. Audit Committee	- Member
		2. Stakeholders Relationship Committee	- Member
	GTN Enterprise Limited	Audit Committee	- Member
	India Thermit Corporation Limited	1. Audit Committee	- Member
		2. Nomination and Remuneration Committee	- Member
		3. CSR Committee	- Member
	Hind Rectifiers Limited	Nomination and Remuneration Committee	- Member
Shareholding in the Company	34,550 Equity Shares of Rs 10 each		
Relationship between Directors Inter -se Directors	Related to Shri. Umang Patodia, Managing Director		

Name of the Director	Shri. N.K Bafna		
DIN	00019372		
Age & Date of Birth	80 years, 03.07.1939		
Nationality	Indian		
Qualification	B.Com, FCA, Law Graduate		
Expertise	Practicing Chartered Accountant and a Senior Partner of M/s. Lodha & Co. Chartered Accountants, Mumbai. Besides his proficiency in Finance and Accounts, he is also an expert in Company Law matters.		
Date of Appointment in the Company	19.9.2014		
Other Directorships (Listed / Public Co.)	Prime Urban Development India Ltd		
Membership / Chairman in other Committees	Patspin India Limited	1. Audit Committee	- Chairman
		2. Stakeholders Relationship Committee	- Member
		3. Nomination and Remuneration Committee	- Chairman
	Prime Urban Development India Ltd	1. Stakeholders Relationship Committee	- Chairman
		2. Audit Committee	- Member
Shareholding in the Company	NIL		
Relationship between Directors Inter -se Directors	NIL		

NOTICE (Contd...)

Name of the Director	Shri Prem Malik	
DIN	00023051	
Age & Date of Birth	77 years, 3.2.1942	
Nationality	Indian	
Qualification	MA	
Expertise	Shri. Prem Malik is having over 4 decades of experience in textiles and clothing. He had worked as Executive Director of main Board of Mafatal Fine Spinning & Manufacturing Company Limited and M/s. Bombay Dyeing and Manufacturing Company Limited. Presently he is a Textile Consultant /Advisor. He was the past Chairman of (i) Confederation of Indian Textile Industry, (ii) TEXPROCIL, (iii) Bombay Textile Research Association, (iv) India ITME Society and (v) Synthetic Rayon Textile Export Promotion Council. He was also Member / Director of Textile Committee, Ministry of Textile, Government of India. Presently he is also serving as a Non-Executive Independent Director in various companies.	
Date of Appointment in the Company	19.9.2014	
Other Directorships (Listed / Public Co.)	(i) GTN Textiles Limited, (ii) Indo Count Industries Ltd, (iii) Lahoti Overseas Limited, (iv) Ginni International Ltd, (v) NSL Textiles Limited	
Membership / Chairman in other Committees	GTN Textiles Limited	1. Stakeholders Relationship Committee - Chairman 2. Audit Committee - Member 3. Nomination and Remuneration Committee - Member
	Patspin India Ltd	1. Stakeholders Relationship Committee - Member 2. Audit Committee - Member 3. Nomination & Remuneration Committee - Member
	Lahoti Overseas Limited	Audit Committee - Member
	Ginni International Limited	1. Audit Committee - Chairman 2. Corporate Social Responsibility Committee - Member
	Indo Count Industries Ltd	1. Nomination and Remuneration Committee - Chairman 2. Audit Committee - Member 3. Risk Management Committee - Member
Shareholding in the Company	NIL	
Relationship between Directors Inter -se Directors	NIL	

Name of the Director	Shri S.Sundareshan	
DIN	01675195	
Age & Date of Birth	66 years, 28.10.1952	
Nationality	Indian	
Qualification	M.A,M.B.A, Retired I.A.S	
Expertise	Worked at Senior Level in the Ministry of Heavy Industries & Public Enterprises as Secretary, Department of Heavy Industries, Ministry of Petroleum & Natural Gas as Secretary, Special Secretary and Additional Secretary. He was on the Board of ONGC,GAIL India Ltd and IOC. He was also Chairman of Petronet LNG Ltd. and Chairman, Forward Markets Commission. Shri Sundareshan has held several important positions in the Government of India including Joint Secretary in the Department of Economic Affairs (Ministry of Finance), Minister (Economic and Commercial), Embassy of India, Tokyo,Japan, Joint Chief Controller of Imports & Exports (Ministry of Commerce) and Deputy Secretary, Ministry of Environment, Government of India. He has handled important assignments in his cadre State Kerala. These include Principal Secretary (Revenue), Secretary (Department of Expenditure), District Collector in kerala, Managing Director (MD), Kerala State Milk Marketing Federation, MD, Kerala Fisheries Corporation.	
Date of Appointment in the Company	19.09.2014	

NOTICE (Contd...)

Other Directorships (Listed / Public Co.)	(i) GTN Textiles Limited, (ii) Krishnapattam Port Limited (iii) Tide Water Oil Co. India Limited, (iv) Great Energy Corporation Limited, (v) Indian Clearing Corporation Limited, (vi) Price Thomas Holdings Limited, England		
Membership / Chairman in other Committees	GTN Textiles Limited	1. Stakeholders Relationship Committee 2. Audit Committee 3. Nomination and Remuneration Committee	- Member - Member - Member
	Patspin India Ltd	1. Stakeholders Relationship Committee 2. Audit Committee 3. Nomination & Remuneration Committee	- Member - Member - Member
	Krishnapattam Port Limited	Audit Committee	- Member
	Tide Water Oil Co. India Limited	Audit Committee	- Member
	Great Energy Corporation Limited	Audit Committee	- Member
	Indian Clearing Corporation Limited	Audit Committee	- Member
Shareholding in the Company	NIL		
Relationship between Directors Inter -se Directors	NIL		

By Order of the Board of Directors

Place: Kochi
Date :7.8.2019**Dipu George**
Company Secretary
ACS No. 38716

NOTICE (Contd...)

Statement pursuant to Section 102 of the Companies Act, 2013

Item No.3

The present term of office of Shri Umang Patodia as Managing Director will expire on 3rd August 2019. Subject to shareholders' approval, the Board of Directors, at their meeting held on 21st May, 2019 have reappointed him for a further period of five years from the expiry date of his term on the remuneration determined by the Nomination & Remuneration Committee of the Board of Directors.

Nomination & Remuneration Committee constituted by the Board had met on 21.5.2019 and approved and recommended remuneration package of Shri. Umang Patodia, Managing Director for a period of three years, in accordance with Schedule V to the Companies Act, 2013

Pursuant to the provisions of Companies Act 2013, Remuneration payable by companies having no profit or inadequate profit shall pay remuneration to the managerial person not exceeding the limits under (A) and (B),

A.	
(1)	(2)
Where the Effective Capital (EC) is	Limit of yearly remuneration payable shall not exceed (Rs)
i. Negative or less than Rs. 5 Crore	60 lacs
ii) Rs. 5 crores and above but less than Rs. 100 Crores	84 lacs
iii) Rs. 100 crores and above but less than Rs.250 Crores	120 lacs
iv) Rs. 250 Crores and above	120 lacs+0.01% of EC in excess of Rs. 250 Crores
Provided that the remuneration in excess of above limits may be paid if the resolution passed by the shareholders is a special resolution.	
B.	
In case of a managerial personnel who is functioning in a professional capacity, (remuneration as per item (A) may be paid), if such managerial personnel is not having any interest in the capital of the company or its holding company or any of its subsidiaries directly or indirectly or through any other statutory structures and not having any, direct or indirect interest or related to the Directors or promoters of the company or its holding company or any of its subsidiaries at any time during the last two years before or on or after the date of appointment and possess graduate level qualification with expertise and specialized knowledge in the field in which the company operates.	
Provided that any employee of a company holding shares of the company not exceeding 0.5% of its paid up share capital under any scheme formulated for allotment of shares to such employees including employees stock option plan or by way of qualification shall be deemed to be a person not having any interest in the capital of the company.	
Provided further that the limits specified under items (A) and (B) of the section shall apply, if :	
(i) Payment of remuneration is approved by a resolution passed by the Board and, in the case of a company covered under sub section (1) of Section 178 also by the Nomination and Remuneration Committee.	
(ii) The company has not committed any default in payment of dues to any Bank or public Financial Institution or non convertible debenture holders or any other secured creditor, and in case of default, the prior approval of the Bank or Public Financial Institution concerned or the non convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the company before obtaining the approval in the general meeting.	
(iii) An Ordinary resolution or a Special resolution, as the case may be has been passed for payment for remuneration as per item (A) or a Special Resolution has been passed for payment of remuneration as per item (B) at the General Meeting of the company for a period not exceeding 3 years.	
(iv) A statement alongwith Notice calling the General meeting with certain specified information is to be given to the shareholders.	

Shri. Umang Patodia, Managing Director was drawing remuneration in the scale of Rs. 4,00,000 per month plus usual perquisites and the Nomination and Remuneration Committee recommend to retain the same for the period from 1st June, 2019 for a period of three years up to 31st May, 2022 on the following terms:

a) Salary:

Rs.4,00,000/- per month in the Scale Rs.400000–Rs 20000–Rs 440000 effective from 1st June, 2019 for a period of three years up to 31st May, 2022.

b) Commission:

Subject to the overall limits laid down in Sections 197 of the Companies Act, 2013 such percentage of the Net Profit of the Company or such quantum as may be fixed by the Board of Directors for each financial year not exceeding 2% of the Net Profits of the Company, each year, restricted to an overall limit of Rs.60 lacs per annum.

NOTICE (Contd...)

c) Perquisites as follows:

- (i) Housing: Rent free accommodation will be provided to the appointee for which actual amount of lease rental paid or payable by the Company or 10% of the salary, whichever is lower, shall be recovered. In case no accommodation is provided by the Company, House Rent Allowance, subject to a ceiling of 60% of the appointees salary shall be paid. In addition, the appointee shall be allowed Company owned furniture and fixtures, if required.
- (ii) The expenditure incurred by the appointee on gas, electricity and water shall be reimbursed by the Company.
- (iii) All Medical Expenses incurred by the appointee for self and his family shall be reimbursed.
- (iv) Leave Travel Concession for the appointee and his family will be allowed once in a year as per the Rules of the Company.
- (v) Fees of Clubs: Subject to a maximum of 2 Clubs. This will not include admission and life membership fees.
- (vi) Personal Accident Insurance: As per Rules of the Company.
- (vii) Provision of Car with driver and telephone at the residence for use of Company's business.

Perquisites not included in Managerial Remuneration

- a) contribution to Provident Fund, Superannuation or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961
- b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c) encashment of leave at the end of the tenure.

d) Overall Remuneration:

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 197 and other applicable provisions of the Act read with Schedule V to the said Act, as may for the time being in force.

e) Minimum Remuneration:

In case of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary, commission and perquisites shall be governed by the limits prescribed under the Section II of Part II of Schedule V to the Act.

Further more, approval of the members in general meeting by way of a special resolution is required to be obtained for payment of minimum remuneration, by way of salary and perquisites and allowances as specified above in the event of absence or inadequacy of profits in any financial year during the tenure of Shri Umang Patodia, Managing Director of the Company.

Shri. B.K. Patodia and Shri. Umang Patodia are related to each other and are deemed to be interested in the resolution mentioned in Item no.3 of the Notice.

None of the other directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financial or otherwise, in the resolution.

Information required to be disclosed in terms of Schedule V to the Companies Act, 2013:-

I. General Information:

- i) Nature of the industry:
Textile Industry – the Company is mainly engaged in manufacture and exports of yarn, both for domestic and international markets.
- ii) Date or expected date of commencement of Commercial Production:
The Commercial Production has commenced during January, 1994.
- iii) In case of new companies, expected date of commercial activities as per Project approved by financial institutions appearing in the prospectus. - Not applicable.
- iv) Financial Performance:

Particulars	2016-2017	2017-18	2018-19
Revenue from Operations	53154	52284	54851
Other income	98	81	252
Operating Profit	5486	3138	3667
Finance Cost	3476	3308	2923
PBDT	2010	(170)	774
Profit /(Loss)Before Tax	1313	(268)	(305)
Profit / (Loss)After Tax	312	(434)	(236)
Amount of Equity Dividend Paid	0	0	0
Rate of Dividend Declared (%)	0	0	0

NOTICE (Contd...)

The Effective Capital of the Company based on the Audited Accounts for the Year Ended 31.3.2019 is Rs 115 Crores. Though there are some delay, the Company has not made any default in the repayments of its dues or interest payments thereon. The Company has not issued any debentures.

Export Performance and Net foreign Exchange contributions:

(Rs. in Crs.)

Financial Year	Export Turnover
2016-17	284.68
2017-18	289.74
2018-19	306.40

The Company does not have any Foreign Exchange Collaboration.

vi) Foreign Investments or Collaborators, if any:

The Company does not have any foreign investments or collaborators.

II. Information about the appointee: Shri.Umang Patodia

Vide Item No.3 of the Notice of this Annual General Meeting of the Company; the approval of the members is being sought for fixing the remuneration of Shri. Umang Patodia, Managing Director effective from 1st June,2019 for a period of three years from 01.06.2019 to 31.5.2022. Shri. Umang Patodia is a Citizen of India, 50 years of age. He is a Commerce Graduate and has over two decades of experience in the textile business and has a successful presence in the textile business segment. He is actively involved in the day to day management of the Company. He plays a pivotal role in policy matters as well as strategic planning and has also been instrumental in the project implementation, start up and operations of the Company. He is the past Chairman of CII -Kerala State Council. He is presently Committee Member of CII State and Southern Region, Confederation of Indian Textile Industry, TEXPROCIL and special invitee in Southern India Mills Association. In the year 2000, he was nominated by CITI New Delhi, to the "YOUNG ENTREPRENEURS GROUP" of International Textile Manufacturers' Federation based at Zurich, and in October 2002, the group nominated him as their Vice Chairman. Mr. Umang Patodia, who pioneered the Young Entrepreneurs Group during 2003 within CITI served as its founder Chairman till September 2005. He is also a Member and Networking Chair of Young Presidents Organization (YPO) Kerala Chapter.

During the financial year 2018-19, he was paid the following remuneration:

(Rs. in lacs)

Salary	Commission	Perquisites	P.F./Gratuity/ Superannuation	Total
48.00	NIL	2.08	8.09	58.17

Pecuniary Relationship: The Company had not entered into any transaction of material in nature with any of the related parties which were in conflict with the interest of the Company. Further, all transactions with the related parties were in the ordinary course of business and at arms length.

III. Other Information:

The Directors Report and the Management Discussion and Analysis forming part of the Annual Report mentioned in detail "other information" as required under Schedule V of the Companies Act, 2013.

Draft Agreement referred in the resolution would be available for inspection by the members at the Registered office of the Company during normal business hours on all working days up to the date of the Annual General Meeting.

Shri. Umang Patodia, Managing Director and Shri.B K Patodia, Chairman, are being related to each other are deemed to be interested in the resolution mentioned in Item No.3 of the notice and none of the other Directors of the Company and Key Managerial Personnel or their relatives is in any way concerned or interested, financial or otherwise in the resolution.

The terms and conditions mentioned in item No.3 of the notice may also be taken as an Abstract of the agreement to be made by the Company with Shri Umang Patodia, pursuant to section 190 of the Companies Act, 2013.

Your Directors recommend this Resolution for approval.

Item No. 4 and 5

The Members of the Company at their 23rd Annual General Meeting of the Company held on 19th September, 2014, had approved the appointment of Shri N.K.Bafna (DIN: 00019372), and Shri Prem Malik (DIN: 00023051) as Independent Directors of the Company for a period of five years from 19th September, 2014 to 18th September, 2019, pursuant to provisions of Section 149, 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Regulations with the Stock Exchanges. They hold office as Independent Directors of the Company upto the close of business hours on 18th September, 2019 in their present first term.

NOTICE (Contd...)

Pursuant to the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment on passing of a Special Resolution by the Company. Further, a new sub-regulation 17(1A) of SEBI (LODR) Regulations, 2015 mandates that no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years on 1.4.2019, unless a Special Resolution is passed to that effect. The Company has received individual notices in writing from Members of the Company under the provisions of Section 160(1) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, proposing the candidature of Shri N.K.Bafna, aged about 80 years and Shri Prem Malik, aged about 77 years for the office of Directors of the Company to continue from 1.4.2019 to 18.9.2019 and also for the second term of 5 years effective from 19.9.2019.

Shri N.K.Bafna and Shri Prem Malik, Non-Executive Independent Directors of the Company, being eligible for re-appointment, have given their consents as well as requisite disclosures along with a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015, as amended. In the opinion of the Board of Directors of the Company, each of the said Directors fulfil the conditions specified in the Companies Act, 2013 & Rules framed there under and the SEBI (LODR) Regulations, 2015 as amended for re-appointment of Independent Director.

The Board of Directors of the Company, based on the performance evaluation of Independent Directors and as per recommendation of the Nomination & Remuneration Committee, at its meeting held on 7.8.2019, approved the re-appointment of Shri N.K.Bafna and Shri Prem Malik, as Non-Executive Independent Directors of the Company for the further period of five years from 19th September, 2019 to 18th September, 2024, as mentioned in the Resolutions set out under item no. 4 and 5.

The Board of Directors considers that Shri N.K.Bafna and Shri Prem Malik have requisite expertise, versatility, extensive and enriched experience that will be of benefit to the Company.

Shri. N.K.Bafna is a Practicing Chartered Accountant and a Senior Partner of M/s. Lodha & Co. Chartered Accountants, Mumbai. Besides his proficiency in Finance and Accounts, he is also an expert in Company Law matters.

Shri. Prem Malik is a Post Graduate from Punjab University and is having over 4 decades of experience in textiles and clothing. He had worked as Executive Director of main Board of Mafatlal Fine Spinning & Manufacturing Company Limited and M/s. Bombay Dyeing and Manufacturing Company Limited. Presently he is a Textile Consultant /Advisor. He was the past Chairman of (i) Confederation of Indian Textile Industry, (ii) TEXPROCIL, (iii) Bombay Textile Research Association, (iv) India ITME Society and (v) Synthetic Rayon Textile Export Promotion Council. He was also Member / Director of Textile Committee, Ministry of Textile, Government of India. Presently he is also serving as a Non-Executive Independent Director in various companies and brings rich experience to the Board.

Copy of the draft letter for appointment of Shri. N.K.Bafna and Shri. Shri.Prem Malik as an Independent Directors setting out the terms and conditions is available for inspection by members at the registered office of the Company between 11 A.M. to 1 P.M. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing Annual General Meeting.

None of the other Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested in the said Resolutions. The Board recommends the Special Resolution set out at Item No. 4 and 5 of the Ballot Notice for approval by the members.

Item No. 6

The Members of the Company at their 23rd Annual General Meeting of the Company held on 19th September, 2014, had approved the appointment of Shi. S.Sundareshan (DIN: 01675195) as Independent Director of the Company for a period of five years from 19th September, 2014 to 18th September, 2019, pursuant to provisions of Section 149, 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Regulations with the Stock Exchanges. He hold office as Independent Directors of the Company upto the close of business hours on 18th September, 2019 in his present first term.

Pursuant to the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment on passing of a Special Resolution by the Company. The Company has received individual notices in writing from Members of the Company under the provisions of Section 160(1) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, proposing the candidature of Shri. S.Sundareshan for the office of Directors of the Company.

Shri. S.Sundareshan, Non-Executive Independent Director of the Company, being eligible for re-appointment, have given his consent as well as requisite disclosures along with a declaration to the Board that he meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015, as amended. In the opinion of the Board of Directors of the Company, the said Director fulfil the conditions specified in the Companies Act, 2013 & Rules framed there under and the SEBI (LODR) Regulations, 2015 as amended for re-appointment of Independent Director.

NOTICE (Contd...)

The Board of Directors of the Company, based on the performance evaluation of Independent Directors meeting held on 13.2.2019 and as per recommendation of the Nomination & Remuneration Committee at its meeting held on 7th August, 2019, approved the re-appointment of Shri. S.Sundareshan as Non-Executive Independent Director of the Company for the further period of five years from 19th September, 2019 to 18th September, 2024, as mentioned in the Resolutions set out under item no. 6.

The Board of Directors considers that Shri. S.Sundareshan have requisite expertise, versatility, extensive and enriched experience that will be of benefit to the Company.

Shri S.Sundareshan aged about 66 years is a Retired IAS officer (1976 Batch). He did his Masters from University of Mumbai and MBA Degree from the University of Leeds, United Kingdom. He has worked at Senior Level in the Ministry of Heavy Industries & Public Enterprises as Secretary, Department of Heavy Industries, Ministry of Petroleum & Natural Gas as Secretary, Special Secretary and Additional Secretary. He was on the Board of ONGC, GAIL India Ltd and IOC. He was also Chairman of Petronet LNG Ltd. and Chairman, Forward Markets Commission. He has held several important positions in the Government of India including Joint Secretary in the Department of Economic Affairs (Ministry of Finance), Minister (Economic and Commercial), Embassy of India, Tokyo, Japan, Joint Chief Controller of Imports & Exports (Ministry of Commerce) and Deputy Secretary, Ministry of Environment, Government of India. He has also handled important assignments in his cadre State Kerala. These include Principal Secretary (Revenue), Secretary (Department of Expenditure), District Collector in Kerala, Managing Director - Kerala State Milk Marketing Federation, MD - Kerala Fisheries Corporation. Presently he is also serving as a Non-Executive Independent Director in various reputed companies and brings rich experience to the Board

Copy of the draft letter for appointment of Shri. S.Sundareshan as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company between 11:00 A.M. to 1:00 P.M. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing Annual General Meeting.

None of the other Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested in the said Resolutions.

The Board recommends the Special Resolution set out at Item No. 6 of the Ballot Notice for approval by the members.

Item No .7

The Board of Directors of the company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Hareesh K.N & Associates, Cost Accountants to conduct the audit of the cost records of the company's textile units for the financial year ended 31st March, 2019

In terms of the provisions of section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Cost Records & Audit) Rules, 2014, the remuneration payable to the cost auditor has to be ratified by the members of the company. Accordingly, the members are requested to ratify the remuneration payable to the cost auditors for the financial year 2018-19 on a remuneration of Rs. 40,000 and for financial year 2019-20 Rs. 55,000 as set out in the ordinary resolution for the aforesaid service to be rendered by them.

None of the Directors and / or Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise in the resolution set out at item No 7

Your Directors recommend the resolution for approval.

By Order of the Board of Directors

Place: Kochi
Date :7.8.2019

Dipu George
Company Secretary
ACS No. 38716

PATSPIN INDIA LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors present the TWENTY EIGHTH Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2019

1. FINANCIAL RESULTS

(₹ in lacs)

Particulars	Year ended	
	31.3.2019	31.3.2018
REVENUE		
Income from operations	54,851	52,284
Other income	252	81
Changes in Inventories	355	(739)
Total	55,458	51,626
EXPENSES		
a) Cost of materials	33,781	32,348
b) Employee benefits expense	3,577	3,546
c) Other expenses	14,433	12,594
Total	51,791	48,488
OPERATING PROFIT (EBITDA)	3,667	3,138
Finance Cost	2,923	3,308
PROFIT/(LOSS) BEFORE DEPRECIATION, AMORTISATION & TAX EXPENSES	744	(170)
Depreciation and Amortisation Expenses	1,033	1045
PROFIT/(LOSS) BEFORE TAX AND BEFORE EXCEPTIONAL ITEM	(289)	(1,215)
PROFIT ON SALE OF WINDMILLS & VRS EXPENSES (NET)	(16)	947
PROFIT/(LOSS) BEFORE TAX AFTER EXCEPTIONAL ITEM	(305)	(268)
Tax Expenses		
a) Current Tax (MAT)	--	--
b) Deferred Tax Charge / (Credit)	(69)	166
PROFIT/(LOSS) AFTER TAX	(236)	(434)

2. FINANCIAL PERFORMANCE

Financial year 2018-19 witnessed many external challenges in the form of fluctuating cotton prices, demand constraints and tight liquidity conditions. Despite this, your company was able to improve its revenue to Rs.548.15 Cr. in FY 2018-19 from Rs.522.84 Cr. in the FY 2017-18. Exports were higher at Rs.306.40 Cr. in FY 2018-19 as against Rs.289.74 Cr. in the previous FY 2017-18. Operating Profit (EBITDA) was higher at Rs. 36.67 Cr. as against Rs.31.38 Cr. in the previous year. Consequently, the net loss for the FY 2018-19 was lower at Rs.2.36 Cr. compared to the loss of Rs.4.34 Cr. in the previous FY 2017-18.

As regards the debt position, your company has since repaid 68% (Rs.173 Cr) of the outstanding debt of Rs.255 Cr. as at the date of the CDR i.e., 1st April, 2012. However, on account of continued stress in liquidity position, your company is in discussion with its Lenders to restructure its outstanding debts of Rs.82 Cr. as on date under RBI's prudential framework for resolution of stressed assets circular of 7th June 2019.

3. DIVIDEND

In view of the losses for the financial year ended 31st March 2019, the Board of Directors regret their inability to recommend any dividend for the year 2018-19 and accordingly, has not recommended / proposed declaration of any dividend.

4. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is provided in a separate section and forms an integral part of this Report.

5. PUBLIC DEPOSITS

The Company does not have "Deposits" as contemplated under Clause V of the Companies Act 2013. Further, the company has not accepted any such deposits during the year ended 31st March 2019.

6. CORPORATE GOVERNANCE

The Company has always strived to adopt appropriate standards for good Corporate Governance.

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company, together with a Certificate from the Company's Auditors as well as Practicing Company Secretary confirming compliance, forms an integral part of this Report.

7. DIRECTORS AND KEY MANAGERIAL PERSONS

Shri N.K.Bafna (DIN: 00019372), Shri Prem Malik (DIN: 00023051) and Shi. S.Sundareshan (DIN: 01675195) will be completing their present term as Independent Directors of the company on 18th September 2019. On the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on 7th August 2019, subject to the approval of shareholders by special resolution has recommended the reappointment of Shri N.K.Bafna (DIN: 00019372), Shri Prem Malik (DIN: 00023051) and Shi. S.Sundareshan (DIN: 01675195) as Independent Directors of the company for a further term of 5 years effective from 19th September 2019.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Special Resolution is required for continuation of a Non-Executive and Independent Directors beyond the age of 75 years w.e.f. April 1, 2019.

DIRECTORS' REPORT (Contd...)

Shri. N.K. Bafna and Shri, Prem Malik, Independent Directors are above 75 years of age. The Board recommends your approval by Special Resolution for their continuance in the Board.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of the independence as prescribed both under section 149(6) of the Companies Act, 2013 and under Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, in accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Shri B.K. Patodia (DIN 00003516), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-election.

Smt. Pamela Anna Mathew, Independent Woman Director has resigned from the Board due to her pre-occupation with her business with effect from 7.8.2019. The Board records its sincere appreciation for her valuable contribution during her association with the company.

Shri. Rajen K Mariwala will be completing his present term as Independent Director of the company on 18th September 2019. Due to preoccupation, he is unable to continue his Directorship beyond his present term. The Board records its sincere appreciation for his valuable contribution during his long association with the company.

The required information of the Directors being re-appointed, pursuant to the provisions of the Listing Regulations, forms part of the Annual Report.

There is no change in the composition of the Board of Directors and the Key Managerial Personnel, except as stated above.

8. KEY MANAGERIAL PERSONNEL

Shri Umang Patodia, Managing Director, Shri T.Ravindran, Chief Financial Officer and Shri Dipu George, Company Secretary were appointed as Key Managerial Personnel of your Company, in accordance with the provisions of Section 203 of the Companies Act 2013 and there is no change in the same during the year under review.

9. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 4 times during the year ended 31st March, 2019 in accordance with the provisions of the Companies Act, 2013 and rules made there under. The details thereof are given in the Corporate Governance Report.

10. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met once during the Financial Year under review. The Meeting was conducted without the presence of the Non-Independent Directors and members of management.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledge the responsibility for ensuing compliances with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended on 31st March 2019 and state that:

- (i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there are no material departures from the same;
- (ii) they have 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 your company as at 31st March 2019 and of the profit or loss of the company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the Annual Accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. BOARD EVALUATION

Pursuant to the provisions of Companies Act and Listing Regulations, Annual Evaluation of the Board, the Directors individually as well as working of its constituted committees has been carried out from time to time.

13. FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. This is to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarize them with the process, business and functionalities of the Company and to assist them in performing their role as Independent Directors of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other relevant regulations and affirmation taken with respect to the same.

The Chairman and the Management has also one to one discussion with the Directors to familiarize with the company's operations.

DIRECTORS' REPORT (Contd...)

14. AUDITORS

M/s. L.U.Krishnan & Co. (Regn.No.001527S) Chartered Accountants, Chennai were appointed as the Auditors of the Company at the 26th Annual General Meeting (AGM) held on 22nd September, 2017 to hold office from the conclusion of the 31st AGM of the Company.

Reports issued by the Statutory Auditors on the Standalone financial statements for the year ended 31st March 2019 are with unmodified opinion (unqualified).

15. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed Shri. MRL Narasimha (C.P No. 799), Practicing Company Secretary to undertake the Secretarial Audit of the Company.

Secretarial Audit Report issued by Shri. MRL Narasimha, Practicing Company Secretary in Form MR-3 forms part to this report as Annexure I. The said report does not contain any observation or qualification requiring explanation or adverse remark

16. COST AUDITORS

Pursuant to the provisions of Section 148 (3) of the Companies Act, 2013, the Board of Directors on the recommendation of the Audit Committee, appointed M/s. Hareesh K.N and Associates, Cost Accountants, as the Cost Auditors of the company for the year ended 31st March, 2019. The remuneration payable to the Cost Auditor is subject to approval of the Members at the Annual General Meeting. Accordingly, the remuneration payable to the Cost Auditors forms a part of the Notice convening 28th Annual General Meeting and the resolution is recommended for your approval.

17. EXTRACT OF ANNUAL RETURN

The extract of Annual Return in Form MGT-9 as per Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of Companies (Management & Administration) Rules, 2014 is annexed hereto as Annexure II and forms part of this report.

18. RELATED PARTY TRANSACTIONS

All transactions entered with related parties were on arm's length basis and in the ordinary course of business. There were no materially significant transactions with the related parties during the financial year and were not in conflict with the interest of the company. Thus, a disclosure in Form AOC -2 in terms of Section 134 of the Companies Act 2013 is not required. All related party transactions are placed before the Audit Committee as also before the Board for approval.

The Board of Directors, as recommended by the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Regulations. This Policy has been uploaded on the website of the Company.

19. LOANS & INVESTMENTS

Details of loans, guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Financial Statements forming part of this report.

20. RISK MANAGEMENT

The company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor business risks. The Audit Committee and the Board periodically review the risks and suggest steps to be taken to manage/ mitigate the same through a properly defined framework.

During the year, a risk analysis and assessment was conducted and no major risks were noticed, which may threaten the existence of the company.

21. VIGIL MECHANISM / WHISTE BLOWER POLICY

The company has a Vigil Mechanism / Whistle Blower Policy to report genuine concerns or grievances. The Vigil Mechanism (Whistle Blower Policy) has been posted on the company's website (www.patspin.com).

22. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the provisions of Section 135 read with the Section 198 of the Companies Act 2013, the company do not have CSR obligation for the year 2018-19. Accordingly, there has been no meeting of CSR Committee held during the year. The statutory disclosures with respect to CSR is annexed hereto forming part of this Report (Annexure III)

Even though the provisions of Section 135 (5) of Companies Act, 2013 regarding Corporate Social Responsibility are not yet attracted, the company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

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

Information required under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in the Annexure IV forming part of this report

24. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an effective internal control and risk mitigation system designed to effectively control the operations at its Head Office, Plants and Depots. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining

DIRECTORS' REPORT (Contd...)

assets. The Company has well designed Standard Operating Procedures. Independent Internal Auditors conduct audit covering a wide range of operational matters and ensure compliance with specified standards. Planned periodic reviews are carried out by Internal Audit. The findings of Internal Audit are reviewed by the top management and by the Audit Committee of the Board of Directors.

Based on the deliberations with Statutory Auditors to ascertain their views on the financial statements including the Financial Reporting System and Compliance to Accounting Policies and Procedures, the Audit Committee was satisfied with the adequacy and effectiveness of the Internal Controls and Systems followed by the company.

25. NOMINATION & REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a frame work in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. More details on the same are given in the Corporate Governance Report.

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

The Company has in place an anti-sexual harassment policy in line with the requirements of the sexual harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Compliance Committee (ICC) is already been functioned for redressing complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaints under this policy during the year ended 31st March, 2019.

27. PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134 (3) (q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUENRATION OF MANAGERIAL PERSONNEL) RULES, 2014

The information required pursuant to section 134 (3) (q) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company will be provided upon

request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered office of the company during business hours on working days of the company up to the date of the ensuing Annual General meeting. If any Member is interested in obtaining a copy thereof, such member may write to the company in this regard.

30. PERSONNEL & INDUSTRIAL RELATIONS

Industrial Relations were cordial and satisfactory. There were no employees whose particulars are to be given in terms of Section 134(3)(q) of the companies Act,2013 read with Rule 5(2) and 5(3) of the companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

31. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant and material orders passed by the Regulators or Courts or Tribunals that would impact the going concern status of your Company and its future operations.

32. GENERAL

- a) There was no issue of equity shares with differential rights as to dividend, voting or otherwise: and;
- b) There was no issue of shares (including sweat equity shares) to the employees of the company under any scheme.

33. ACKNOWLEDGEMENT

Your Directors place on record their gratitude to Central Bank of India, State Bank of India, Export-Import Bank of India, The Karur Vysya Bank Limited, IDBI Bank Limited, Oriental Bank of Commerce, Bank of Maharashtra and Canara Bank and the concerned Departments of the State and Central Government, Valuable customers, Employees and Shareholders for their assistance, support and co-operation to the Company.

For and on behalf of the Board of Directors

Place: Kochi
Date: 7th August, 2019

B K PATODIA
(DIN:00003516)
Chairman

Annexure - I

FORM MR - 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members of PATSPIN INDIA LIMITED

(CIN : L18101KL1991PLC006194)

I have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **PATSPIN INDIA LIMITED** (here in after called "the Company"). I have conducted the Secretarial Audit in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing my opinion there on.

I am issuing this report based on my verification of the books, papers, minutes books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company, during the financial year ended 31st March, 2019 and also after 31st March, 2019 but before the issue of this report and the information provided by the Company, its officers, agents and authorized representatives during my conduct of secretarial audit.

I hereby report that, in my opinion, during the audit period covering the financial year ended on 31st March 2019 (hereinafter referred to as "the year"), the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made here in after. The members are requested to read this report along with my letter of even date annexed to this report as Annexure- A.

1. I have examined the books, papers, minutes books and other records maintained by the Company and the forms and returns filed during the year according to the applicable provisions of:
 - i. The Companies Act, 2013 (the Act), the rules made there under.
 - ii. The Companies Act, 1956.
 - iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
 - iv. The Depositories Act, 1996 and the regulations and bye-laws framed there under.
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act 2013 and dealing with client; and
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
2. I am informed that, during the year the Company was not required to maintain any books, papers, minute books or other records or to file any forms / returns according to the provisions of:
 - i. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - ii. The following Regulations and Guidelines prescribed under the SEBI Act:
 - (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October, 2014);
 - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
3. I am also informed that for the year, there were no other laws specifically applicable to the company, the books, papers, minute books, forms and returns of which were required to be examined by me for the purpose of this report.
4.
 - i) I have also examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
 - ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. During the period under review, and also considering the compliance related action taken by the Company after 31st March, 2019 but before the issue of this report, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable.

Annexure - I

6. I further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. There is no change in the composition of Board of Directors.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent at least seven days in advance.
- (iii) A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- (iv) There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Coimbatore
Date: 7th August, 2019

M.R.L.Narasimha
Practicing Company Secretary
Membership No:2851
Certificate of Practice:799

Annexure - A to Secretarial Audit Report of even date

To,
The Members,

PATSPIN INDIA LIMITED,
[CIN:L18101KL1991PLC006194],

My Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March, 2019 is to be read along with this letter.

1. Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, I have also taken into consideration the compliance related action taken by the Company after 31st March, 2019 but before the issue of this report.
4. I have verified the records to see whether the correct facts are reflected in the secretarial records. I also examined the compliance procedures followed by the Company. I believe that the processes and practices I followed provide a reasonable basis for my opinion. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
6. My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Coimbatore
Date: 7th August, 2019

M.R.L.Narasimha
Practicing Company Secretary
Membership No:2851
Certificate of Practice:799

Annexure - II

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:i **CIN:-L18101KL1991PLC006194**ii **Registration Date: 20/09/1991**iii. **Name of the Company: PATSPIN INDIA LIMITED**iv. **Category / Sub-Category of the Company: PUBLIC, HAVING SHARE CAPITAL****Address of the Registered office and contact details:**

NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:	
NAME	PATSPIN INDIA LIMITED
Address	3RD FLOOR, PALAL TOWERS, MG ROAD, RAVIPURAM ERNAKULAM
Town / City	ERNAKULAM
State	KERALA
Pin Code:	682016
Country Name :	INDIA
Country Code	91

v) **Whether listed company: YES**vi) **Name, Address and Contact details of Registrar and Transfer Agent, if any**

Registrar & Transfer Agents (RTA):-	M/s Integrated Registry Management Service Private Ltd
Address	2 nd floor, Kences Towers, No.1, Ramakrishna Street, T. Nagar
Town / City	Chennai
State	Tamil Nadu
Pin Code:	600017
Telephone (With STD Area Code Number)	044-28140801 044-28140803
Fax Number :	044-28142479
Email Address	corpserv@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	COTTAN YARN SPINNING	13111	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]**NOT APPLICABLE**

Annexure - II (Contd...)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1st April -2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Particulars	Demat	Physical	Total	% of Total	Demat	Physical	Total	
A. Shareholding Of Promoter And Promoter Group									
(1)Indian									
Individual/Hindu Undivided Family	80350	0	80350	0.260	80350	0	80350	0.260	0
Central Government	0	0	0	0	0	0	0	0	0
State Government	0	0	0	0	0	0	0	0	0
Bodies Corporate	20016568	0	20016568	64.740	20016568	0	20016568	64.740	0
Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
Any other(specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL A(1)	20096918	0	20096918	65.000	20096918	0	20096918	65.000	0.000
(2)Foreign									
Individual(Non resident/foreign)	0	0	0	0	0	0	0	0	0
Bodies corporate	0	0	0	0	0	0	0	0	0
Institutions	0	0	0	0	0	0	0	0	0
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Any other(specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL A(2)	0	0	0	0.000	0	0	0	0.000	0.00
Total Shareholding of promoter and Promoter Group(A)=A(1)+A(2)	20096918	0	20096918	65.000	20096918	0	20096918	65.000	0.000
B.Public Shareholding									
(1)Institutions									
Mutual funds/UTI	0	2600	2600	0.010	0	2600	2600	0.010	0
Financial Institutions/Banks	0	4700	4700	0.020	0	4700	4700	0.020	0
Central Government	0	0	0	0	0	0	0	0	0
State Government(s)	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0
Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Any other(specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL B(1)	0	7300	7300	0.020	0	7300	7300	0.020	0.000
(2)Non-Institutions									
Bodies Corporate(Indian/foreign/Overseas)	424362	15201	439563	1.420	295037	15201	310238	1.000	-0.42
Individuals(Resident/NRI/Foreign National)	0	0	0	0.000	0	0	0	0.000	0.000
Individual shareholders holding Nominal share Capital upto Rs.1 Lakh	4685885	1366221	6052106	19.570	4904517	1281975	6186492	20.010	0.44
Individual shareholders holding Nominal share Capital above Rs.1 Lakh	3750991	0	3750991	12.130	3895545	0	3895545	12.600	0.47
Any other(specify)	0	0	0	0	0	0	0	0	0
Clearing Member	287648	0	287648	0.930	96530	0	96530	0.310	-0.62
NRI	157645	119988	277633	0.900	149123	114038	263161	0.850	-0.05

Annexure - II (Contd...)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April -2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
Others	6741	1100	7841	0.030	62716	1100	63816	0.210	0.18
SUB TOTAL B(2)	9313272	1502510	10815782	34.980	9403468	1412314	10815782	34.980	0.000
Total Public Share Holding (B)=B(1)+B(2)	9313272	1509810	10823082	35.000	9403468	1419614	10823082	35.000	0.000
GRAND TOTAL (A)+(B)+(C)	29410190	1509810	30920000	100.000	29500386	1419614	30920000	100.000	0.000

ii. Shareholding of Promoter-

SN	Share holder's Name	Shareholding at the beginning of the year ([As on 1 ST APRIL -2018]			Shareholding at the end of the year [As on 31-March-2019]			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	GTN Textiles Ltd	14287068	46.21	23.57	14287068	46.21	23.57	0.00
2	K.S.I.D.C.Limited	2490000	8.05	Nil	2490000	8.05	Nil	0.00
3	B.K Patodia	34550	0.11	Nil	34550	0.11	Nil	0.00
4	Umang Patodia	11000	0.04	Nil	11000	0.04	Nil	0.00
5	M/s Beekayee Credit P Ltd	1366900	4.42	Nil	1366900	4.42	Nil	0.00
6	Mala Patodia	500	0.00	Nil	500	0	Nil	0.00
7	Prabha Patodia	32800	0.11	Nil	32800	0.11	Nil	0.00
8	B.K Patodia HUF	200	0.00	Nil	200	0	Nil	0.00
9	Patodia Exports & Investments P Ltd	1487700	4.81	Nil	1487700	4.81	Nil	0.00
10	Ankur Patodia	400	0.00	Nil	400	0	Nil	0.00
11	Umang Finance P Ltd	384900	1.25	Nil	384900	1.25	Nil	0.00
12	Prabha Patodia	900	0.00	Nil	900	0	Nil	0.00
	TOTAL	20096918	65.00	23.57	20096918	65.00	23.57	0.00

iii. Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	20096918	65.00	20096918	65.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No changes during the year			
	At the end of the year	20096918	65.00	20096918	65.00

Annexure - II (Contd...)

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SN	NAME OF THE SHAREHOLDERS	PARTICULARS	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SUBRAMANIAN P	At the beginning of the year	1300390	4.206	1300390	4.206
		Changes during the year	No Changes			
		At the end of the year			1300390	4.20
2.	GRACE R DEORA	At the beginning of the year	616756	1.995	616756	1.995
		Changes during the year	No Changes			
		At the end of the year			616756	1.995
3.	PRASHANT HANMANT APSHINGE	At the beginning of the year	133993	0.433	133933	0.433
		Changes during the year	Buy 16007 shares on 07.04.2018			
		At the end of the year			150000	0.485
4.	NARINDER BAJAJ	At the beginning of the year	105000	0.340	105000	0.340
		Changes during the year	No Changes			
		At the end of the year			105000	0.340
5.	RAJALAKSHMI S	At the beginning of the year	98053	0.317	98053	0.317
		Changes during the year	No Changes			
		At the end of the year			98053	0.317
6.	SHEKHAR R ATHALYE	At the beginning of the year	89487	0.289	89487	0.289
		Changes during the year	Buy 11588 shares on 13.04.2018			
		At the end of the year			101075	0.327
7.	MAHESH CHANDULAL THAKKER	At the beginning of the year	87239	0.28	87239	0.28
		Changes during the year	No changes			
		At the end of the year			87239	0.28
8.	POLISETTY GNANA DEV	At the beginning of the year	84297	0.273	84297	0.273
		Changes during the year	Buy 15543 shares on 01.04.2018			
		At the end of the year			99840	0.323
9.	PATERASP R DUBASH	At the beginning of the year	70128	0.227	70128	0.227
		Changes during the year	No changes			
		At the end of the year			70128	0.227
10	LSC SECURITIES LTD	At the beginning of the year	61835	0.200	61835	0.200
		Changes during the year	Sold 54076 shares on 06.04.2018			
			Sold 1310 shares on 13.04.2018			
			Sold 1000 shares on 04.05.2018			
			Buy 500 shares on 11.05.2018			
			Buy 500 shares on 18.05.2018			
			Buy 1000 shares on 25.05.2018			
			Sold 900 shares on 01.06.2018			
			Buy 1000 shares on 08.06.2018			
			Sold 100 shares on 31.08.2018			
			Buy 1000 shares on 28.09.2018			
			Buy 700 shares on 30.11.2018			
			Sold 1700 shares on 07.12.2018			
			Sold 7049 shares on 01.02.2019			
			Buy 1600 shares on 08.02.2019			
			Sold 1000 shares on 15.02.2019			
			Buy 1200 shares on 22.02.2019			
	Buy 1000 shares on 08.03.2019					
	Buy 7000 shares on 15.03.2019					
	At the end of the year			10200	0.033	

Annexure - II (Contd...)

v) Shareholding of Directors and Key Managerial Personnel:

SN	NAME OF THE KMP/ DIRECTORS	PARTICULARS	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	BINOD KUMAR PATODIA	At the beginning of the year	34550	0.11	34550	0.11
		Changes during the year	No changes			
		At the end of the year			34550	0.11
2.	UMANG PATODIA	At the beginning of the year	11000	0.03	11000	0.03
		Changes during the year	No changes			
		At the end of the year			11000	0.03
3	N K BAFNA NK	At the beginning of the year	0	0.00	0	0.00
		Changes during the year				
		At the end of the year	0		0	0.00
4	PREM SARDARI LAL MALIK	At the beginning of the year	0	0.00	0	0.00
		Changes during the year				
		At the end of the year	0		0	0.00
5	SUNDARESHAN STHANUNATHAN	At the beginning of the year	0	0.00	0	0.00
		Changes during the year				
		At the end of the year			0	0.00
6	RAJENDRA KISHORE MARIWALA	At the beginning of the year	21300	0.068	21300	0.068
		Changes during the year	No changes			
		At the end of the year			21300	0.068
7	PAMELA ANNA MATHEW	At the beginning of the year	0	0.00	0	0.00
		Changes during the year				
		At the end of the year	0		0	0.00
8	RAJESH JACOB	At the beginning of the year	0	0.00	0	0.00
		Changes during the year				
		At the end of the year	0		0	0.00
9	T. RAVINDRAN	At the beginning of the year	100	0.001	100	0.001
		Changes during the year	No changes			
		At the end of the year			100	0.001
10	DIPU GEORGE	At the beginning of the year	10	0.00	10	0.00
		Changes during the year	No changes			
		At the end of the year			10	0.00

Annexure - II (Contd...)

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	19154.46	210	-	19364.46
ii) Interest due but not paid	184.28	-	-	184.28
iii) Interest accrued but not due	-	4.65	-	4.65
Total (i+ii+iii)	19338.74	214.65	-	19553.39
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	3293.76	10	-	3303.76
Net Change	(3293.76)	(10)	-	(3303.76)
Indebtedness at the end of the financial year				
i) Principal Amount	15860.70	200	-	16060.70
ii) Interest due but not paid	205.30	-	-	205.30
iii) Interest accrued but not due	-	1.22	-	1.22
Total (i+ii+iii)	16066.00	201.22	-	16267.22

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	UMANG PATODIA (MANAGING DIRECTOR)				Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4800000				4800000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	207867				207867
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...					
5	Others, please specify					
	Total (A)	5007867				5007867
	Maximum Ceiling as per the Act	12000000				12000000

Annexure - II (Contd...)

B. Remuneration to other directors

SN	Particulars of Remuneration	Name of Directors					Total Amount
		N K Bafna	Prem Malik	S.Sundareshan	Rajen K Mariwala	Pamela Anna Mathew	
1	Independent Directors						
	Fee for attending board/ committee meetings	85000	62500	67500	7500		222500
	Commission						
	Others, please specify						
	Total (1)						
2	Other Non-Executive Directors	B.K Patodia	Rajesh Jacob				
	Fee for attending board/ committee meetings	30000	7500				37500
	Commission						
	Others, please specify						
	Total (2)						
	Total (B)=(1+2)						
	Total Managerial Remuneration						260000
	Overall Ceiling as per the Act						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
		Dipu George (CS)	T.Ravindran (CFO)	Total
1	Gross salary	479460	1776480	2255940
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	Others specify...			
5	Others, please specify			
	Total	479460	1776480	2255940

Annexure - II (Contd...)**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFNCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

For and on behalf of the Board of Directors

B K PATODIA
(DIN:00003516)
Chairman

Place: Kochi
Date: 7th August, 2019

Annexure - III

CSR REPORT 2018-19

a) Brief outline of CSR policy

The company has framed a CSR policy in compliance with the provisions of the Companies Act, 2013. The CSR Policy inter-alia, covers the concept (CSR philosophy, activities undertaken by the group, scope and applicability, resources, identification and approval process, implementation and monitoring, etc.).

b) Composition of CSR Committee

The CSR Committee of the Board of Directors presently consists of 4 Directors namely Shri. B.K.Patodia, Chairman Shri. N. K.Bafna and Shri. Prem Malik, Independent Directors and Shri. Umang Patodia, Managing Director as members. The composition of the committee conforms to the statutory requirement.

c) Calculation of CSR Obligation for 2018-19 based on the average profit of the company for last three financial years, net profit is calculated as per the provisions of Section 198 read with Section 135 of the Companies Act, 2013

Year	Net profit for the purpose of CSR Obligation (Amt. ₹ In lakhs)
2017-18	(1215.42)
2016-17	820.99
2015-16	56.58
A. Total Net profit for 3 years	(337.85)
B. Average net profit (A/3)	NIL
C. 2% of average net profit in 2018-19	NIL

I) Manner in which the amount spent during the financial year 2018-19 – NA

Since there was nil CSR obligation, no expenses were incurred on CSR Activities during the year 2018-19

II) The company has nil CSR obligation for the year 2018-19

III) Responsibility statement of CSR Committee

This is to certify that the implementation and Monitoring of the CSR Policy is in compliance with the CSR Objectives as well as the policy of the company.

B K PATODIA

Chairman of CSR Committee

Place: Kochi

Date: 7.8.2019

ANNEXURE TO THE DIRECTOR'S REPORT

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

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo etc. required to be disclosed under Section 134 of the Companies Act 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of energy-

- (i) The step taken or impact on conservation of energy
 - (ii) The steps taken by the company for utilizing alternate sources of energy
 - (iii) The capital investments on energy conservation equipments
- Topmost priority for energy conservation is given at all levels and continually working on reducing the energy consumption through improved operational and maintenance practices.
- a) 17 nos of 150 W sodium vapour street light lamps replaced with 40 W/20W energy efficient LED lamps
 - b) 3 times rewound 2 nos of 7.5Kw motors replaced with energy efficient IE2 motors
 - c) 4 nos of 11Kw monoblock pumps used for humidification replaced with 3.7Kw submersible pumps
 - d) 200 nos of 36W fluorescent lamps used for lighting the production area replaced with 18W LED lamps
 - e) Multi fan system in 9 nos compact spinning frames replaced with Central Duct System
 - f) Pneumafil fan motor inverter conversion with pressure transducer done in 1 ring frame
 - g) 720 nos of 36W fluorescent lamps used for lighting the production area replaced with 18W LED lamps
 - h) 18 nos of 150 W sodium vapour street light lamps replaced with 36 W energy efficient LED lamps.
 - i) Centralised suction arrangement done for comber noil extraction removing 2.2 Kw motor in one machine.
 - j) Inverter conversion done in B unit preparatory humidification plant for reducing energy consumption

(B) Technology absorption:

- a) The efforts made towards technology absorption
- : Individual Spindle Monitoring system installed in 3 ring frames for real time monitoring of production data, power, breakages, waste, defective spindles, worker efficiency, humidity, etc to effect improvement in productivity, efficiency and quality levels.
- Short stretch conversion (Spinning Geometry change) done in 17 ring frames in order to bring reduction in spinning breaks and consequent increase in productivity and improvement in quality of fine counts
- Auto levellers in 3 nos RSB drawing machines converted from analogue DC drives to digital AC drives to achieve consistency in sliver quality.
- Short stretch conversion has been done in 13 ring frames in order to bring reduction in spinning breaks and consequent increase in productivity and improvement in quality of fine counts

Annexure - IV (Contd...)

- b) the benefits derived like product improvement, cost reduction, product development or import substitution : Indigenous technology alone is used and research and development are carried out by separate Textile Research Association for textile units situated in Southern Region (SITRA)
- c) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) In many areas, appropriate technology updation has been done and some are as under
- | |
|---------------------------------|
| Murata Process Coner
II QPRO |
| March, 2015 |
| Yes |
- a) the details of technology imported
- b) the year of import;
- c) whether the technology been fully absorbed
- d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof Japanese principle of 5S Methods of Shop floor Management has been introduced in the unit with a goal of Manufacturing Excellence
- d) the expenditure incurred on Research and Development. : NIL

The Foreign Exchange earned in terms of actual inflow during the year ₹ 29568.90 Lakhs
The Foreign Exchange outgo during the year in terms of actual outflows ₹ 8097.48 Lakhs

For and on behalf of the Board of Directors

B K PATODIA
Chairman
(DIN:00003516)
Chairman

Place: Kochi
Date: 07/08/2019

PATSPIN INDIA LIMITED

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2018-19

1. Company's practice on Corporate Governance

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the organization. Your company is committed to the adoption of and adherence to the best corporate governance practices at all times. The Corporate Governance guidelines are in compliance with the requirements of schedule V of SEBI (LODR), Regulations, 2015. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facets of its operations, and in all its interactions with its stake holders, including shareholders, employees, the government and lenders.

2. Board of Directors

The Board is headed by Non-Executive Chairman, Shri. B K Patodia and comprises eminent persons with considerable professional experience in diverse fields. About 88% of the Board consists of Non- Executive Directors. The Composition of the Board and category of directors as on 31.3.2019 are as follows:

Category	Name of Directors
Promoter / Executive Director	Shri. Umang Patodia
Promoter / Non-Executive Directors	Shri. B.K. Patodia Shri. Rajesh Jacob (Nominnee of KSIDC, Trivandrum)
Independent Directors	Shri. N.K. Bafna Shri. Prem Malik Shri. S. Sundareshan Shri Rajen K Mariwala Smt. Pamela Anna Mathew

Attendance of Directors at Board Meetings, last Annual General Meeting and Number of Other Directorships and Chairmanships / Memberships of Committees of each Directors in various Companies:

Name of the Director	DIN No	No. of shares held	Attendance particulars		No. of other Directorships and Committee memberships / Chairmanships			Relationship interse Directors
			Board meetings	Last AGM	Other Directorships including Pvt.Ltd.Cos.	Other Committee Memberships	Other Committee Chairmanships	
Shri.B K Patodia	00003516	34,550	4	Present	8	4	None	Related to Shri.Umang Patodia
Shri.N K Bafna	00019372	Nil	4	Leave sought	1	2	1	None
Shri. Prem Malik	00023051	Nil	3	Leave sought	9	5	2	None
Shri. S. Sundareshan	01675195	Nil	3	Leave sought	6	6	None	None
Shri. Rajen K Mariwala	00007246	21,300	1	Leave sought	7	None	None	None
Smt.Pamela Anna Mathew	00742735	Nil	Nil	Leave sought	6	None	None	None
Shri Rajesh Jacob	06443594	Nil	1	Leave sought	5	None	None	None
Shri. Umang Patodia	00003588	11,000	4	Present	5	None	None	Related to Shri.B K Patodia

Notes:

- In accordance with Regulation 26 (b) of the SEBI (LODR) Regulations 2015, Membership / Chairmanship of only the Audit Committees and Stakeholders Relationship Committees of all Public Limited Companies has been considered
- None of the Directors on the Board is a member on more than 10 committees and Chairman of more than 5 Committees across all the Companies in which he is a Director as per Regulation 26 (1) of SEBI (LODR) Regulations 2015.

REPORT ON CORPORATE GOVERNANCE (Contd...)

- Number of Board meetings held and the dates on which held;
Four Board meetings were held during the year. The maximum time gap between any two consecutive Meetings did not exceed 120 days

The details of the Board Meetings are as under:

Sl No.	Date	Board Strength	No. of Directors present
1)	30 th May 2018	8	4
2)	14 th August 2018	8	5
3)	5 th November 2018	8	6
4)	13 th February 2019	8	5

- Code of Conduct**

The Company has laid down a Code of Conduct for all Board Members as well as Senior Management Personnel of the Company. The Code of Conduct is available on the website of the Company www.patspin.com.

The Managing Director has confirmed and declared that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. The declaration to that effect forms part of this report.

- Independent Directors**

The company has complied with the conditions of Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations, 2015. The company has also obtained declaration of independence from each Independent Directors pursuant to Section 149 (7) of the Companies Act, 2013.

- Separate meeting of Independent Directors**

A separate meeting of Independent Directors was held on 13.02.2019 without the attendance of Non-Independence Directors and members of the management.

- Induction & Training of Board Members (Familiarization programme for Independent Directors)**

Letter of Appointment(s) are issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal introduction from the Chairman about the Company's manufacturing, marketing, finance and other important aspects.

- Evaluation of the Board's Performance**

The Board has a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board based on the criteria laid down by Nomination and Remuneration Committee which included attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest, adherence to Code of Conduct and Business ethics, monitoring of regulatory compliance, risk assessment and review of Internal Control Systems etc.

3. Audit Committee

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations, 2015.

Terms of reference:

The terms of reference of the Audit Committee covers all the areas mentioned under Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations.

The terms of reference of the Audit Committee, inter-alia is as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment and removal of External Auditors, fixation of Audit Fee and approval for payment for any other services;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
- Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements

REPORT ON CORPORATE GOVERNANCE (Contd...)

- f. Disclosure of any Related Party Transactions;
- g. Modified opinion(s) in the draft Audit Report;
- (v) Review of the quarterly and half yearly financial results with the management and the Statutory Auditors;
- (vi) Examination of the financial statement and the Auditors' Report thereon;
- (vii) Review and monitor Statutory Auditor's independence and performance and effectiveness of audit process;
- (viii) Approval or any subsequent modification of transactions with related parties;
- (ix) Scrutiny of Inter-Corporate Loans and Investments;
- (x) Review of valuation of undertakings or assets of the company wherever it is necessary;
- (xi) Evaluation of Internal Financial Controls and Risk Management Systems;
- (xii) Review with the Management, Statutory Auditors and the Internal Auditors about the nature and scope of audits and of the adequacy of internal control systems;
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- (xiv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (xv) Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- (xvi) Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- (xvii) Review the functioning of the whistle blower mechanism;
- (xviii) Review and monitor the end use of funds raised through public offers and related matters;
- (xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading Code and supervise its implementation under the overall supervision of the Board;
- (xxi) Review of the following information:
 - (i) Management Discussion and Analysis of financial condition and results of operations;
 - (ii) Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management;
 - (iii) management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - (iv) Internal Audit Reports relating to internal control weaknesses;
 - (v) the appointment, removal and terms of remuneration of the Chief Internal Auditor
 - (vi) Statement of deviations:
 - o quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)
 - o annual statement of funds utilized for purposes other than those stated in the offer document/prospectus in terms of Regulation 32(7), if applicable
- (xxii) Carrying out any other function as may be referred to the Committee by the Board.
- (xxiii) Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II to the Listing Regulations

Internal Audit

The Company has adequate internal control and Internal Audit System commensurate with its size and nature of its business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their report to the Audit Committee for their consideration.

Composition and Attendance during the year

All members of the Committee are financially literate, with Mr. N.K.Bafna, as Chairman of the Committee, having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31st March, 2019 are as under:

REPORT ON CORPORATE GOVERNANCE (Contd...)

Sl. No.	Name of the Member	Category of Director	No. of meetings held	No. of meetings attended
1)	Shri.N.K. Bafna	Chairman & Independent Director	5	5
2)	Shri.Prem Malik	Independent Director	5	4
3)	Shri.S.Sundareshan	Independent Director	5	4
4)	Shri.Umang Patodia	Managing Director	5	4

The Audit Committee met Five (5) times during the financial year 2018-19 and the gap between two meetings did not exceed 120 days. The dates on which Audit Committee Meetings held were: 30th May 2018, 14th August 2018, 5th November, 2018 26th November, 2018 and 13th February, 2019. Required quorum was present at the above meetings.

The Audit Committee meetings are usually attended by the Managing Director, Director (Finance), CFO, Head of Finance and the respective departmental heads, wherever required. The Company Secretary acts as the Secretary of the Audit Committee. The Statutory Auditors and Internal Auditors also attend the Audit Committee meetings by invitation.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

During the year, the Audit Committee reviewed key audit findings covering Operational, Financial and Compliance areas, Risk Mitigation Plan covering key risks affecting the Company which were presented to the Committee.

The Chairman of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings.

- **Internal Audit and Control:**

M/s Varma & Varma, Chartered Accountants, Kochi, Internal Auditors carried out Internal Audit of the Company except Ponneri Unit. M/s. V.C.Tirupathi, Chartered Accountant, Coimbatore is internal Auditor for Ponneri Unit. Internal Audit Plan and their remuneration are being approved by the Audit Committee. The reports and findings of the Internal Auditors and the Internal Control Systems are periodically reviewed by the Audit Committee.

- **Prevention of Insider Trading:**

The Audit Committee also monitors implementation and compliance of the Company's Code of Conduct for prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended up-to-date. Shri. Dipu George, Company Secretary is the Compliance Officer of the Company.

- **Vigil Mechanism:**

The Company has established a vigil mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy duly adopted by the Board. The same is available on the website of the Company www.patspin.com. No personnel has been denied access to the Audit Committee to lodge their grievances.

4. **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

The Committee comprises of Three Independent Directors, viz. Shri. N.K. Bafna as Chairman, Shri. Prem Malik and Shri. S. Sundareshan as members.

The broad terms of reference of the Committee include;

- To identify persons who are qualified to become directors and who may be appointed in senior management, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance
- Formulation of the criteria for determining the qualifications, positive attributes and independence of the director and recommend to the Board a policy, relating to remuneration of the Directors, Key Managerial Personnel and other employees
- Formulation of criteria for evaluation of independence directors and the Board
- Devising a policy on Board diversity

The remuneration policy is in consonance with the existing industry practice and also with the provisions of Companies Act.

The Committee met on 21.05.2019 and evaluated performance of the entire Board as per Regulation 19 of the SEBI (LODR), Regulations 2015. The committee has also approved remuneration package of Shri. Umang Patodia, Managing Director for period of 3 years from 1.06.2019 to 31.05.2022 in accordance with Section 197 & 198 read with schedule V of the Companies Act 2013. The remuneration structure approved by the Nomination and Remuneration Committee as well as the Board of Directors is as follow:

REPORT ON CORPORATE GOVERNANCE (Contd...)

a) Salary:

Rs.4,00,000/- per month in the Scale ₹ 400000-20000-440000 effective from 1st June, 2019 for a period of three years upto 31st May, 2022.

b) Commission:

Subject to the overall limits laid down in Sections 197 of the Companies Act, 2013 such percentage of the Net Profit of the Company or such quantum as may be fixed by the Board of Directors for each financial year not exceeding 2% of the Net Profits of the Company, each year, restricted to an overall limit of Rs.60 lacs per annum.

c) Perquisites as follows:

- (i) Housing: Rent free accommodation will be provided to the appointee for which actual amount of lease rental paid or payable by the Company or 10% of the salary, whichever is lower, shall be recovered. In case no accommodation is provided by the Company, House Rent Allowance, subject to a ceiling of 60% of the appointees salary shall be paid. In addition, the appointee shall be allowed Company owned furniture and fixtures, if required.
- (ii) The expenditure incurred by the appointee on gas, electricity and water shall be reimbursed by the Company.
- (iii) All Medical Expenses incurred by the appointee for self and his family shall be reimbursed.
- (iv) Leave Travel Concession for the appointee and his family will be allowed once in a year as per the Rules of the Company.
- (v) Fees of Clubs: Subject to a maximum of 2 Clubs. This will not include admission and life membership fees.
- (vi) Personal Accident Insurance: As per Rules of the Company.
- (vii) Provision of Car with driver and telephone at the residence for use of Company's business.

Perquisites not included in Managerial Remuneration

- a) contribution to Provident Fund, Superannuation or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961
- b) gratuity payable at a rate not exceeding half a months salary for each completed year of service; and
- c) encashment of leave at the end of the tenure.

d) Overall Remuneration:

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 197 and other applicable provisions of the Act read with Schedule V to the said Act, as may for the time being in force.

e) Minimum Remuneration:

In case of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary, commission and perquisites shall be governed by the limits prescribed under the Section II of Part II of Schedule V to the Act.

Remuneration to the Managing Director

The aggregate of salary and perquisites paid for the year ended 31st March, 2019 to the Managing Director is as follows:-
Shri. Umang Patodia : Rs 50.08 lacs

Besides this, the Managing Director was also entitled to Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent not taxable and Gratuity as per the Rules of the Company.

• **Remuneration to Non-Executive Directors:**

No Remuneration is paid to Non-Executive Directors except sitting fee for attending the meeting of the Board and Committees thereof:

The details of payment of sitting fee are as follows

Meeting	Amount (in Rs)
Board	7500
Committee	5000

The Fee paid for the year ended 31st March, 2019 to the Non Executive Directors is as follows

Name of the Non-Executive Directors	Sitting fee (Rs.)
Shri.B K Patodia	30000
Shri.N K Bafna	85000
Shri Prem Malik	62500
Shri. S. Sundarshan	67500

REPORT ON CORPORATE GOVERNANCE (Contd...)

Smt. Pamela Anna Mathew	NIL
Shri Rajen K Mariwala	7500
Shri. Rajesh Jacob	7500
Total	260000

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Directors.

• Remuneration Policy

The remuneration policy of your company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives

The company endeavors to attract, retain develop and motivate a high performance work force. The company follows a mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

5. Stakeholders Relationship Committee

In terms of Section 178 (5) of the Act and Regulation 20 of the Listing Regulations, the terms of reference of the Stakeholders Relationship Committee as under :

- To consider and resolve the grievances of the security holders of the company, including complaints related to transfer of shares, non receipt of annual reports, non receipt of declared dividend, etc.
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar and Share Transfer Agent
- Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring untimely receipt of dividend warrants / annual reports/statutory notices by the shareholders of the company
- To set for the policies relating to and to oversee the implementation of the code of conduct for prevention of insider trading and to review the concerns received under the company's code of conduct.

The Composition of the Committee comprises of Shri N. K. Bafna as Chairman, Shri Prem Malik, Shri. S.Sundareshan and Shri. UmangPatodia as members

During the year, Four meetings of the Stakeholders Relationship Committee were held as under:

Sl. No.	Date	Committee Strength	No. of Directors present
1)	30 th May 2018	4	3
2)	14 th August 2018	4	3
3)	05 th November 2018	4	4
4)	13 th February 2019	4	4

Shri. Dipu George, Company Secretary is the Secretary to the Committee.

• Complaints received and redressed during the year:

The total number of Complaints received and resolved to the satisfaction of investors during the year ended 31.3.2019 is as under: -

Type of Complaints	No of Complaints
Non-receipt of Annual Reports	1
Non-receipt of Dividend Warrants	6
Non-receipt of Share Certificates	--
Complaints in respect of Electronic Transfers	--
Complaints /queries received from Regulatory Agencies	--
Others	--
Total:	7

There is no outstanding complaints as on 31st March, 2019

Pursuant to clause 40(9) of the SEBI (LODR), Regulations 2015, a certificate on a half yearly basis confirming due compliances of share transfer formalities by the company from Practicing Company Secretary has been submitted to the Stock Exchanges within the stipulated time.

REPORT ON CORPORATE GOVERNANCE (Contd...)

6. Disclosures:

• Basis of Related Party Transactions:

- (i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee
- (ii) There are no Related Party Transactions that may have potential conflict with the interest of the company at large.
- (iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on arms' length basis
- (iv) The company has obtained Shareholders approval by way of special resolution to enter into Related Party Transactions
- (v) There is no non-compliance by the company and no penalties, strictures imposed on the company by stock exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years

• Disclosure of Accounting Treatment

The Company has adopted IND-AS w.e.f. 1st April 2017 and the financial statements were based on IND-AS and on guidelines laid down by the Institute of Chartered Accountants of India (ICAI)

• Board Disclosures - Risk Management:

The Company has laid down procedures to inform the Board of Directors about the risk assessment and minimization procedures. The Audit Committee and the Board of Directors review these procedures, periodically

• Proceeds from public issues, right issues, preferential issues etc.

The Company did not have any of the above issues during the year under review.

• Annual Secretarial Compliance

The Company has obtained Annual Secretarial Compliance Report on annual basis from the Company Secretary in Practice for compliance with Regulation 24(A) of SEBI (LODR) Regulations 2015 and the copy of the same is communicated with Stock Exchange within prescribed time limit

• Management Discussion and Analysis Report.

The Management Discussion and Analysis Report have been included separately in the Annual Report to the shareholders.

• Shareholders

- (i) The quarterly results approved by the Audit Committee / Board of Directors are put on the Company's website www.patspin.com under "investor info" section
- (ii) The Company has also send Annual Report through email to those shareholders who have registered their email ids with Depository Participants.

• Reconciliation of Share Capital Audit

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

• Means of communication

- (i) Half-yearly report sent to each household of shareholders
Although, Half-yearly report is not sent to each household of shareholders, the Company normally publishes the same in all India editions of BUSINESS STANDARD [National Daily] and DEEPIKA [Regional News Paper].
- (ii) Quarterly results
The quarterly results are normally published in all India editions of BUSINESS STANDARD [National Daily] and DEEPIKA [Regional Newspaper].
Your Company is also uploading regularly quarterly Corporate Governance Report, Shareholding Pattern and other related documents through web based platforms of NSE and BSE. The same can be accessed i) <https://connect2nse.com/LISTING> and ii) <https://www.listing.bseindia.com>
The same were also displayed in the website of the Company, www.patspin.com
The Company did not make any presentation to the analysts / institutional investors.

7. MD and CFO Certification

The Managing Director and CFO of the Company give quarterly / annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015.

8. Compliance on Corporate Governance:

The quarterly compliance report has been submitted to the Stock Exchanges at BSE & NSE in the requisite format duly signed by the compliance officer. Pursuant to Regulation 27 of SEBI (LODR) Regulations, 2015. Auditors' certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

REPORT ON CORPORATE GOVERNANCE (Contd...)

9. General Body Meetings:

- A. Location, date and time of the Annual General Meetings held during the preceding 3 years and special resolution passed:

Year	Location	Date	Day	Time	Special Resolution passed in previous AGM
2015-16	Aangan Hall, Bharat Hotel, Kochi-682016	23.09.2016	Friday	9.30.am	No
2016-17	-do-	22.09.2017	Friday	9.30.am	Fixation of remuneration to Shri. UmangPatodia, Managing Director for his balance tenure
2017-18	-do-	26.09.2018	Friday	9.30.am	No

- B. Extra –Ordinary General Meeting of the shareholders was held during the year – No
- C. During the year, members of the Company have approved the resolutions, stated in the below table by requisite majority, by means of Postal Ballot, including Electronic Voting (e-voting). The Postal Ballot Notice dated 13.2.2019 along with the Postal Ballot Form was sent in electronic form to the members whose e-mail addresses were registered with the Company / respective Depository Participants. In case of physical shareholding, copies of the Postal Ballot Notice along with Postal Ballot Form was sent in physical, by permitted mode. The Company had published a notice in the newspaper on February 28, 2019 in Business Standard (English) and Deepika (Malayalam) in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard - 2. The voting period commenced from Thursday, 28th February, 2019 at 9:00 a.m. and ended on Friday, 29th March, 2019 at 5:00 p.m. The voting rights of members were reckoned on the paid-up value of shares registered in the name of member / beneficial owner (in case of electronic shareholding) as on 22.02.2019. The Board had appointed Shri M.R.L. Narasimha, FCS, a Practising Company Secretary, as Scrutinizer to conduct the postal ballot process in a fair and transparent manner and had engaged the services of Central Depository Services (India) Limited (CDSL) as the agency for the purpose of providing e-voting facility. Shri M.R.L. Narasimha, Scrutinizer, had submitted his report on the Postal Ballot to the Chairman on 29th March, 2019. On 30th March, 2019, the Chairman declared that all the Resolutions were passed

Resolution	Type of Resolution	% of votes in favour	% of votes against	Remarks
Alteration of the Objects Clause of the Memorandum of Association of the Company	Special	99.9998	0.0002	Passed with requisite majority
Amendment of the Liability Clause of the Memorandum of Association of the Company	Special	99.9998	0.0002	Passed with requisite majority
Adoption of new set of Articles of Association of the Company	Special	99.9994	0.0006	Passed with requisite majority

10. Compliance in respect of Adoption of non- mandatory requirements:

a) The Board

The Company meets expenses to maintain Chairman's office in the performance of his duties

b) Shareholder Rights

The Company's quarterly and half yearly results are published in the Newspaper and also uploaded on its website www.patspin.com. Therefore, no individual communication is sent to shareholders on the quarterly and half yearly financial results. However, if requested, the Company provides the same to them individually.

c) Audit Qualifications

There are no qualifications in the Auditors Report on the accounts for the year 2018-19

d) Reporting of internal Auditor

The Internal Auditor directly report to the Audit Committee

11. General Shareholder information

I. Annual General Meeting:

a)	Date and Time	Friday 20 th September, 2019 at 9.30 am
b)	Venue	: Aangan Hall, Bharat Hotel, Kochi-682 016
c)	Book closure date	: Monday, 16 th September 2019 to Friday, 20 th September 2019
d)	Financial calendar (tentative):	
	Annual General Meeting	: 20 th September, 2019
	Results for quarter ended 30th June, 2019	: 7 th August, 2019
	Results for quarter ending 30th Sept., 2019	: On or before 14th November, 2019
	Results for quarter ending 31st Dec., 2019	: On or before 14th February, 2020
	Results for Year ending 31st March, 2020	: On or before 30th May, 2020

REPORT ON CORPORATE GOVERNANCE (Contd...)

II. Listing:

a)	Listing of Equity Shares on Stock Exchanges at	:	BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE)
b)	Listing Fee	:	Annual Listing fee for the year 2019-20 have been duly paid to the said Stock Exchanges.
i)	Stock Code: Scrip Code No.: Bombay Stock Exchange	:	514326
	Trading symbol: National Stock Exchange	:	PATSPINLTD
ii)	Demat ISIN Nos. in NSDL and CDSL for Equity Shares	:	INE790C01014

III. Stock market data:

Month	BSE		NSE	
	High	Low	High	Low
April 2018	20.85	12.85	21.00	13.20
May	17.70	14.00	18.20	13.55
June	15.00	11.80	15.50	11.30
July	13.99	11.25	13.95	10.80
August	16.00	11.60	15.30	11.80
September	13.60	10.00	13.50	9.80
October	12.30	8.71	12.35	8.45
November	14.49	9.03	14.15	9.15
December	13.28	11.50	13.75	10.80
January 2019	13.15	9.90	13.15	9.55
February	12.95	8.76	13.10	9.20
March	13.99	9.31	13.00	9.15

IV.	Registrar and Transfer Agents (Share Transfer and communication regarding Share Certificates, Dividends and change of Address)	:	M/s Integrated Registry Management Service Private Ltd 2nd Floor, Kences Towers, No 1, Ramakrishna Street, T Nagar, Chennai -600 017 Tel: 044 28140801-803 E-Mail : corpseiv@integratedindia.in
-----	--	---	--

V.	Share Transfer System	The transfer of shares in physical form is processed and completed by Registrar and Transfer Agent within a period of 15 days from the date of receipt thereof, provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective depository participants. In compliance with Regulation 40(9) of the SEBI (LODR), Regulations 2015, a Practicing Company Secretary carries out system of transfer and a certificate to that effect is issued.
----	-----------------------	---

VI. Shareholding pattern and distribution on Shareholding of the Company: –

(a) Shareholding pattern as on 31st March, 2019:

SL. No.	Category	No of shares (Issued Equity)	%age
01)	Promoters & Associates	20096918	65.00
02)	Indian Financial Institutions, Banks, Mutual Funds	7300	0.02
03)	Foreign Institutional Investors / NRIs	264261	0.85
04)	Others	10551521	34.13
	Total :	30920000	100.00

REPORT ON CORPORATE GOVERNANCE (Contd...)

(b) Distribution of Shareholding as on 31.03.2019

No. of shares held	No. of share-holders	% of shareholder	No. of shares (Issued Equity)	% of share-holding
Upto 100	10274	58.20	919042	2.97
101-500	5048	28.59	1430116	4.62
501-1000	1131	6.41	967622	3.13
1001-10000	1107	6.27	3345186	10.82
10001-100000	84	0.47	1968245	6.37
Above 100000	10	0.06	22289789	72.09
Total :	17654	100	30920000	100

VII. Dematerialization of shares and Liquidity:

95.41% of equity shares of the company have been dematerialized (NSDL86.33% and CDSL9.08%) as on 31st March, 2019. The company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited whereby shareholders have an option to dematerialize their shares with either of the depositories.

Liquidity of shares:

The shares of the Company are actively traded in BSE Limited (BSE) and on The National Stock Exchange of India Limited (NSE).

VIII.	Plant Locations	:	(1) Patodia Nagar, 5/345, Para road, Kanjikode East P.O, Palakkad, Kerala – 678 621.	(2) S.F No.190 and 191, Tirupur Road, Ponneri, Udumalpet, Tamil Nadu
-------	-----------------	---	--	--

IX. Address for correspondence:-

i)	Investor Correspondence:-		
	For transfer / dematerialization of shares, payment of dividend on shares and any other query relating to the shares of the Company	a)	For shares held in Physical Form: - M/s Integrated Registry Management Service Private Ltd, 2 nd Floor, Kences Towers, No 1, Ramakrishna Street, T Nagar, Chennai 600 017 Tel: 044 28140801-803 E-Mail : corpserv@integratedindia.in
		b)	For share held on Demat Form: - To the Depository Participants.
(ii)	Any query on Annual Report		Secretarial Department PATSPIN INDIA LIMITED 5 th Floor, Palal Towers, M G Road, Ravipuram, Ernakulam, Kochi – 682 016 E-Mail: cs@patspin.com

X. Compliance Certificate of the Auditors

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 and the same is annexed to this Report.

DECLARATIONS

Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26(3) of SEBI (LODR) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Patspin India Limited Code of Business Conducts and Ethics for the year ended 31st March 2019.

For Patspin India Limited

Umang Patodia
Managing Director
(DIN00003588)

Place: Kochi
Date: 07.8.2019

CEO/ CFO CERTIFICATION

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of PATSPIN INDIA LIMITED (the Company) to the best of our knowledge and belief certify that;

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2019 and that 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 statements that might's be misleading;
 - ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered in to by the Company during the year, which are fraudulent, illegal, or violation of the Company's Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to 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.
- d. We have indicated to the Auditors and the Audit committee
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems over financial reporting.

For **Patspin India Limited**

UmangPatodia
Managing Director
(DIN00003588)

Ravindran T
Chief Financial Officer

Place: Kochi
Date: 07.8.2019

CERTIFICATE

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by M/s Patspin India Limited, having its Registered office at 3rd Floor, Palal Towers MG Road, Ravipuram Kochi 682016, and also the information provided by the Company, its officers, agents and authorized representatives, I hereby report that during the Financial Year ended on March 31, 2019, in my opinion, none of the Director on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

Place: Coimbatore
Date: 07/08/2019

MRL Narasimha
Practicing Company Secretary
MNo 2851 CP No:799

Auditors Certificate regarding compliance of conditions of Corporate Governance

To,

The Members of Patspin India Limited.

We have examined the compliance of conditions of Corporate Governance by Patspin India Limited ("the Company") for the year ended 31st March, 2019 as stipulated in SEBI (LODR) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the company's management. Our examination was carried out in accordance with the guidance note on certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015.

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

FOR L.U. KRISHNAN & CO.
CHARTERED ACCOUNTANTS
ICAI FRN 001527S

Place : Kochi
Date : 07.08.2019

P.K. MANOJ
PARTNER
M NO.207550

PATSPIN INDIA LIMITED

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL TEXTILE INDUSTRY

The global textile and clothing trade is expected up to touch USD 1205 billion by 2025 from USD 801 billion in 2018. During 2018, the global export trade increased by 5.46% over previous year. China continued to have major share of world trade at USD 266.5 billion (33.2%), while next top nine countries' share varied from 2.4% to 4.8%, with India's share at USD 37.1 billion (4.6%), showing 5th rank. Amongst the top ten, Germany, Bangladesh & Vietnam showed highest growth ranging from 10% to 14%.

Estimate of world cotton production in 2018-19 is 25.7 million tons, consumption 26.6 million ton and ending stocks at 17.8 million tons. This reflects (-) 3.4% and (+) 1.2% change in global production and consumption respectively. Global trade in cotton is likely grow by 4.5%. The leading exporters of cotton may be USA, India, West Africa Region, Brazil and Australia. Over the last 10 years, area under cotton across the world averaged around 32 million hectares, and is expected to reduce marginally in coming season. India has world's largest area under cotton cultivation, around 40% of the total cotton area in the world, and is also the largest producer of cotton having around 25% share with around 6 million tons of cotton being produced. It is relevant to mention here that in spite of world's largest area under cotton cultivation, the yield per hectare is at 499 kilograms, which is one of the lowest in the world. It is imperative that we make vigorous efforts to increase the yield per hectare to at least world average of 750 kilograms per hectare.

The cotton supplies in international market were affected due to decrease in production in major producing countries like USA, Pakistan and Australia. ICAC's forecast for 2018-19 is 87 cents per pound, with cotlook A index expected to range between 84 cents to 91 cents.

However, the ongoing trade war between USA and China, who have substantial presence in world trade, will continue to impact this sector.

INDIAN TEXTILE INDUSTRY

The Indian Textiles and Clothing market, which was around USD 102 billion in 2018 is expected to reach USD 225 billion by 2024, with CAGR of 14.2%. Exports of Textiles & Clothing have marginally increased and reached a level of USD 37.5 billion. Though there was a decline in apparel exports, exports of cotton yarn, fabrics, and made-ups have grown marginally. During the Post-GST scenario, the export performance of textiles and clothing has deteriorated due to significant drop in export benefits.

The Spinning capacity, Cotton yarn production and cotton yarn exports for last five years are given below;

Year	Spindles (Millions)	Production (Million Kg)	Exports (Million Kg)	Exports (USD Million)
2014-15	49.44	4055	1243	3902
2015-16	50.14	4138	1292	3559
2016-17	51.18	4061	1140	3352
2017-18	52.42	4059	1080	3425
2018-19	52.47	3599	1259	3895

For increasing employment in textile sector as well as productivity and quality, the Ministry of Textiles introduced Textile Upgradation Fund Scheme (TUFS) in April 1999. The said Scheme underwent many changes on different occasions with introduction of Modified TUFS, Restructured TUFS, Revised Restructured TUFS and finally Amended TUFS, covering different segments. The total investment attracted in the entire industry amounted to Rs.324.5 thousand crores and subsidy reimbursement towards interest and capital subsidy amounted to Rs.26.5 thousand crores, with employment generated to the tune of 47.65 lakhs as reported last. The spinning and composite segments of the textile sector are major beneficiaries under the Scheme. The package announced by the Government during 2016-17 in favour of garmenting and made-up sector was increased to Rs.7148 thousand crores from Rs.6000 thousand crores, was available up to March, 2019.

RAW COTTON SCENARIO IN INDIA

Global Cotton Production

Global production in 2018-19 was slightly over at 25.75 Million Tonnes, it was lower by 3.4% of previous year production, at the same time consumption has increased to 26.66 Million tonnes, just 1.1% higher than previous year consumption. Cotton consumption has been steadily increasing from season to season. This has resulted in decrease in year ending stock which was estimated at 17.85 Million tonnes, 4.8% lower than previous year ending stock.

The growing demand for cotton, changing trade policies and trade dispute between USA & China are contributing uncertainty in the global cotton outlook. The global trade in cotton during 2018-19 has increased to 9.45 million tonnes, an increase of around 4.5% over previous year.

Domestic Production Scenario

2018-19 season has commenced with opening stock of 42.91 Lakh bales, 2% lower than previous season opening stock

MANAGEMENT DISCUSSION & ANALYSIS (Contd...)

and lower production of 337 Lakh bales, 8.1% lower than previous season production. However as cotton imports have been estimated at 22 Lakh bales, higher than previous season import of 15.8 Lakh bales, this resulted in the availability of 401.9 Lakh bales, 6.5% lower than previous season availability of 429.5 Lakh bales. On the demand side domestic demand estimated at 311.50 Lakh bales, 2.4% lower than previous season demand of 319.06 Lakh bales. Global demand for cotton exports expected at 50 Lakh bales, 26% lower than previous season export of 67.59 Lakh bales. Season ending stock worked out to 40.41 Lakh bales, marginally lower than previous season ending stock of 42.91 Lakh bales.

Generally, the cotton yarn price does not increase in same proportion as increase in raw cotton prices as demand and supply of cotton yarn moves independently. Also, change in cotton price in India does not necessarily follow international trend. This is because high MSP (Minimum Support Price) of cotton protects the fall up to a level in spite of decline in international market. Normally, the MSP is increased by 4%, however, percentage increases have been steeper since year 2011-12 ranging anywhere from 10% to 28%.

As for 2018-19 season, a huge increase in MSP was announced for medium staple cotton from Rs.4,020 per quintal to Rs.5,150 (28%) and long staple cotton from Rs.4,320 to Rs.5,450 (26%) as committed in the Union Budget 2018-19 (MSP to be fixed at 1.5 times of cost of production).

Though the steep increase in MSP would have some impact on the predominantly cotton based Indian textile industry and cotton exports in the short run, it would greatly help the farmers to sustain their financial viability (cultivating cotton) and retaining the area under cotton.

BUSINESS OVERVIEW, INDUSTRY DEVELOPMENTS, OPPORTUNITIES AND THREATS

The Company is engaged in business of manufacture and export of high quality combed cotton yarns. The yarn is manufactured from the world's best sources of long and extra long staple cotton like American Supima, Egyptian Giza, contamination free Australian and American cottons and superior Indian cotton like Shankar-6 and DCH-32. The company manufactures yarns of various counts ranging from NE 20's to NE 100s. Permutations and combinations in spinning and finishing process results in yarns of varied qualities for specific end users. The company was amongst the first in India to manufacture compact yarn using the breakthrough technology of compact spinning, and also uses state-of-art machineries across its plants. The Company has 2 plants at Palakkad in Kerala and Ponneri in Tamil Nadu having a capacity of 1,14,000 spindles, consisting of 70,752 Compact Spinning and 43,248 Ring Spinning, and also capacity for value added products ie. Twisting, Gassing and Soft winding.

The promoters have 5 decades of experience in spinning industry with its first unit in Kerala in 1966. The company derives its strength from rich experience of promoters in marketing of cotton yarns in international market for over 3 decades. The company has built up an excellent customer base over the years by supplying consistent quality and timely deliveries of yarns. With flexibility to produce varied counts of cotton yarns, carded, combed, single and twisted, multi fold and gassed, the company is able to retain its customers

For Spinning industry, raw material is cotton, which is a seasonal product, the cultivation of which is mainly rain-fed and as such dependent on vagaries of monsoon. Adequate availability of raw cotton at right price is crucial for the company. However, as import of cotton is freely allowed, and since the company is exporting a part of its production, the risk of cotton availability as well as exchange rate fluctuation is partly mitigated.

The Government has announced Amended Textile Up-gradation Fund Scheme (ATUFS) for giving required thrust to post spinning segment. However, spinning segment is kept out of TUF Schemes which is a matter of concern for units which were set up in early 2000. These units require upgradation, modernization and or replacement. The government should seriously formulate such a scheme with fiscal support. It is estimated that 15-20 Million spindles may require such technical upgradation.

Goods and Service Tax (GST) Scheme which was introduced from 1st July 2017 initially caused a lot of difficulties. However, with greater understanding and modification of the GST system, the Textile Industry and Trade are in much comfortable state. However, strangely many of the benefits like interest subvention, duty draw back and MEIS which were available for exports of cotton yarn have been now denied to this sector. If these benefits are restored it will help the cotton yarn spinning mills immensely.

RISK AND CONCERNS

- a. Raw Cotton, an agricultural product, is the key raw material used for the manufacture of cotton yarn. Almost 65 percent of area under cotton cultivation is rain-fed and hence is dependent on vagaries of monsoon, which this year has shown uncertain signs so far. Adequate availability of raw cotton at right prices is crucial for the Company. Any disruption in the supply and/or violent changes in the cost structure would affect the profitability of the Company.
- b. Your Company follows an efficient inventory management system and a well-crafted strategy of procuring raw materials through a mix of spot and long-term contracts. The company's conscious efforts on maintaining a judicious mix of markets for its sales and thrust on specialty products like Better Cotton Initiative (BCI), Supima yarns and Giza yarns have also proved to be beneficial.

MANAGEMENT DISCUSSION & ANALYSIS (Contd...)

- c. Volatility in foreign currency exchange rates vis-a-vis Indian Rupee is another area of concern since a sizable production of cotton yarn is exported by your company. The Company has in place various Management Information Systems, which enable the management to take decisions on exposures relating to exports and imports. The Company continues to strengthen these systems to minimize the risk involved due to adverse movement of exchange rates.
- d. Your Company has a system of assessing the risks on an ongoing basis. This includes an effective internal control and management reporting system. Further, the framework also captures the existing practices to manage commodity price risk, interest risk, and foreign exchange risk etc. An important aspect of this framework is to promote a balanced approach that considers risk and return.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate internal control system to ensue that all assets are safeguarded and protected against loss from unauthorised use or disposition and that all transactions are authorized, recorded and reported correctly. The internal control is supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Please refer to Directors' Report on performance review.

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

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people. The Company has been adopting methods and practices for Human Resources Development. With utmost respect to human values, the Company continues to develop its human resources, through a variety of services by providing appropriate training, motivation techniques and employee welfare activities.

Industrial relations were cordial and satisfactory.

As on 31st March, 2019, the Company has about 1631 employees in its various offices and factory.

CAUTIONARY STATEMENT

Statements made in this report describing the Company's projections, estimates, expectations or predictions may be 'forward looking predictions' within the meaning of applicable securities laws and regulations. Actual result may differ from such estimates, projections, etc. whether expressed or implied. Factors which would make a significant difference to the Company's operations include availability of quality raw cotton, market prices in the domestic and overseas markets, changes in Government regulations and tax laws, economic conditions affecting demand / supplies and other environmental factors over which the Company does not have any control.

INDEPENDENT AUDITOR'S REPORT

To the Members of Patspin India Ltd.

Report on the Standalone Financial Statements

Opinion

- We have audited the accompanying financial statements of Patspin India Ltd (the "Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of cashflows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "Standalone financial statements").
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements for the year ended 31st March, 2019 give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2019, and loss, changes in equity and its cash flows for the year ended on that date. Basis for Opinion:

Basis for Opinion:

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	Auditor's Response																								
1	<p>Sale of Property</p> <p>The company has sold property comprising of Land and building of 5.31 acres for a consideration of Rs.281.43 lacs</p> <p style="text-align: right;">(₹ In Lakhs)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">(i) Land</td> <td style="width: 10%; text-align: center;">-</td> <td style="width: 10%; text-align: right;">256.43</td> <td style="width: 50%;"></td> </tr> <tr> <td>(ii) Building</td> <td style="text-align: center;">-</td> <td style="text-align: right;">25.00</td> <td></td> </tr> <tr> <td>TOTAL</td> <td></td> <td style="text-align: right;">281.43</td> <td></td> </tr> <tr> <td colspan="4">Less:</td> </tr> <tr> <td>Brokerage & selling exp</td> <td style="text-align: center;">-</td> <td style="text-align: right;">(13.72)</td> <td></td> </tr> <tr> <td>Net Sale Consideration</td> <td style="text-align: center;">-</td> <td style="text-align: right;">267.71</td> <td></td> </tr> </table>	(i) Land	-	256.43		(ii) Building	-	25.00		TOTAL		281.43		Less:				Brokerage & selling exp	-	(13.72)		Net Sale Consideration	-	267.71		<p>Our audit procedures on sale of property include</p> <p>(i) Obtaining land valuation report for Rs.293.4 Lacs valued by taking an average of Central Bank of India and State Bank of India's valuation reports.</p> <p>(ii) Identification of asset being sold at competitive price by verifying the steps taken by the company for selling the assets to other wilful individual buyers, where it was observed that the quotes received were less than the values mentioned in valuation reports.</p> <p>(iii) Analysed the transaction in the purview of Section 180 of Companies Act 2013, Restriction on powers of Board.</p> <p>(iv) Obtaining Non objection certificate from Central bank of India (lead bank for consortium loan) for sale of property.</p>
(i) Land	-	256.43																								
(ii) Building	-	25.00																								
TOTAL		281.43																								
Less:																										
Brokerage & selling exp	-	(13.72)																								
Net Sale Consideration	-	267.71																								

Responsibility of Management and Those Charged with Governance for the Ind AS 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Standalone) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring

INDEPENDENT AUDITOR'S REPORT (Contd...)

the accuracy and completeness of accounting records, relevant to the preparation and presentation of the AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements:

8. 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.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - (i) 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.
 - (ii) 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.
 - (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - (iv) Conclude on the appropriateness of management's use of the ecern 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.
 - (v) 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.
10. Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
11. 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.
12. 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.

Report on Other Legal and Regulatory Requirements:

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Annexure - A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. 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.

INDEPENDENT AUDITOR'S REPORT (Contd...)

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of written representations received from the directors as on 31st March 2019 taken on record by the board of directors, none of the directors are disqualified as on 31st March, 2019 from being appointed as directors 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 financials controls with reference to financial statements.
- g) In our opinion, According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration for the year ended on March 31, 2019 has paid/provided by the Company to its directors in accordance with the provisions of the section 197 of the Act read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements .
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For L. U. Krishnan & Co.
Chartered Accountants
FRN – 001527S

P. K. Manoj
Partner

Membership No.207550

Place: Kochi

Date: May 21, 2019

INDEPENDENT AUDITOR'S REPORT (Contd...)

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone financial statements for the year ended 31 March, 2019 we report that:

- (i) In respect of the Company's fixed assets
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
 - (b) The Property, Plant and Equipment have been physically verified by the Management at reasonable intervals in accordance with regular programme of verification. 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 the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) During this year, Inventories has been physically verified by the Management and there were no material discrepancies were noticed during such verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, Limited Liability Partnership or other parties listed in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, clauses from (iii) (a) to (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has no loans, investments, guarantee and security which meets the requirements of section 185 and 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted deposits and does not have any unclaimed deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to rules prescribed by the Government of India for maintenance of cost records under sub-section (1) of section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and other material statutory dues applicable to it and there are no arrears of outstanding statutory dues as at 31st March, 2019 for a period of more than six months from date they become payable.
 - b) According to the information and explanations given to us, there are following dues in respect of income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and other material statutory dues which have not been deposited on account of dispute and the same being contested by the Company:

Name of the statute	Nature of dues	Amount in lakhs	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	72.99	August 2014 to May 2016	AC Central Excise, Pollachi.
CST Act, 1956	Differential VAT on Interstate billings with local delivery at job work premises of customer as per the instruction of the customer	146.45	April 2009 to March 2012	DC (Appeals), Pollachi.
TANGEDCO	Electricity tax on Maximum demand charges	39.72	January 2016 to March 2019	TANGEDCO.
TANGEDCO	Deemed demand benefit available for use of self generated Power.	189.72	April 2015 to March 2019	TANGEDCO.

- (viii) According to the information and explanations given by the management, we are of the opinion that the Company has defaulted in repayment of dues to a financial institution, bank and government.

INDEPENDENT AUDITOR'S REPORT (Contd...)

Particulars	Term Loan Interest due, but not paid as on 31.03.19			Term Loan Repayment due, but not paid as on 31.03.19		
	₹ in Lacs	Period of defaults	As on date of Report	₹ in Lacs	Period of defaults	As on date of Report
State Bank of India	17.02	3 Days	Paid	98.50	51 Days	Unpaid
State Bank of India	22.12	51 Days	Unpaid	-	-	-
Central Bank of India	21.80	2 Days	Paid	102.75	51 Days	Unpaid
EXIM Bank	11.59	51 Days	Unpaid	65.92	51 Days	Unpaid
Karur Vysya Bank	0.65	51 Days	Unpaid	22.51	51 Days	Unpaid
Bank of Maharashtra	9.90	51 Days	Unpaid	48.48	51 Days	Unpaid
Canara Bank	104.83	51 Days	Unpaid	77.56	51 Days	Unpaid
Oriental Bank of Commerce	16.17	51 Days	Unpaid	73.34	51 Days	Unpaid

(The default is calculated from 31.3.2019 to payment date or Audit Report date.)

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of the section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (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 sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) 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 of fully or partly convertible debentures during the year.
- (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 him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For L. U. Krishnan & Co.
Chartered Accountants
FRN – 001527S

P. K. Manoj
Membership No.207550

Place: Kochi
Date: May 21, 2019

INDEPENDENT AUDITOR'S REPORT (Contd...)

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls 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 **Patspin India Ltd** ("the Company") as at 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended and as at on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements reporting

A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that,

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) 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
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements reporting

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

INDEPENDENT AUDITOR'S REPORT (Contd...)

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2019, based on the internal control 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.

For L. U. Krishnan & Co.
Chartered Accountants
FRN – 001527S

Place: Kochi
Date: May 21, 2019

P. K. Manoj
Partner
Membership No.207550

PATSPIN INDIA LIMITED

BALANCE SHEET

Particulars	Note No.	As at 31.03.2019 (₹ in lacs)	As at 31.03.2018 (₹ in lacs)
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	20,014.74	21,193.83
(b) Intangible Assets	4	0.76	0.76
(c) Capital Work in Progress	5	8.16	23.35
(d) Financial Assets			
(i) Investments	6	17.76	71.38
(ii) Others	7	51.15	51.00
(e) Deferred Tax Assets (net)	8	74.19	33.89
(f) Other Non-Current tax assets	9	181.49	615.91
Sub-Total		<u>20,348.25</u>	<u>21,990.12</u>
2 Current assets			
(a) Inventories	10	6,593.93	7,713.54
(b) Financial Assets			
(i) Trade Receivables	11	5,791.20	4,359.24
(ii) Cash and Cash equivalents	12	258.94	97.64
(iii) Bank balances other than (ii) above	13	805.40	679.89
(iv) Other financial assets	14	19.74	20.25
(c) Other Current Assets	15	984.61	930.42
Sub-Total		<u>14,453.82</u>	<u>13,800.98</u>
TOTAL		<u><u>34,802.07</u></u>	<u><u>35,791.10</u></u>
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	3,092.00	3,092.00
(b) Other Equity	17	2,733.50	3,074.10
Sub-Total		<u>5,825.50</u>	<u>6,166.10</u>
Liabilities			
1 Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	6,886.28	9,509.31
(b) Other non current liabilities	19	245.41	223.29
Sub-Total		<u>7,131.69</u>	<u>9,732.60</u>
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	11,196.50	11,180.66
(ii) Trade payables	20	10,188.51	8,164.49
(iii) Other financial liabilities	20	205.30	212.58
(b) Other current liabilities	21	162.50	232.63
(c) Provisions	22	92.07	102.04
Sub-Total		<u>21,844.88</u>	<u>19,892.40</u>
TOTAL		<u><u>34,802.07</u></u>	<u><u>35,791.10</u></u>

Significant accounting policies

1 & 2

The accompanying Notes 1 to 40 are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board

For **L.U. KRISHNAN & Co.**
Chartered Accountants
(ICAI FRN 001527S)

B. K. PATODIA
Chairman
DIN No. 00003516

UMANG PATODIA
Managing Director
DIN No. 00003588

P. K. MANOJ
Partner
(M. No. 207550)

T. RAVINDRAN
General Manager (Finance)
& Chief Finance Officer

DIPU GEORGE
Company Secretary

Place : Kochi

Date : 21st May 2019

PATSPIN INDIA LIMITED

STATEMENT OF PROFIT AND LOSS

	Note No.	Year ended 31.03.2019 (₹ in lacs)	Year ended 31.03.2018 (₹ in lacs)
REVENUE:			
Revenue From Operations	23	54,851.10	52,283.58
Other income	24	252.24	80.73
Total Revenue		55,103.34	52,364.31
EXPENSES:			
Cost of materials consumed	25	33,780.84	32,348.35
Purchases of Stock-in-Trade		6,299.01	4,979.43
Changes in inventories of finished goods, work in progress and waste	26	(354.96)	738.51
Employee benefits expense	27	3,577.09	3,545.63
Finance costs	28	2,923.45	3,308.43
Depreciation and amortization expense		1,032.80	1,044.45
Other expenses	29	8,134.49	7,614.95
Total Expenses		55,392.72	53,579.75
Profit/(Loss) before exceptional items and tax		(289.38)	(1,215.44)
Exceptional items	30	(15.80)	947.32
Profit/(Loss) before tax		(305.18)	(268.12)
Tax expense:			
Deferred tax charge / (Credit)		(69.16)	166.47
Profit (Loss) for the year (A)		(236.02)	(434.59)
Other Comprehensive income (Net of Tax)			
Items that will not be reclassified to Statement of Profit or loss			
(a) Re-measurement of defined benefit Obligation		(2.01)	16.47
(b) MTM of forward contract		35.16	(16.34)
(c) Impact on Sale of Land		(182.10)	-
Total Other Comprehensive income for the year (B)		(148.95)	0.13
Total Comprehensive income / (loss) for the year (A) + (B)		(384.97)	(434.46)
EARNINGS PER EQUITY SHARES (Face value of ₹ 10 each)	31		
Basic and Diluted (in Rs.)		(0.87)	(1.52)
Significant accounting policies	1&2		

The accompanying Notes 1 to 40 are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board

For **L.U. KRISHNAN & Co.**
Chartered Accountants
(ICAI FRN 001527S)

B. K. PATODIA
Chairman
DIN No. 00003516

UMANG PATODIA
Managing Director
DIN No. 00003588

P. K. MANOJ
Partner
(M. No. 207550)

T. RAVINDRAN
General Manager (Finance)
& Chief Finance Officer

DIPU GEORGE
Company Secretary

Place : Kochi
Date : 21st May 2019

PASPIN INDIA LIMITED

CASH FLOW STATEMENT

	2018-19 (₹ In Lacs)	2017-18 (₹ In Lacs)
A. Cash Flow from Operating Activities:		
Net Profit / (loss) before Tax exceptional items	(289.38)	(1,215.44)
Adjustments for:		
Depreciation and Amortization expense	1,032.80	1,044.45
(Profit)/Loss on disposal of tangible assets (net)	(13.80)	(0.55)
Unrealised Foreign Currency (Gain)/Loss	(27.49)	51.36
(Gain)/Loss on other comprehensive income (net)	148.95	0.13
Finance Costs	2,350.06	2,727.80
Interest Income	(226.48)	(60.90)
Operating profit before working capital changes	2,974.66	2,546.85
Changes in Working Capital:		
Increase / (Decrease) in short term borrowings	(1163.76)	(1,151.34)
Increase / (Decrease) in trade payables	2,110.36	2,883.64
Increase / (Decrease) in other financial liabilities	(7.28)	(26.05)
Increase / (Decrease) in other current liabilities	(70.13)	(903.48)
Increase / (Decrease) in provisions	(9.97)	(2.26)
(Increase) / Decrease in inventories	1,119.61	53.87
(Increase) / Decrease in trade receivables	(1,437.99)	(131.80)
(Increase) / Decrease in margin money and deposit accounts	(125.51)	713.56
(Increase) / Decrease in other financial assets	0.51	3.37
(Increase) / Decrease in other current assets	(54.19)	(180.71)
Cash generated from operations	3,336.31	3,805.65
Taxes paid (net of refunds)	434.42	20.22
Net cash generated from operations before exceptional items	3,770.73	3,825.87
Exceptional items	(15.80)	947.32
Net cash generated from operating activities (A)	3,754.93	4,773.19
B Cash flow from Investing Activities:		
Purchase of property, plant and equipment/intangible assets	(292.72)	(82.70)
Sale of property, plant and equipment/intangible assets	270.71	53.75
Sale of Wind Mill Undertaking	-	600.00
Interest received	226.48	60.90
Sale/ (Purchase) of non-current investments	53.62	(12.98)
(Increase) /Decrease in other financial Assets	(0.15)	9.74
(Increase) /Decrease in other non current assets	-	69.23
Increase / (Decrease) in other non current liabilities	22.12	20.82
Net cash generated / (used) from/in investing activities (B)	280.06	718.76
C Cash flow from financing activities:		
Repayment of Long Term borrowings	(2,128.19)	(3,927.90)
Proceeds from Slump sale buyer for repayment of Term loan of Wind Mill Undertaking	-	1,047.43
Proceeds/Repayment from/of Finance Lease Obligations (Net)	(1.81)	(1.81)
Repayment of Corporate Deposits	(10.00)	(100.00)
Loan from Directors/relatives- Interest Free	600.00	-
Interest paid	(2,333.69)	(2,765.50)
Net cash generated / (used) from/in financing activities (C)	(3,873.69)	(5,747.78)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	161.30	(255.83)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	97.64	353.47
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	258.94	97.64

Note:

The above cash flow statement has been prepared by using the indirect method as per the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

The accompanying Notes 1 to 40 are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board

For **L.U. KRISHNAN & Co.**
Chartered Accountants
(ICAI FRN 001527S)

B. K. PATODIA
Chairman
DIN No. 00003516

UMANG PATODIA
Managing Director
DIN No. 00003588

P. K. MANOJ
Partner
(M. No. 207550)

T. RAVINDRAN
General Manager (Finance)
& Chief Finance Officer

DIPU GEORGE
Company Secretary

Place : Kochi

Date : 21st May 2019

PASPIN INDIA LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lacs

Particulars	Equity Share Capital	Other Equity						Total	Total equity attributable to equity share holders of the Company		
		Capital Reserve	Securities premium reserve	Retained Earnings	Revaluation Surplus	Debt instrument through other comprehensive income	Items of Other Comprehensive Income				
							Re-measurement of Employee Benefit			Impact on MTM of Forward Contract	
Balance as at April 01, 2017	3,092.00	1,000.00	468.28	(3,062.90)	5,256.28	(3.64)	(63.00)	(8.00)	3,587.02	6,679.02	
Other Comprehensive income for the year	-	-	-	-	43.63	-	16.47	(8.34)	-	51.76	51.76
Profit/(loss) for the year ended 31.03.2018	-	-	-	(434.59)	-	-	-	-	-	(434.59)	(434.59)
Reduction due to sale of Land	-	-	-	-	(130.09)	-	-	-	-	(130.09)	(130.09)
Balance at the 31.03.2018	3,092.00	1,000.00	468.28	(3,497.49)	5,126.19	39.99	(46.53)	(16.34)	3,074.10	6,166.10	
Other Comprehensive income for the year	-	-	-	-	(182.10)	44.37	(2.01)	35.16	(104.58)	(104.58)	
Profit/(loss) for the year ended 31.03.2019	-	-	-	(236.02)	-	-	-	-	(236.02)	(236.02)	
Reduction due to sale of Land	-	-	-	206.50	(206.50)	-	-	-	-	-	
Balance at the 31.03.2019	3,092.00	1,000.00	468.28	(3,527.01)	4,737.59	84.36	(48.54)	18.82	2,733.50	5,825.50	

Significant accounting policies - Note No 1 & 2

The accompanying Notes 1 to 40 are integral part of the financial statements.

As per our report of even date attached

For L. U. KRISHNAN & Co.
Chartered Accountants
(ICAI FRN 001527S)

P. K. MANOJ
Partner
(M. No. 207550)

Place : Kochi
Date : 21st May 2019

For and on behalf of the Board

B. K. PATODIA
Chairman
DIN No. 00003516

T. RAVINDRAN
General Manager (Finance)
& Chief Finance Officer

UMANG PATODIA
Managing Director
DIN No. 00003588

DIPU GEORGE
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Significant Accounting Policies and notes forming part of the Financial statements as at and for the year ended 31st March, 2019.

1 Corporate Information:

Patspin India Limited ('the company') is a Public Limited company incorporated and domiciled in India, and has its registered office at 3rd Floor, Palal Towers, Ravipuram, MG Road, Kochi -682016 Kerala State, India. The company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company is engaged primarily in the business of manufacture and Sale of Fine and super fine combed cotton yarn.

2 Significant Accounting Policies

2.1 Basis of preparation of financial statements:

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013 read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and the companies (Indian Accounting Standards) Amendment Rules, 2016. and other relevant provisions of the Act.

2.2 Rounding of amount

These standalone financial statements are presented in Indian Rupees, which is also the company's functional currency. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, of the Companies Act 2013, unless otherwise stated

2.3 Historical Cost convention

The financial statements have been prepared under the historical cost convention, on the basis of a going concern and on accrual basis except for the following items –

- a. Certain Financial Assets and Liabilities (including derivative instruments) – are measured at Fair value
- b. Defined benefit employee plan - Plan assets measured at fair value

2.4 Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses of the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of the future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively.

2.5 Classification of Assets and Liabilities

All assets and liabilities have been classified as current or noncurrent 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 realisations in cash and cash equivalents, the company has ascertained its operating cycle as 12 (twelve) months for the purpose of current and non-current classification of assets and liabilities.

2.6 Property, Plant and Equipment:

All items of property, plant and equipment are stated at cost net of accumulated depreciation and impairment, if any. The cost comprises its purchase price and any cost directly attributable to bringing the Property, Plant and Equipment to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit or loss. Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising from the retirement of and gains or losses arising from disposal of Property, plant and equipment are recognised in the statement of profit and Loss

The cost of property, plant and equipment which are not ready for their intended use before such date, are disclosed as capital work-in-progress.

The Company assesses at each Balance Sheet date whether there is any indication that any property, plant and equipment may be impaired, if any such indication exists, the carrying value of such property, plant and equipment is reduced to recoverable amount and the impairment loss is charged to statement of profit and Loss. If at the Balance

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed, and the asset is restated to that extent.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment except Free hold Land for which the company had adopted revaluation model pursuant to the para 29 & 31 of Ind AS 16 and recognised revalued cost as its deemed cost as at 1st April 2016.

Revaluation of freehold land would be carried at sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the the end of the reporting period.

2.7 Depreciation:

Depreciation has been provided on straight line method based on useful life of Assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation is provided pro-rata from the date of capitalisation. Depreciation is calculated on the carrying amount, which is the cost of an asset less its residual value.

2.8 Intangible Assets

Intangible assets are carried at cost, net of accumulated amortization and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

The company assesses at each Balance sheet date whether there is any indication that any intangible asset may be impaired, if any such indication exists, the carrying value of such intangible asset is reduced to recoverable amount and the impairment loss is charged to statement of profit and Loss. If at the Balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed, and the asset is restated to that extent.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible Assets recognized as at 1st April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of Intangible Assets.

2.9 Amortization:

Intangible assets are amortized based on their estimated useful lives.

2.10 Investments

Investment in Government securities are "Carried at amortised cost"

Investments in unquoted equity shares are recognised at Cost .As these shares were purchased as per the contract and on termination these shares will be bought back at cost.

2.11 Inventories

Inventories are stated at lower of cost and net realisable value. Goods in process is stated at cost. The cost includes cost of purchase, freight taxes and duties and is net of input credit where applicable, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Raw Material is stated at "weighted average" cost method and for finished goods "Specific identification" cost method.

2.12 Financial Assets / Liability Policy:

a. Financial Assets

Classification and Measurement

All the financial assets are initially measured at fair value. Transactions costs that are directly attributable to the acquisition of financial asset (other than financial assets carried at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

Subsequent measurement

Subsequent measurement of financial assets depends on the classification i.e financial assets carried at amortised cost or fair value (either through other comprehensive income or through profit and loss). Such classification is determined on the basis of Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company's financial assets primarily consists of cash and cash equivalents, trade receivables, balance with statutory authority, loans and advances and security deposits etc which are classified as financial assets carried at amortised cost.

Amortised cost

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.

A gain or loss on an financial assets that is subsequently measured at amortised cost is recognized in profit or loss

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

when the asset is derecognized or impaired. Interest income from these financial assets is recognized using the effective interest rate method.

Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the company provides for lifetime expected credit losses recognized from initial recognition of the receivables.

De-recognition of financial assets

A financial assets is de-recognised only when the Company has transferred the rights to receive cash flows from the financial asset or Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

b. Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction cost.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss :

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI. These gains/losses are subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the term of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount is recognized in the statement of profit or loss.

Derivative financial instruments:

Derivative financial instruments such as future contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

2.13 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above."

2.14 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of Goods

Revenue from sale of goods are recognised on transfer of significant risk and rewards of ownership to the buyer which generally coincides with shipment. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of Services :

Service revenues are recognised when services are rendered, and when the outcome of the transaction can be estimated reliably.

Dividend, Interest income, Claims:

Dividend income from investments is recognised when the Company's right to receive dividend is established provided it is probable that the economic benefits associated with the dividend will flow to the Company as also the amount of dividend income can be measured reliably.

Interest income from a financial asset is recognised on a time basis, by reference to the principal outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Company and the amount of interest can be measured reliably.

Insurance and other Claim are accounted for when no significant uncertainties are attached to their eventual receipt.

2.15 Borrowings:

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in the Statement of Profit and loss over the period of borrowings using the effective interest method.

2.16 Borrowing cost

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset upto the date when such asset is ready for its intended use. All other Borrowing costs are charged to Statement of Profit and Loss in the year in which they are incurred.

2.17 Short-term Employee Benefits

Short Term employee benefits including accrued liability for Leave Encashment (other than termination benefits) which are payable within 12 (twelve) months after the end of the period in which the employees render service are paid/ provided during the year, as per the Rules of the Company.

Defined Contribution Plans:

Company's contributions paid/payable during the year to Provident and Family Pension Funds, and Employees State Insurance are recognized in the Statement of Profit and Loss.

Defined Benefit Plans:

The Employees' Gratuity Fund Scheme covered by the Group Gratuity cum-Life Assurance Policy of LIC of India is a Defined Benefit Plan. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method which recognizes each period of service as giving rise to additional amount of employees benefit entitlement and measures each unit separately to build up the final obligation.

2.18 Foreign currency Transactions

Initial recognition:

Transactions in Foreign Currencies entered into by the Company are accounted at the exchange rate prevailing on the date of the transaction.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

Measurement:

Foreign Currency monetary items of the Company outstanding at the balance sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on transaction of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Treatment of exchange difference

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expenses in the Statement of Profit and Loss

2.19 Taxation

- a Current tax is made on the basis of estimated taxable income for the year or computed in accordance with the Income-Tax Act, 1961 and recognized in the statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.
- b Deferred tax on account of timing differences, between taxable income and accounting income is recognized using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these would be realized in future
- c Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.20 Provisions and Contingent Liabilities:

Provisions: Provisions are recognized when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities:

Contingent liabilities is a possible obligation in the normal course of business 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, is termed as a contingent liability.

The Company does not recognise a contingent liability but disclose its existence in the financial statemnets.

2.21 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments. Cash flows from operating, investing and financing activities of the Company are segregated.

2.22 Cash and Cash equivalents Policy:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments 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.

2.23 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.24 Exceptional Items:

When an item of income or expense within profit or loss from ordinary is of such size, nature or incidence that their disclosure is relevant to explain the performance of the company for the year, the nature and amount of such items is disclosed as exceptional items.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

3 Property, Plant and equipment

(₹ in Lacs)

Gross cost / deemed cost	Freehold-Land	Buildings	Plant and Equipment	Wind Mill	Furniture	Office Equipment	Vehicles	Total
Balance as at 31st March 2017	5,525.74	4,993.45	29,501.06	2,844.78	169.30	142.72	114.33	43,291.38
Additions	0.76		81.69		0.25			82.70
Disposal /Discarded / adjustments	146.50		171.03	2,844.78			42.26	3,204.57
Revaluation of Assets								-
Balance as at 31st March 2018	5,380.00	4,993.45	29,411.72		169.55	142.72	72.07	40,169.51
Additions	-	9.24	283.48		-	-	-	292.72
Disposal /Discarded / adjustments	424.80	42.68	25.31		-	-	-	492.79
Revaluation of Assets								
Balance as at 31st March 2019	4,955.20	4,960.01	29,669.89		169.55	142.72	72.07	39,969.44
Accumulated depreciation								
Balance as at 31st March 2017		2,080.66	15,651.45	2,456.57	133.03	135.90	99.12	20,556.73
Disposal /adjustments			118.40	2,464.84			42.26	2,625.50
Depreciation expense		128.95	892.59	8.27	8.70	1.02	4.92	1,044.45
Balance as at 31st March 2018		2,209.61	16,425.64		141.73	136.92	61.78	18,975.68
Disposal /adjustments		32.33	21.45					53.78
Depreciation expense		128.91	889.88		9.29	0.18	4.54	1,032.80
Balance as at 31st March 2019		2,306.19	17,294.07		151.20	136.92	66.32	19,954.70
Net Book Value								
As at 31st March, 2018	5,380.00	2,783.84	12,986.08		27.82	5.80	10.29	21,193.83
As at 31st March, 2019	4,955.20	2,653.82	12,375.82		18.53	5.62	5.75	20,014.74

Note:

The Company has opted to continue with net carrying values of all Property, plant and equipment as at 1st April 2016 as per previous GAAP and use that as the Deemed cost, except Freehold Land.

As per the provisions of Para 29 to 31 of the Ind As 16, the company has adopted Revaluation model for Free hold Land and has determined its fair value on the transition date of 1st April 2016 on the basis of valuation report of Chartered Engineer. The details are given below:

Class of Asset - Freehold Land	₹ in Lacs
Carried value as at 31st March, 2016	282.16
Revalued amount as at 1st April, 2016	5,543.44
Revaluation surplus recognised in Other Equity as at 1st April, 2016	5,261.28
Deemed Cost as at 1st April, 2016	5,543.44
Additions	2.30
Disposal /adjustments	20.00
Deemed Cost as at 31st March, 2017	5,525.74
Revaluation surplus recognised in Other Equity as at 31st March 2017	5,256.28
Additions	0.76
Disposal /adjustments	146.50
Carried value as at 31st March, 2018	5,380.00
Revaluation surplus recognised in Other Equity as at 31st March 2018	5,126.19
Additions	-
Disposal /adjustments	424.80
Carried value as at 31st March, 2019	4,955.20
Revaluation surplus recognised in Other Equity as at 31st March 2019	4,737.59

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

	As at 31.03.2019 (₹ in lacs)	As at 31.03.2018 (₹ in lacs)
4 Intangible assets		
Gross Cost / Deemed Cost		
As at the beginning of the year	234.08	234.08
Additions during the year	-	-
Discarded/Disposal during the year	-	-
Balance as at the end of the Year	234.08	234.08
Accumulated depreciation		
As at the beginning of the Year	233.32	233.32
Amortisation for the year	-	-
Disposal/adjustment	-	-
Balance as at the end of the Year	233.32	233.32
Net Book Value	0.76	0.76
5 Capital Work in progress		
Plant and Equipment	8.16	23.35
	8.16	23.35
Financial Assets		
6 Non - Current Investments		
Unquoted Equity instruments - Non-Trade		
Nil Equity Shares (Previous year 5,66,046) of ₹ 10 each in Gamma Green Power Private Limited	-	56.60
1,51,700 Equity Shares (Previous year 1,25,700) of ₹ 10 each in OPG Power Generation (P) Ltd	17.45	14.46
Government Securities - Non-Trade (unquoted)		
National Savings Certificates (Lodged with statutory authorities)	0.31	0.32
	17.76	71.38
7 Other Financial Assets		
Security Deposits	51.15	51.00
	51.15	51.00
8 Deferred Tax Asset (Net)		
a Deferred Tax Asset		
Unabsorbed Depreciation & Business Loss	2,663.44	2,604.17
Others	197.23	259.16
	2,860.67	2,863.33
b Deferred Tax Liability		
Related to Propety plant and Equipment	3,028.46	3,043.47
Related to Borrowing Cost	196.22	224.17
	3,224.68	3,267.64
c Minimum Alternate Tax Credit entitlement	438.20	438.20
Net Deferred Tax Asset (a - b + c)	74.19	33.89
9 Other non-current tax assets		
Unsecured, considered good		
Income Tax (Net of Provision ₹ 74.46 lacs ; Previous year ₹ 569.71 lacs)	181.49	615.91
	181.49	615.91

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

	As at 31.03.2019 (₹ in lacs)	As at 31.03.2018 (₹ in lacs)
10 INVENTORIES (Refer Note No 2.11)		
Stores, Spares and Packing Materials	48.02	57.04
Raw Materials	2,778.39	4,243.94
Goods-in-Process	495.49	460.92
Finished Goods	3,254.51	2,913.66
Waste Stock	17.52	37.98
	6,593.93	7,713.54
Financial Assets		
11 Trade Receivables		
Unsecured ,considered Doubtful	50.83	35.90
Less:Provision for Doubtful debts	50.83	35.90
	-	-
Unsecured, considered good	5,791.20	4,359.24
	5,791.20	4,359.24
12 Cash and Cash equivalents		
Cash on Hand	3.39	3.49
Balances with Banks in Current Accounts	255.55	94.15
	258.94	97.64
13 Bank balances other than 12 above		
Margin Money Deposit Accounts	802.67	675.68
Deposit Accounts under lien	2.73	4.21
	805.40	679.89
14 Other Financial Assets		
Interest accrued on Deposits	19.74	20.25
	19.74	20.25
15 Other Current Assets		
TUF Subsidy	-	67.32
Security Deposits	144.57	208.95
Prepaid Expenses	93.65	134.79
Balances with Statutory Authorities	390.95	145.05
Other Advances	103.18	142.56
Export Incentives	252.26	231.75
	984.61	930.42
16 Equity Share Capital		
(a) Authorised:		
400,00,000 Equity shares (Previous year 400,00,000) of Rs.10 each	4,000.00	4,000.00
(b) Issued ,Subscribed and fully paid up shares		
309,20,000 Equity shares (Previous year 309,20,000) of Rs.10 each	3,092.00	3,092.00
	3,092.00	3,092.00

i Reconciliation of number of Equity shares and amount outstanding at the beginning and end of the year

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of shares	Amount ₹ lacs	No. of shares	Amount ₹ lacs
At the beginning of the Year	3,09,20,000.00	3,092.00	3,09,20,000.00	3,092.00
Shares issued during the Year	Nil	Nil	Nil	Nil
At the end of the Year	3,09,20,000.00	3,092.00	3,09,20,000.00	3,092.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

ii Rights, preferences and restrictions attached to Equity shares

The company has only one class of equity shares having a par value of ₹ 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.

iii Shares held by holding/Ultimate holding company/or their subsidiaries/associates

	As at 31.03.2019		As at 31.03.2018	
	No. of shares	% of holding in the Class	No. of shares	% of holding in the Class
GTN Textiles Limited (Promoter/Associate)	1,42,87,068	46.21%	1,42,87,068	46.21%

iv Details of shareholders holding more than 5% of shares in the Company

Name of share Holder		As at 31.03.2019		As at 31.03.2018	
		No. of shares	% of holding in the Class	No. of shares	% of holding in the Class
i	GTN Textiles Limited (Promoter /Associate)	1,42,87,068	46.21%	1,42,87,068	46.21%
ii	KSIDC Ltd (Promoter)	24,90,000	8.05%	24,90,000	8.05%

v There was no issue of shares allotted as fully paid up shares pursuant to contract(s) without payment being received in cash or buyback or Bonus shares in the preceding five years

	As at 31.03.2019 (₹ in lacs)	As at 31.03.2018 (₹ in lacs)
--	------------------------------------	------------------------------------

17 Other Equity

(i) Reserve & Surplus

(a) Capital Redemption Reserve

Balance as at the beginning and the end of the year 1,000.00 1,000.00

The Capital Redemption Reserves were created out of profits up on redumption of redeemable preference shares of ₹ 100 each on 31st March 2000 - ₹ 500 lacs, 31st March 2001- ₹ 250 lacs and on 31st March 2002 - ₹ 250 lacs

(b) Securities Premium Reserve

Balance as at the beginning and the end of the year 468.28 468.28

The security premium reserve represents premium on allotment of 77,30,000 Equity shares of ₹ 10 each on 24th April 1997 issued at a premium of ₹ 7/Share (net of preliminary expenses and Share issue expenses)

(c) Surplus/(Deficit) in the Statement of Profit and Loss

Balance as at the beginning of the year (3,497.49) (3,062.90)

Less: Profit/(Loss) for the year from the Statement of Profit and Loss (236.02) (434.59)

(3,733.51) (3,497.49)

(ii) Revaluation surplus

Surplus on Revaluation of land (Ind AS Conversion) 4,737.59 5,126.19

(iii) Other comprehensive income:

Impact on remeasurement of Employee Benefit (48.54) (46.53)

Impact on MTM of derivatives (Forward Contracts) 18.82 (16.34)

Impact on remeasurement of Cost of Borrowings -Pref Share Capital 84.36 39.99

Impact on Sale of Land 206.50 -

Balance as at the end of the Year 2,733.50 3,074.10

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

As at	As at
31.03.2019	31.03.2018
(₹ in lacs)	(₹ in lacs)

Non current liabilities

18 Financial liabilities

(i) Borrowings

a Unsecured Loans

Preference Shares (carried at amortised cost, unless otherwise stated)	540.07	550.48
7,00,000 5% Non Cumulative Redeemable preference shares (Previous year 7,00,000) of Rs.100 each		
13,51,000 0.01% Non Cumulative Redeemable preference shares (Previous year 13,51,000) of Rs.100 each issued to lenders /promoters and their associates as per the CDR Package (Refer Note No.38)	882.01	775.03
	1,422.08	1,325.51

i Reconciliation of number of Preference shares and amount outstanding at the beginning and end of the year

a 5% Non Cumulative Redeemable Preference Shares of ₹ 100 each

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of shares	Amount ₹ lacs	No. of shares	Amount ₹ lacs
At the beginning of the Year	7,00,000.00	700.00	7,00,000.00	700.00
Shares issued during the Year	Nil	Nil	Nil	Nil
At the end of the Year	7,00,000.00	700.00	7,00,000.00	700.00

b 0.01% Non Cumulative Redeemable Preference Shares of ₹ 100 each

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of shares	Amount ₹ lacs	No. of shares	Amount ₹ lacs
At the beginning of the Year	13,51,000.00	1,351.00	13,51,000.00	1,351.00
Shares issued during the Year	Nil	Nil	Nil	Nil
At the end of the Year	13,51,000.00	1,351.00	13,51,000.00	1,351.00

ii Rights, preferences and restrictions attached to Preference shares

a 700000, 5% Non Cumulative preference shares of ₹ 100 each were issued to promoters and their associates. The issue details are as follows.

Series	No of Shares	Date of Issue	Date of Redemption	Earlier Redemption
I	350000	31.07.2009	30.07.2021	30.07.2014
II	100000	08.02.2010	07.02.2022	07.02.2015
III	100000	31.05.2010	30.05.2022	30.05.2015
IV	150000	13.07.2010	12.07.2022	12.07.2015

b 1081000, 0.01 % Non Cumulative preference shares of ₹ 100 each were issued to Lenders as per the CDR Package. The issue details are as follows.

Series	No of Shares	Date of Issue	Date of Redemption	Earlier Redemption
V	1081000	29.01.2013	31.03.2022	NA

c 2,70,000, 0.01 % Non Cumulative preference shares of ₹ 100 each were issued to Promoters and their associates as per the CDR Package. The issue details are as follows.

Series	No of Shares	Date of Issue	Date of Redemption	Earlier Redemption
VI	135000	30.07.2013	29.07.2023	NA
VII	135000	13.02.2014	12.02.2024	NA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

iii Details of shareholders holding more than 5% of preference shares in the Company

a 5% Non Cumulative Redeemable Preference Shares of ₹ 100 each

		As at 31.03.2019		As at 31.03.2018	
		No. of shares	% of holding in the Class	No. of shares	% of holding in the Class
i	Smt Deepa Bagla	600000	85.71%	6,00,000.00	85.71%
ii	Shri B.K.Patodia	75000	10.71%	75,000.00	10.71%

b 0.01% Non Cumulative Redeemable Preference Shares of ₹ 100 each issued as per the CDR Package

		As at 31.03.2019		As at 31.03.2018	
		No. of shares	% of holding in the Class	No. of shares	% of holding in the Class
i	Central Bank of India	199000	14.73%	1,99,000.00	14.73%
ii	State Bank of India	199000	14.73%	1,99,000.00	14.73%
iii	Oriental Bank of Commerce	153000	11.32%	1,53,000.00	11.32%
iv	Karur Vysya Bank	82000	6.07%	82,000.00	6.07%
v	Bank of Maharashtra	112000	8.29%	1,12,000.00	8.29%
vi	Export Import Bank of India	121000	8.96%	1,21,000.00	8.96%
vii	State Bank of Travancore	100000	7.40%	1,00,000.00	7.40%
viii	Canara Bank	115000	8.51%	1,15,000.00	8.51%
ix	Smt Deepa Bagla	270000	19.99%	2,70,000.00	19.99%

Preference shares being Non-Cumulative and redeemable, i.e. there is contractual obligation to deliver cash at the time of redemption, accordingly these have been classified as financial liability as per Ind AS 32 "Financial Instruments: Presentation". Fair value of the liability component is the Present value of redeemable principal amount using the borrowing cost applicable to the Company. Subsequently, the financial liability is carried at amortised cost and Interest expenses has been recognised using the effective interest method on the amortised cost.

	As at 31.03.2019 (₹ in lacs)		As at 31.03.2018 (₹ in lacs)	
	Non Current	Current	Non Current	Current
b Secured Loans				
Term Loans :				
(i) From a Financial Institution	502.58	329.53	724.96	333.79
(ii) From Banks	4,961.62	2,857.61	7,458.19	2,262.59
Finance Lease obligations :				
From Banks	-	0.65	0.65	1.81
	5,464.20	3,187.79	8,183.80	2,598.19
Total a+b	6,886.28	3,187.79	9,509.31	2,598.19

i Term Loan are secured by :

- (i) Term loans from banks and financial institution, excluding corporate term loan from a bank of ₹ 1500 lacs (Outstanding as on 31.03.2019 ₹ 558.74 lacs, Previous year ₹ 746.63 lacs) (security for which is explained in Para 1 (ii) below) and Term Loan from a financial institution of ₹ 2000 lacs (Outstanding as on 31.03.2019 ₹ 832.10 lacs, Previous Year 1054.50 lacs) (security for which is explained in Para 1 (iii) below), are secured by first charge by way of equitable mortgage on all the immovable assets of the company, both present and future, and by way of hypothecation on all movable assets (excluding vehicle purchased on Finance lease basis) of the company, and further secured by second charge on current assets of the company, subject to prior charges in favour of banks for working capital ranking pari passu, inter se (as mentioned in Note No 5, Para (i) and (ii)), and further secured by personal guarantee of two Directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

- (ii) Corporate term loan from a bank of ₹ 1500 lacs mentioned in para 1 (i) above is secured by way of hypothecation of movable assets (excluding vehicle purchased on Finance lease basis) of the company, both present and future, has been secured by second charge by way of equitable mortgage on the immovable assets of the company, both present and future, and further secured by personal guarantee of two directors of the Company
- (iii) Term Loan from a financial institution of ₹ 2000 lacs is secured by first charge by way of equitable mortgage on all the immovable assets of the company, both present and future, and by way of hypothecation on all movable assets (excluding vehicle purchased on Finance lease basis) of the company, and further secured by second charge on current assets of the company, subject to prior charges in favour of banks for working capital ranking pari passu, inter se (as mentioned in Note No. 20, Para (i) and (ii) below), and further secured by Corporate Guarantee from GTN Textiles Limited (₹ 300 lacs) and GTN Enterprises Limited (₹ 1700 lacs).
- (iv) Finance lease obligations are relating to vehicles and are secured by hypothecation of respective vehicles.

ii Re-payment terms of Term Loan/Rate of Interest :

The year wise break up of Term loan repayment and the interest rate applicable for the respective years is as follows

	2018-19 Outstanding as on 31.03.2019	2019-20	2020-21	2021-22
From Banks	423.14	2,434.45	2,434.45	2,527.81
From Financial Institutions	65.92	263.63	263.63	238.31
Rate of Interest	12.50%	14.00%	14.00%	14.00%

Period and amount of delay as on the balance sheet date in repayment of borrowings and interest

	Amount Due as on 31.03.2019	Amount paid subsequently	Date of payment	Balance payable
Principal				
From Banks	423.14	-	-	423.14
From Financial Institutions	65.92	-	-	65.92
Interest				
From Banks	192.49	38.82	Various dates	153.67
From Financial Institutions	11.59	-	-	11.59
Others	1.22	1.22	Various dates	

Vehicle loan:

Repayable in Equated Monthly Installments, last installment due on July 2019. Average interest rate is 10.50% (Previous year 10.50%)

As at 31.03.2019 (₹ in lacs)	As at 31.03.2018 (₹ in lacs)
------------------------------------	------------------------------------

19 Other non current liabilities

Provision for Employee benefits

245.41	223.29
245.41	223.29

Current liabilities

20 Financial liabilities

(i) Borrowings

Secured Loans

Term Loans :

Current maturities of long-term debt (Refer Note No 18 (b))

(i) From a Financial Institution	329.53	333.79
(ii) From Banks	2,857.61	2,262.59

Finance Lease obligations :

Current maturities of Finance lease obligations (Refer Note No 18 (b))	0.65	1.81
--	------	------

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

	As at 31.03.2019 (₹ in lacs)	As at 31.03.2018 (₹ in lacs)
Working Capital Loans from Banks	7,208.71	8,372.47
Unsecured Loans		
Corporate Deposits	200.00	210.00
Loan from Directors/relatives -Interest Free	600.00	-
	<u>11,196.50</u>	<u>11,180.66</u>

- i) Working Capital loans from banks are secured by first charge by way of hypothecation on current assets of the company and further secured by way of second charge over the immovable assets of the company both present and future and further secured by personal guarantee of two directors of the Company.
- ii) Non-fund based limits sanctioned by the bankers are secured by extension of first charge on the current assets of the Company and further secured by second charge on the immovable properties of the company and personal guarantee of two directors of the company; Total amount outstanding at the end of the year is ₹ 5429.00 lacs (Previous year Rs.5778.00 lacs).

(ii) Trade payables

Due to Micro,Small and Medium Enterprises (MSME's)	2.40	-
Due to Others	10,186.11	8,164.49
	<u>10,188.51</u>	<u>8,164.49</u>

DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AND DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES ACT, 2006

The principal amount due thereon remaining unpaid as on the Balance sheet date	2.40	-
Interest due thereon remaining unpaid	Provided for ₹ 399/-	Nil
Interest paid along with the amount of the payment during the year	Nil	Nil
Interest due and payable but without adding the interest specified in the above-mentioned act.	Nil	Nil
Interest accrued and remaining unpaid at the end of the year.	Nil	Nil
Amount of interest remaining due and payable in subsequent years, and such interest actually paid to and deductible expenditure under section 23 of the said act.	Nil	Nil

(iii) Other financial liabilities

Interest accrued but not due on borrowings	1.22	4.65
Interest due on borrowings	204.08	184.28
Impact on MTM of derivatives (Forward Contracts)	-	23.65
	<u>205.30</u>	<u>212.58</u>

21 Other current liabilities

Advances from customers	122.63	193.92
Statutory and Other dues payable	39.87	38.71
	<u>162.50</u>	<u>232.63</u>

22 Provisions

Provision for Employee benefits	92.07	102.04
	<u>92.07</u>	<u>102.04</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

	Year ended 31.03.2019 (₹ in lacs)	Year ended 31.03.2018 (₹ in lacs)
23 REVENUE FROM OPERATIONS		
(A) Sale of Products (Net of Taxes)		
Finished Goods :		
Exports	23,105.27	22,817.24
Local	20,896.57	20,030.40
Traded Goods		
Exports	6,861.92	5,202.09
Waste Sales		
Exports	125.55	461.91
Local	2,953.45	2,924.46
Net Sales	<u>53,942.76</u>	<u>51,436.10</u>
(B) Other Operating Revenues		
Export Incentives	546.82	492.69
Job Work Charges	361.52	354.79
	<u>908.34</u>	<u>847.48</u>
Total (A) + (B)	<u>54,851.10</u>	<u>52,283.58</u>
24 OTHER INCOME		
Interest Income	62.71	60.90
Agricultural Income	0.41	0.20
Interest on Income Tax refund	163.77	
Sale of Scrap	25.35	19.63
Total	<u>252.24</u>	<u>80.73</u>
25 COST OF MATERIALS CONSUMED		
(A) Raw materials Consumed		
Opening Inventory	4,243.93	3,549.66
Add:Purchases during the Year	34,692.63	34,663.11
Less:Sale of Cotton	<u>3,033.34</u>	<u>2,264.11</u>
Less: Closing Stock	2,778.39	4,243.93
Total (a)	<u>33,124.83</u>	<u>31,704.73</u>
(B) Packing Material Consumed		
Opening Inventory	25.87	38.33
Add:Purchases during the Year	657.64	631.16
Less: Closing Stock	27.50	25.87
Total (b)	<u>656.01</u>	<u>643.62</u>
Total (a) + (b)	<u>33,780.84</u>	<u>32,348.35</u>
26 CHANGES IN INVENTORY OF FINISHED GOODS, GOODS IN PROCESS AND WASTE		
(A) Stock at the beginning of the year:		
Finished goods	2,913.66	3,682.01
Goods-in-process	460.92	405.62
Waste	37.98	63.44
Total	<u>3,412.56</u>	<u>4,151.07</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

	Year ended 31.03.2019 (₹ in lacs)	Year ended 31.03.2018 (₹ in lacs)
(B) Less : Stock at the end of the year:		
Finished Goods	3,254.51	2,913.66
Goods-in-process	495.49	460.92
Waste	17.52	37.98
Total (a) + (b)	3,767.52	3,412.56
(Increase)/Decrease in Stocks (a-b)	(354.96)	738.51
27 EMPLOYEES BENEFITS EXPENSE		
Salaries, Wages and Bonus	3,017.08	2,971.30
Contribution to Provident and Other Funds	214.84	228.90
Welfare Expenses	345.17	345.43
Total	3,577.09	3,545.63
28 FINANCE COSTS		
Interest Expenses	2,350.06	2,727.80
Other Borrowing Costs*	417.65	442.27
Interest -Cost on Fair Valuation of Preference Shares	155.74	138.36
Total	2,923.45	3,308.43
29 OTHER EXPENSES		
Power and Fuel (Net of Wind Energy)	4,351.24	3,935.19
Repairs to Building	11.62	15.29
Repairs to Machinery	498.10	645.00
Stores and Spares	143.86	113.49
Processing Charges	800.11	729.83
Rent	19.57	16.43
Insurance	81.91	87.98
Rates and Taxes	63.71	54.24
Commission and Brokerage	367.90	365.29
Freight, Forwarding and Other expenses	914.01	983.17
Payment to Statutory Auditors		
Audit Fee	2.00	2.00
Payment to Others	-	
Tax Audit Fee	0.75	0.75
Certification Charges	0.25	1.19
Out of Pocket Expenses	1.61	1.16
Directors Sitting Fee	2.53	2.70
(Gain)/Loss on disposal of Fixed Assets (Net)	(13.80)	(0.55)
Provision for Doubtful Debts	12.79	35.91
Net loss /(gain) on foreign currency transaction and translation	291.88	(69.30)
Miscellaneous Expenses	584.45	695.18
Total	8,134.49	7,614.95

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

30 Exceptional items shown in Statement of profit and loss represents:

	Year ended 31.03.2019 (₹ in lacs)	Year ended 31.03.2018 (₹ in lacs)
Profit on Sale of Wind Mill Undertakings	-	1,231.14
Payment under VRS to workmen	15.80	(283.82)
	15.80	947.32

The company had four wind mill undertakings out of which one of the Wind Mill undertaking was sold during the year 2016-17 on slump sale basis and realised a profit of ₹ 491.97 lacs. During the previous year the remaining three wind mill undertakings were also sold on slump sale basis and realised a profit of ₹ 1231.14 lacs as mentioned above

31 EARNING PER SHARE

Net profit /(Loss) attributable to equity shareholders as per statement of profit and loss	(236.02)	(434.59)
Less: Dividend on Preference Shares -Notional	35.14	35.14
Net profit available to Equity Share holders	(271.16)	(469.73)
Weighted average no of Equity Shares (Face value of Rs.10 each)	30920000	30920000
Basic and diluted Earning Per Share ₹	(0.87)	(1.52)

32 Employee Benefits Plan

Gratuity:

In accordance with the applicable laws, the Company provides for Gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity plan provides for a lump sum payment to vested employees on retirement (subject to the completion of 5 years of continues employment), death, incapacitisation or termination of the employment are based on last drawn salary and tenure of employment.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the Gratuity Fund administered by Life Insurance Corporation of India, which is basically a year-on-year cash accumulation plan. Though company has not fully funded to LIC ,adequate provision has been made in the Books of accounts. As part of the scheme the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity settlements during the year subject to sufficiency of funds under the policy.

	Gratuity Plan 2018-19 (₹ in lacs)	Gratuity Plan 2017-18 (₹ in lacs)
Change in Defined Benefit Obligation (DBO) during the year		
1 Present value of DBO at the beginning of the year	483.45	533.38
2 Current Service cost	30.75	32.76
3 Interest cost	37.68	39.71
4 Actuarial (gain)/loss arising from changes in financial assumptions	(45.76)	(66.17)
5 Actuarial loss arising from changes in experience adjustments	47.81	41.08
6 Benefits paid	(42.52)	(97.31)
Present value of DBO at the end of the year	511.41	483.45
Change in fair value of plan assets during the year		
1 Fair value of plan assets at the beginning of the year	260.16	330.91
2 Interest income	20.10	24.70
3 Employer contributions	29.14	3.12
4 Benefits paid	(42.52)	(97.31)
5 Return on plan assets (excluding interest income)	(0.88)	(1.26)
Present value of DBO at the end of the year	266.00	260.16

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

		Gratuity Plan 2018-19 (₹ in lacs)	Gratuity Plan 2017-18 (₹ in lacs)
Amounts recognised in the Balance Sheet			
1	Present value of DBO at the end of the year	511.41	483.45
2	Fair value of plan assets at the end of the year	266.00	260.16
Funded status of the plans - (Assets)/Liability		245.41	223.29
(Assets) and Liability recognised in the Balance sheet		245.41	223.29
Components of employer expense			
1	Current service cost	30.75	32.76
2	Interest income on net defined benefit obligation	17.58	15.01
Expense recognised in Statement of Profit and Loss		48.33	47.77
Remeasurements on the net defined benefit obligation			
	Return on plan assets(excluding interest income)	0.88	1.26
	Actuarial loss arising from changes in financial assumptions	(45.76)	(66.17)
	Actuarial loss arising from changes in experience adjustments	47.81	41.08
Remeasurements recognised in other comprehensive income		2.93	(23.83)
Total defined benefit cost recognised		51.26	23.94
Nature and extent of investment details of the plan assets			
	State and Central Securities	-	-
	Bonds	-	-
	Special Deposits	-	-
	Insurar Managed funds	100%	100%

	Gratuity Plan	
	As at 31.03.2019	As at 31.03.2018
Assumptions		
Discount rate	7.70%	7.80%
Expected rate of salary increase	2.00%	3.00%
Sensitivity analysis - DBO at the end of the year (in lakhs)		
Discount rate + 100 basis points	468.82	442.78
Discount rate - 100 basis points	559.88	530.09
Salary Growth rate + 1%	562.24	531.91
Salary Growth rate - 1%	466.18	440.63
Attrition rate +50%	525.39	495.25
Attrition rate -50%	496.34	470.63
Weighted average duration of DBO	9years	9years
Expected cash flows(in lacs)		
1. Expected employer contribution in the next year	276.45	253.10
2. Expected benefit payments		
Year 1	39.18	62.44
Year 2 to year 5	125.72	92.76
Year 6 to year 10	296.80	259.42
Beyond 10 years	684.56	717.17

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

33 The accounts of certain Trade Receivables ,Trade payables, Loans and advances and Banks are subject to formal confirmations /reconciliations and consequent adjustments ,if any. The management does not expect any material difference affecting the current year's financial statements on such reconciliation/adjustments.

34 In term of Ind AS-108 Operating Segments, the company operates materially only in one business segment viz., Textile industry and have its production facilities and all other assets located within India.

35 Finance Lease assets, loan repayable and future payments disclosure.

Particulars	Total minimum payments outstanding (₹ In Lacs)	Future interest on outstanding (₹ In Lacs)	Present Value of minimum payments (₹ In Lacs)
1. Due Within one year	0.66	0.01	0.65
	(1.98)	(0.17)	(1.81)
2. Between one year to five years	-	-	-
	(0.66)	(0.01)	(0.65)
Total	0.66	0.01	0.65
	(2.64)	(0.18)	(2.46)

* Figures in brackets represent previous year's figures.

36 RELATED PARTY DISCLOSURES

Related Party Disclosures pursuant to Ind AS 24

(a) Names of Related parties and nature of relationships

i Associate:

GTN Textiles Limited

ii Companies under joint control as per para 9(b)vi of Ind AS

GTN Enterprises Limited

iii Key Management Personnel:

Shri Umang Patodia -Managing Director

Shri T.Ravindran -CFO

Shri Dipu George -Company secretary

iv Enterprises/Entities having " Common Key Management Personnel ":

1 Perfect Cotton Co.

2 Patcot & Co

3 Standard Cotton Corporation

v Relative of Key Managerial Personnel :

1 Shri Binod Kumar Patodia - Father of Shri Umang Patodia

2 Smt Prabha Patodia - Mother of Shri Umang Patodia

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

- (b) During the year following transactions were carried out with related parties in the ordinary course of business and at arms length:

Nature of Transactions / Balances	Associates		Other Related Parties*	
	2018-19 ₹ in lacs	2017-18 ₹ in lacs	2018-19 ₹ in lacs	2017-18 ₹ in lacs
Sales, Service and other income	3,573.77	2,166.27		
Purchase of Goods and Services	2,374.32	1,056.43	1,374.92	4,238.72
Purchase of fixed assets				
Remuneration paid			56.80	56.51
Sitting Fees			0.30	0.30
Interest Paid				
Balances as at year end:				
Amount Receivable	1,848.14	742.38		
Amount Payable			337.52	534.70
Guarantee Received	2,000.00	2,000.00		
Guarantee Provided for	-	564.00		

* Includes relatives of key Management personnel.

- (c) Disclosure in respect of transactions with related parties during the year

	Transactions	
	2018-19 ₹ in lacs	2017-18 ₹ in lacs
(i) Sale of goods		
a) Cotton		
i) GTN Textiles LTD	1,518.98	1,125.52
ii) GTN Enterprises LTD	989.38	457.66
b) Cotton Yarn		
i) GTN Textiles LTD	368.83	33.15
ii) GTN Enterprises LTD	419.86	303.69
c) Store Items		
i) GTN Textiles LTD	-	0.09
ii) GTN Enterprises LTD	-	1.00
d) Sale of Waste		
GTN Enterprises LTD	-	-
e) Packing Materials		
i) GTN Textiles LTD	0.01	1.32
ii) GTN Enterprises LTD	3.04	-
e) Machinery		
i) GTN Enterprises LTD	3.30	-
(ii) Purchase of goods		
a) Cotton		
i) GTN Textiles LTD	701.05	97.38
ii) GTN Enterprises LTD	349.23	173.91
iii) Standard Cotton Corporation	-	1,784.62

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

	Transactions	
	2018-19 ₹ in lacs	2017-18 ₹ in lacs
iv) Patcot & Co.	1,262.96	1,576.40
v) Perfect Cotton Co	108.96	877.69
b) Cotton Yarn		
i) GTN Textiles LTD	925.37	321.07
ii) GTN Enterprises LTD	230.23	266.60
c) Store Items		
i) GTN Textiles LTD	2.77	5.53
ii) GTN Enterprises LTD	1.22	0.27
d) Packing Materials		
i) GTN Textiles LTD	-	0.14
ii) GTN Enterprises LTD	4.26	0.02
e) Waste		
i) GTN Textiles LTD	-	0.60
(iii) Purchase of Machinery		
i) GTN Textiles LTD	-	9.75
(iv) Rendering of services		
a) Rent		
GTN Enterprises LTD	1.08	1.08
b) Processing Charges		
i) GTN Textiles LTD	183.43	173.26
ii) GTN Enterprises LTD	85.86	69.50
(v) Receiving of services		
a) Rent		
GTN Textiles LTD	0.88	1.32
Other related parties	3.00	-
b) Processing Charges		
i) GTN Enterprises LTD	159.32	180.59
(vi) Remuneration paid		
Other related parties	56.80	56.51
(vii) Sitting Fees		
Other related parties	0.30	0.30

37 CONTINGENT LIABILITY AND COMMITMENTS:

A COMMITMENTS

- 1 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Nil (Previous year Rs.Nil).

B CONTINGENT LIABILITY

1 Disputed amounts of Taxes and duties and other claims not acknowledged as debts :

- a) Excise duty : ₹ 72.99 lacs (Previous year ₹ 72.99 lacs)
b) Sales Tax (VAT) : ₹ 146.45 lacs (Previous year Rs.146.45 lacs)
c) TANGEDCO has been charging electricity tax @ 5% on Demand Charges through their bills. This was challenged by a consumer in Hon'ble Supreme Court and Hon'ble Supreme Court has accepted the appeal on records. Liability towards the same ₹ 39.72 lacs (Previous year ₹ 27.25 lacs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

- d) TANGEDCO has denied deemed demand benefit available for use of self generated thermal power received through group captive arrangement. This was challenged in Hon'ble Chennai High Court and the Hon'ble High court has given injunction with a condition to TANGEDCO to Charge only 50% till the matter is decided. Liability towards the same was ₹ 189.72 lacs . (Previous year ₹ 55.84 lacs)

2 Corporate Guarantee :

- 2.1 The company has given Corporate Guarantee amounting to Rs.Nil (Previous year Rs.389 lacs) to a Financial Institution in respect of financial assistance provided by them to GTN Enterprises Ltd and the outstanding amount thereof is Rs.Nil as on 31st March 2019 (Previous Year – ₹ 116.55 lacs).
- 2.2 The company has given Corporate Guarantee amounting to Rs.Nil (Previous year Rs.175 lacs) to a Financial Institution in respect of financial assistance provided by them to GTN Textiles Ltd and the outstanding amount thereof is Rs.Nil lacs as on 31st March 2019 (Previous Year – ₹ 70 lacs).

- 38** The Company was sanctioned a Debt Restructuring Package under Corporate Debt Restructuring (CDR) Scheme on 12.10.2012 effective from 01.04.2012 for the loans availed from Banks/Financial Institutions, which was approved by CDR-EG and all the lenders.

The restructuring inter-alia envisages:

- Deferment / Rescheduling in payment of principal
- Refixation of interest rates on term loans
- Sanction of additional long term working capital term loan of Rs.22.16 crores
- In lieu of sacrifice by the lenders, Preference Shares of Rs.10.81 crores were allotted on 29.01.2013 to the banks/ financial institutions. The amount represents difference between the net present value (NPV) of the future cash flows towards repayment of principal and interest thereon as per the revised term and those payable as per the original terms.
- The Promoters to bring in contribution of Rs.2.70 crores by way of Preference Shares. The said amount was brought into two phases of ₹ 1.35 Crores each on 7th November, 2012 and 28th November, 2013 respectively in line with CDR Scheme.
- GTN Textiles Limited (GTN), the main Promoter to pledge 72,86,405 Equity Shares of Rs.10 each (51% of the shareholding in Patspin India Limited) in favour of Central Bank of India, the Monitoring Institution. GTN has since pledged the shares on 14.05.2013.
- The CDR lenders, with the approval of CDR EG, shall have the right to recompense the reliefs/ sacrifices/waivers extended by respective CDR lenders as per CDR guidelines

39 FINANCIAL RISKS MANAGEMENT

In the course of business, amongst others, the Company is exposed to several financial risks such as Credit Risk, Liquidity Risk, Interest Rate Risk, and Exchange Risk . These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of Company's strategies, operational and financial objectives, earning capacity and financial position.

The Company has formulated an appropriate policy and established a risk management framework which encompasses the following process.

- identify the major financial risks which may cause financial losses to the company
- assess the probability of occurrence and severity of financial losses
- mitigate and control them by formulation of appropriate policies, strategies, structures, systems and procedures
- Monitor and review periodically the adherence, adequacy and efficacy of the financial risk management system.

The Company enterprise risk management system is monitored and reviewed at all levels of management, Internal Auditors, Audit Committee and the Board of Directors from time to time.

Credit Risk

Credit Risk refers to the risks that arise on default by the counterparty on its contractual obligation resulting into financial loss to the company. The company may carry this Risk on Trade and other receivables, liquid assets and some of the non current financial assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

In case of Trade receivables, the company has framed appropriate policy for extending credits period & limit to each customer based on their profile, financial position etc. The collections of trade dues are strictly monitored . In case of Export customers, even credit guarantee insurance is also obtained wherever required.

Company's exposure to Credit Risk is also influenced by the concentration of risk from top five customers. The details in respect of the % of sales generated from the top customer and top five customers are given hereunder.

Particulars	Current Year	Previous Year
Revenue from Top Customer	8.54%	11.71%
Revenue from Top Five Customers	30.16%	30.93%

The credit risk on cash & cash equivalent, investment in fixed deposits, liquid funds and deposits are insignificant as counterparties are banks with high credit ratings assigned by the rating agencies of international repute.

Liquidity Risk

Liquidity Risk arises when the company is unable to meet its short term financial obligations.

The company maintains liquidity in the system so as to meet its financial liabilities .

Contractual maturities of financial liabilities are given as under:

Amount (₹ in lacs)

Particulars	As at 31st March 2019	Due within 12 months from Balance sheet Date	Due beyond 12 months of Balance Sheet Date
Borrowings	18,082.78	11,196.50	6,886.28
Trade payables	10,188.51	10,188.51	-
Other Financial Liabilities	205.30	205.30	-

Interest Rate Risk

Generally market linked financial instruments are subject to interest rate risk. The company does not have any market linked financial instruments both on the asset side as well liability side. Hence there no interest rate risk linked to market rates.

However the interest rate in respect of major portion of borrowings by the Company from the banks and others are linked with the MCLR / Base Prime lending rate of the respective lender. Any fluctuation in the same either on higher side or lower side will result into financial loss or gain to the company.

The amount which is subjected to the change in the interest rate is of ₹ 7208.71 lacs out of the total debt of ₹ 18082.77 Lacs

Based on the Structure of the debt as at year end, a half percentage point increase in the interest rate would cause an additional expense in the net financing cost of ₹ 36.04 Lacs on annual basis.

Foreign Currency Risk

The company is exposed to the foreign currency risk from transactions & translation. Transactional exposures are arising from the transactions entered in foreign currency. Management keeps a close watch of the maturity of the financial assets in foreign currency and payment obligations of the financial liabilities.

Particulars of unhedged Foreign Currency exposures as at 31 st March 2019 are as given below:

Particulars	As at 31.03.2019				As at 31.03.2018		
	Currency	Amount in lacs	Exchange Rate Rs	Amount (₹ in lacs)	Amount in lacs	Exchange Rate Rs	Amount (₹ in lacs)
Accounts Payable	USD	24.46	69.12	1690.68	50.86	65.18	3314.85

Based on one percentage point variations in the exchange rate, the profit before tax for the year based on the un hedged foreign currency transaction entered during the period will be effected by ₹ 16.90 Lacs

40 Capital risk management

The Company's objectives when managing capital are to :

- ◆ create value for its shareholders and other stake holders, and
- ◆ maintain an optimal capital structure to reduce the cost of capital through a fair mix of equity with combination of short term/long term debt as may be appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which includes capital and other strategic investments. The Company's intention is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The details of capital employed is given below:

Particulars	As at 31.03.2019	As at 31.03.2018
	₹ lacs	₹ lacs
Total equity	5,825.50	6,166.10
Net Debt	17,823.84	20,592.33
Total Capital Employed (Borrowings and Equity)	23,649.34	26,758.43
(i) Net debt represents total borrowings (non-current & current) as reduced by cash and cash equivalents.		
(ii) Equity comprises of all components including other comprehensive income.		

Signature to Note 1 to 40

As per our report of even date attached

For and on behalf of the Board

For **L.U. KRISHNAN & Co.**

Chartered Accountants

(ICAI FRN 001527S)

B. K. PATODIA

Chairman

DIN No. 00003516

UMANG PATODIA

Managing Director

DIN No. 00003588

P. K. MANOJ

Partner

(M. No. 207550)

T. RAVINDRAN

General Manager (Finance)

& Chief Finance Officer

DIPU GEORGE

Company Secretary

Place : Kochi

Date : 21st May 2019

DP ID _____ Folio No. / Client ID _____

Name and address of the shareholder(s)

I/We hereby record my/our presence at the 28th ANNUAL GENERAL MEETING of the Company on Friday, 20th day of September, 2019 at 9:30 a.m. at Aangan Hall, Bharat Hotel (BTH), Darbar Hall Road, Ernakulam 682 016.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDER(S) MAY OBTAIN ADDITIONAL SLIP AT THE VENUE OF THE MEETING.

Signature of the Member/ Proxy

Form No. MGT -11
PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

PATSPIN INDIA LIMITED
 CIN L18101KL1991PLC006194
 Registered Office: 3rd Floor, Palal Towers, Ravipuram, M.G. Road, Ernakulam -682016.
 Website : www.patspin.com

Name of the member (s):			
Registered address:			
E-mail Id:			
Folio No/ Client Id:		DP ID:	

I/We, being the member (s) of shares of the above named company, hereby appoint

1	Name:	Address:
	E-mail Id:	Signature:
Or failing him / her		
2	Name:	Address:
	E-mail Id:	Signature:
Or failing him / her		
3	Name:	Address:
	E-mail Id:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf on the 28th Annual General Meeting of the company, to be held on Friday, 20th day of September, 2019 at 9:30 a.m. at, Aangan Hall, Bharat Hotel (BTH), Darbar Hall Road, Ernakulam 682 016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote (Please mention No. of shares)		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Audited Financial Statements of the Company for the financial year ended 31st March, 2019, together with the Reports of the Directors and Auditors thereon			
2.	Reappointment of Shri. B.K. Patodia (DIN 00003516) as a Director pursuant to Section 152 (6) of the Companies Act, 2013			
Special Business				
3.	Re-appointment of Shri Umang Patodia (holding DIN: 00003588) as Managing Director of the Company, for a period of five years with effect from 4.8.2019 and fix his remuneration			
4.	Re-appointment of Shri N.K.Bafna (DIN: 00019372) as an Independent Director of the Company for a further period of five years from 19th September, 2019 to 18th September 2024.			
5.	Re-appointment of Shri Prem Malik (DIN: 00023051) as an Independent director of the Company for a further period of five years from 19th September, 2019 to 18th September 2024.			
6.	Re-appointment of Shri S. Sundareshan (DIN: 01675195) as an Independent director of the Company for a further period of five years from 19th September, 2019 to 18th September 2024			
7.	Ratification of remuneration of M/s. Hareesh K.N & Associates, Cost Accountants (Firm Registration No. 101974) as Cost Auditors of the Company.			

Signed this..... day of.....2019

Signature of shareholder

Signature of Proxy holder(s).....

Affix Revenue Stamp of Rs.1

Note:

This Form of Proxy, in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the meeting.



Registered Office: 3rd Floor, Palal Towers, Ravipuram, M.G. Road, Kochi 682 016
Corporate Office: 43, Mittal Chambers, 4th Floor., 228, Nariman Point, Mumbai 400 021

An ISO 9001:2015 / 14001:2015 Certified Company
www.patspin.com