

## PATSPIN INDIA LIMITED

### REPORT ON CORPORATE GOVERNANCE

#### 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 the Clause 49 of the Listing Agreement with the Stock Exchanges. 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 stakeholders, 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 31.3.2015 are as follows:

Category	Name of Directors
Promoter/Executive Director	Shri. Umang Patodia
Promoter / Non-Executive Directors	Shri. B K Patodia
	Shri. V.Viswanathan (Nominee of KSIDC, Trivandrum)
Independent Directors	Shri. N.K. Bafna
	Shri. Prem Malik
	Shri. Rajen K Mariwala
	Shri. B.L. Singhal (up to 31.7.2014)
	Shri. R.Rajagopalan (up to 31.7.2014)
	Shri. S.Sundareshan ( w e f 19.09.2014)
	Mrs. Pamela Anna Mathew (Additional Director w.e.f 17.03.2015 )

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	5	Yes	8	3	None	Related to Shri. Umang Patodia
Shri. N K Bafna	00019372	Nil	5	No	2	2	1	None
Shri. Prem Malik	00023051	Nil	5	No	13	6	2	None
Shri. S. Sundareshan	01675195	Nil	3	No	6	2	None	None
Shri. Rajen K Mariwala	00007246	21,300	2	No	9	None	None	None
Shri. B L Singhal (up to 31.7.2014)	00006433	6,460	2	No	7	7	4	None
Shri. R.Rajagopalan (up to 31.7.2014)	00003642	Nil	2	No	2	3	2	None
Mrs.Pamela Anna Mathew (w.e.f. 17.3.2015)	00742735	Nil	Nil	No	5	None	None	None
Shri.V Viswanathan [KSIDC nominee]	00027843	Nil	2	Yes	1	None	None	None
Shri.Umang Patodia	00003588	11,000	5	Yes	3	None	None	Related to Shri.B K Patodia

#### Notes:

- In accordance with Clause 49 of the Listing Agreement, 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 of more than 10 committees and Chairman of more than 5 Committees across all the Companies in which he is a Director as per Clause 49 of the Listing Agreement.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- **Number of Board meetings held and the dates on which held;**

Five 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)	15th May 2014	8	8
2)	30th July 2014	8	6
3)	31st October 2014	7	6
4)	31st January 2015	7	5
5)	17th March 2015	8	6

- **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 [www.patspin.com](http://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 Clause 49 of the Listing Agreement with Stock Exchange regarding independence.

The company has also obtained declaration of independence from each Independent Directors pursuant to Section 149 (7) of the Companies Act, 2013.

- **Independent Directors Meeting**

A separate meeting of Independent Directors was held on 31.1.2015 without the attendance of Non- Independence Directors and members of the management

### 3) **Audit Committee**

Audit Committee comprises of Three Independent Directors and one Non-Independent director namely; Shri.N.K. Bafna, Chairman, Shri Prem Malik, Shri.S.Sundareshan, and Shri. Umang Patodia. All the Members of the Audit Committee possess financial / accounting expertise. The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Shri.Abhilash N.A. Company Secretary was the Secretary of the Audit Committee.

The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations.

The terms of reference of Audit Committee are broadly as follows;

- Oversight of the company's financial reporting process and the disclosure of its financial information
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company
- Approval of payment to Statutory Auditors for any other services rendered by them
- Reviewing, with the management, the annual financial statements and auditor's report thereon
- Matters required to be included in the directors responsibility statement to be included in the Board's report
- 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 statement arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Approval of the related party transactions as per policy of the company
- Review and monitor the auditors independence and performance and effectiveness of audit process
- Scrutiny of inter corporate loans and investments
- Evolution of internal financial controls and risk management systems
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- Reviewing the adequacy of internal audit functions, if any, including frequency of internal audit
- Discussion with internal auditors of any significant findings and follow up thereon
- Reviewing the findings of any internal observations by the internal auditors to board matters where there is irregularity or a failure of reviewing the findings of a material nature and reporting the matter to the board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- To review the functioning of the vigil mechanism

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- Management discussion and analysis of financial condition and results of operations.

During the financial year, the Committee met four times. Attendance of each Member at the Audit Committee meetings held during the year:

Sl. No.	Name of the Member	Status	No. of meetings attended
1)	Shri.N.K Bafna	Chairman & Independent Director	4
2)	Shri.B L Singhal	Independent Director (upto 31.07.2014)	2
3)	Shri.Prem Malik	Independent Director	4
4)	Shri.S.Sundareshan	Independent Director(w.e.f 19.9.2014)	2
5)	Shri.R Rajagopalan	Independent Director(upto 31.07.2014)	2
6)	Shri. Umang Patodia	Managing Director	4

The details of the meetings are as under:-

Sl. No.	Date	Committee Strength	No. of Directors present
1)	15th May 2014	4	4
2)	30th July 2014	4	4
3)	31st October 2014	4	4
4)	31st January 2015	4	4

The Chief Financial Officer, Internal Auditors, Statutory Auditors and other Executives, as considered as appropriate, were also attending the Audit Committee meetings

### i) 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.

### ii) Prevention of Insider Trading:

The Audit Committee also monitoring 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 upto date. Shri.Abhilash N.A. Company Secretary was acting as the Compliance Officer upto 31.03.2015.

### iii) Vigil Mechanism

The Company has established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy duly adopted by the Board. The same is available on the website of the Company [www.patspin.com](http://www.patspin.com). No personnel has been denied access to the Audit Committee to lodge their compliance.

## 4) Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors comprises of three Independent Directors namely; Shri.N.K. Bafna as Chairman, Shri.Prem Malik and Shri.S.Sundareshan as Committee 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.

### • Remuneration to the Managing Director

The aggregate of salary and perquisites paid for the year ended 31st March, 2015 to the Managing Director is as follows:-

Shri.Umang Patodia: Rs.48.91 lacs

Besides this, the Managing Director was also entitled to Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent not tax deductible 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.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

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, 2015 to the Non Executive Directors is as follows:

Name of the Non-Executive Director	Sitting fee (Rs.)
Shri.B K Patodia	37500
Shri.N K Bafna	87500
Shri.B L Singhal (up to 31.7.2014)	45000
Shri.R Rajagopalan (up to 31.7.2014)	35000
Shri Prem Malik	67500
Shri.V.Viswanathan	15000
Shri Rajen K Mariwala	15000
Shri. S. Sundareshan (w.e.f. 19.9.2014)	42500
Total	3,45,000

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

The Stakeholders Relationship Committee comprises Shri N.K. Bafna as Chairman, Shri Prem Malik, Shri. S.Sundareshan and Shri. Umang Patodia as members of the Committee.

The Committee is set up to monitor the process of share transfer, issue of fresh share certificates as well as review of redressal of investors / shareholders grievances. The Committee would also recommend measures for overall improvement of the quality of investor services.

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

Sl. No.	Date	Committee Strength	No. of Directors present
1)	15th May 2014	3	3
2)	30th July 2014	3	3
3)	31st October 2014	4	4
4)	31st January 2015	4	4

Shri. Abhilash N.A. Company Secretary officiates as the Secretary of the Committee and is also designated as the Compliance Officer in terms of the Listing Agreement with the Stock Exchanges.

### • Complaints received and redressed during the year:

The total number of Complaints received and resolved to the satisfaction of investors during the year ended 31.3.2015 is as under:-

Type of complaints	Number of complaints
Non-receipt of Annual Reports	Nil
Non-receipt of Dividend Warrants	Nil
Non-receipt of Share Certificates	Nil
Complaints in respect of Electronic Transfers	Nil
Complaints / queries received from Regulatory Agencies	Nil

Pursuant to clause 47 (c) of the listing agreement, 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) Corporate Social Responsibility (CSR)

The provisions with regard to section 135 of the Companies Act, 2013 do not apply to your company.

### 7) 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 financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards notified under section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The Accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### • 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.

#### • Secretarial Audit Report

The Company has obtained Secretarial Audit Report on annual basis from the Company Secretary in Practice for compliance with Section 204 (1) of the Companies Act, 2013, and SEBI Listing Agreement. A text of the Annual Secretarial Audit Report is annexed elsewhere.

#### • 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](http://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 MANGALAM [Regional News Paper].

- (ii) Quarterly results

The quarterly results are normally published in all India editions of BUSINESS STANDARD [National Daily] and MANGALAM [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 at i) <https://www.connect2nse.com/LISTING>. and ii) <https://www.listing.bseindia.com>

The same were also displayed in the Web site of the Company, [www.patspin.com](http://www.patspin.com)

The Company did not make any presentation to the analysts / institutional investors.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 8. 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 Clause 41 and 49 (IX) of the Listing Agreement.

### 9. 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 Clause 49 of the Listing Agreement, the Auditors' certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report

### 10. 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
2011-12	Aangan Hall, Bharat Hotel, Kochi-682 016	13.08.2012	Monday	9:30 a.m	Consent for fixing of Remuneration of Managing Director
2012-13	-do-	30.07.2013	Tuesday	9:30 a.m	Consent to issue Redeemable Preference Shares to Promoters & its Associates
2013-14	-do-	19.09.2014	Friday	9:30 a.m	1. Consent for fixing of Remuneration of Managing Director (Sec 203 Schedule V) 2. Appointment of Shri N.K Bafna as Independent Director for a period of five years (Sec 149) 3. Appointment of Shri Rajen K Mariwala as Independent Director for a period of five years.(Section 149) 4. Appointment of Shri S.Sundareshan as Independent Director for a period of five years.(Section 149) 5. Approval of Related party transactions (Sec 188) 6. Approval of Increasing borrowing powers pursuant to section 180 (1) (c) of the Companies Act, 2013

C. Extra –Ordinary General Meeting of the shareholders was held during the year - No

D. Whether special resolutions were put through postal ballot, last year? - No

E. Are votes proposed to be conducted through postal ballot, this year? - Yes

### 11) 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](http://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 2014-15.

#### d) Reporting of internal Auditor

The Internal Auditor directly report to the Audit Committee

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 12) General Shareholder information:

#### I) Annual General Meeting:

a)	Date and Time	7th August, 2015
b)	Venue	: Aangan Hall, Bharat Hotel, Kochi-682 016
c)	Book closure date	: Friday, 31st July, 2015 to Friday, 7th August, 2015 (both days inclusive)
d)	Financial calendar (tentative):	
	Annual General Meeting	: 7th August, 2015
	Results for quarter ending 30th June, 2015	: 6th August, 2015
	Results for quarter ending 30th Sept., 2015	: On or before 14th November, 2015
	Results for quarter ending 31st Dec., 2015	: On or before 14th February, 2016
	Results for Year ending 31st March, 2016	: On or before 30th May, 2016.

#### 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 2015-16 have been duly paid to the said Stock Exchanges.
i)	Stock Code: Scrip Code No. : Bombay Stock Exchange	: 514326
ii)	Trading symbol : National Stock Exchange.	: PATSPINLTD
ii)	Demat ISIN Nos. in NSDL and CDSL for Equity Shares	: INE790C01014

#### III) Stock market data :

(in Rs. per Share)

Month	BSE		NSE	
	High	Low	High	Low
April 2014	6.81	5.72	6.85	5.55
May	8.88	6.09	9.10	6.10
June	10.34	8.30	10.30	8.50
July	10.75	8.60	10.90	8.80
August	9.78	7.20	10.00	7.50
September	12.94	8.65	13.00	8.40
October	11.50	8.86	10.40	8.55
November	10.00	8.47	10.00	7.65
December	9.90	7.51	9.75	7.55
January 2015	8.89	7.80	8.75	7.60
February	9.00	6.97	8.45	6.90
March	8.58	6.12	8.60	6.50

IV) Registrar and Transfer Agents (Share Transfer and communication regarding Share Certificates, Dividends and change of Address)	: M/s. Integrated Enterprises (India) Limited, 2nd Floor, Kences Towers, No 1, Ramakrishna Street, T Nagar, Chennai -600 017 Tel: 044 28140801-803 E-Mail : corpseiv@integratedindia.in
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## REPORT ON CORPORATE GOVERNANCE (Contd.)

V) Share Transfer System	<p>Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's Securities to the Share Transfer Committee of the Board of Directors, constituted for this purpose. A summary of transfer / transmission of the Securities of the Company so approved by the Share Transfer Committee is placed at every Board Meeting. The Company obtains a Certificate on each half year from a Company Secretary in Practice in respect of Compliance with the Share Transfer formalities as required under Clause 47(C) of the Listing Agreement with Stock Exchanges and files a copy of the Certificate with the Stock Exchanges, within the prescribed time limit.</p> <p>As regards shares held in Electronic form, the credit being given as per guidelines / by-laws issued by SEBI / NSDL / CDSL.</p>
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### VI) Shareholding pattern and distribution on Shareholding of the Company:-

#### (a) Shareholding pattern as on 31st March, 2015:

S.No.	Category	No of Shares	% of Shareholding
1	Promoters		
	GTN Textiles Limited	14287068	46.21
	KSIDC	2490000	8.05
	Patodia Family	3319850	10.74
2	Indian Financial Institutions, Banks, Mutual Funds	7300	0.02
3	Foreign Institutional Investors/NRIs	227242	0.74
4	Others	10588540	34.24
	Total:-	30920000	100.00

#### (b) Distribution of Shareholding as on 31st March, 2015:

S.No.	No. of shares held	No. of share-holders	% of share-holder	No. of shares (Issued Equity)	% of share-holding
1	Upto 100	10512	59.51	977900	3.16
2	101-500	5124	29.01	1449547	4.69
3	501-1000	1053	5.96	904671	2.92
4	1001-10000	886	5.02	2639762	8.54
5	10001-100000	74	0.42	1997296	6.46
6	Above 100000	14	0.08	22950824	74.23
	Total :	17663	100.00	30920000	100.00

### VII) Dematerialisation of shares and Liquidity:

The shares of the Company are compulsorily traded in DEMAT form by all categories of investors with effect from 29th January 2001. The Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of our shares for scripless trading. As on 15th May 2015, 94.69% shares of the Company were held in Dematerialized form

#### 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 Location:	(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
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## REPORT ON CORPORATE GOVERNANCE (Contd.)

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 Enterprises (India) Limited, 2nd Floor, Kences Towers, No 1, Ramakrishna Street, T Nagar, Chennai 600 017 Tel: 044 28140801-803 E-Mail : <a href="mailto:corpserv@integratedindia.in">corpserv@integratedindia.in</a>
		b) For share held on Demat form:- To the Depository Participants.
(ii)	Any query on Annual Report	Secretarial Department PATSPIN INDIA LIMITED 5th Floor, Palal Towers, M G Road, Ravipuram, Ernakulam, Kochi – 682 016 E-Mail: <a href="mailto:cs@patspin.com">cs@patspin.com</a>

### DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

"This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the company [www.patspin.com](http://www.patspin.com)

Further certified that the member of the Board of Directors and senior management personnel have affirmed having complied with the code applicable to them during the year ended 31st March, 2015"

Place : Kochi,  
Date : 27th May, 2015

**UMANG PATODIA**  
Managing Director  
DIN No. 00003588

The above report was adopted by the Board of Directors at their meeting held on 27.05.2015.

### COMPLIANCE CERTIFICATE

To the Members of **PATSPIN INDIA LIMITED**

(i) We have examined the compliance of conditions of Corporate Governance by PATSPIN INDIA LIMITED (The Company) for the year ended March 31, 2015 as stipulated in clause 49 of the Listing agreement(s) of the said Company with the stock exchange(s).

(ii) The compliance of conditions on 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 (as stipulated in Clause 49 of the Listing Agreement), 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.

(iii) In our opinion and to the best of our information and according to the explanations given to us read along with paragraph 2 of the Report on Corporate Governance, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).

(iv) We further 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 M. S. JAGANNATHAN & VISVANATHAN**  
CHARTERED ACCOUNTANTS  
(ICAI FIRM NO. 001209S)

**R. MUGUNTHAN**  
PARTNER  
M NO.21397

Place : Kochi  
Date : 27th May, 2015