

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 (Nominne 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:

- i) 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
- ii) 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.

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- 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:

SI 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:

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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. Sundareshan	67500

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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.

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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.

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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

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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 : corpser@integratedindia.in
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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.
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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
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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	<p>a) For shares held in Physical Form: - 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 : corpserv@integratedindia.in</p> <p>b) For share held on Demat Form: - To the Depository Participants.</p>
(ii)	Any query on Annual Report	<p>Secretarial Department PATSPIN INDIA LIMITED 5th Floor, Palal Towers, M G Road, Ravipuram, Ernakulam, Kochi – 682 016 E-Mail: cs@patspin.com</p>

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

P.K. MANOJ
PARTNER
M NO.207550

Place : Kochi
Date : 07.08.2019