

34

# Annual Report

2024 / 2025



# PATSPIN INDIA LIMITED

## BOARD OF DIRECTORS

Shri B K Patodia (DIN 00003516)	: Chairman (up to 5.8.2025)
Shri. N.K.Bafna (DIN 00019372)	: Non-Executive Independent Director (up to 18.9.2024)
Shri V.N.Balakrishnan (DIN 08820393)	: Non-Executive Independent Director (up to 5.8.2025)
Shri. C.K.Gopalakrishnan Nair (DIN 00521840)	: Non-Executive Independent Director
Dr. Shri. Raju V.P. (DIN 10866461)	Non-Executive Independent Director (w.e.f. 16.12.2024)
Smt. Kalpana Mahesh Thakker (DIN 08601866)	Non-Executive Woman Director
Shri. Umang Patodia (DIN 00003588)	Managing Director
Shri T.Ravindran	Chief Financial Officer
Ms Veena Vishwanath Bhandary	Company Secretary

## CHAIRMAN EMERITUS

Shri. B.K.Patodia  
(w.e.f. 6.8.2025)

## BANKERS & FINANCIAL INSTITUTION

Central Bank of India  
State Bank of India  
The Karur Vysya Bank Limited

## AUDITORS (STATUTORY)

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

## AUDITORS (INTERNAL)

M/s. Varma & Varma,  
Chartered Accountants,  
Ernakulam

## REGISTRAR & SHARE TRANSFER AGENTS

M/s. Integrated Registry Management Services  
Private Limited  
2<sup>nd</sup> Floor, Kences Towers, No.1, Ramakrishna Street,  
T Nagar, Chennai-600017, Tel: 044 28140801-803;  
E-Mail: csdstd@integratedindia.in

## REGISTERED OFFICE

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

## CORPORATE IDENTITY NUMBER (CIN):

L18101KL1991PLC006194

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# PATSPIN INDIA LIMITED

## NOTICE

NOTICE is hereby given that the **THIRTY FOURTH (34TH)** Annual General Meeting of the Members of **PATSPIN INDIA LIMITED** will be held on Monday **29<sup>th</sup> September 2025** at **10.00 AM** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business.

### ORDINARY BUSINESS:

- 1) To receive, consider and adopt Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025 together with the Reports of the Board of Directors and Auditors' thereon.
- 2) To appoint Smt. Kalpana Mahesh Thakker, Non-Executive Director (DIN: 08601866), who retires by rotation and being eligible, offers herself 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**.

**"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. C.K.Gopalakrishnan Nair (DIN 00521840), aged about 78 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 the conclusion of 34<sup>th</sup> Annual General Meeting till 39<sup>th</sup> Annual General Meeting of the company and who has consented to act as an Independent Director of the Company and 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 term of consecutive five years from the conclusion of 34<sup>th</sup> Annual General Meeting till 39<sup>th</sup> Annual General Meeting of the company."

**"RESOLVED FURTHER THAT** pursuant to SEBI (LODR) (Amendment) Regulations, 2018, approval of the members of the company be and is hereby accorded

to Shri C.K.Gopalakrishnan Nair (DIN: 00521840) for continuation of the Directorship in the company who has crossed the age of seventy five years on the existing terms and conditions and further for the next consecutive five years effective from the conclusion of 34<sup>th</sup> Annual General Meeting till 39<sup>th</sup> Annual General Meeting as an Independent Director of the company"

**"RESOLVED FURTHER 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"

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

**"RESOLVED THAT** pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations), [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and based on recommendation of Audit Committee of Directors and the Board of Directors, Shri MRL Narasimha, Practicing Company Secretary, (FCS No: 2851, CP No:799), be and is hereby appointed as Secretarial Auditor of the Company, to hold office for a term of consecutive five years commencing from FY2025-26 to FY2029-30 to undertake Secretarial Audit of the Company, on such remuneration plus applicable taxes, travel and actual out-of-pocket expenses, as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditor from time to time.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

**"RESOLVED THAT** pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (LODR) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Section 2(76), Section 188 and other applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed

## NOTICE (Contd...)

thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s) / Contract(s)/ Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) between the Company and M/s. GTN Enterprises Limited on such terms and conditions as may be mutually agreed between the Company and the above related party, as mentioned in detail in the Explanatory Statement annexed herewith, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorized Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect."

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

**"RESOLVED THAT** pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange

Board of India (LODR) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Section 2(76), Section 188 and other applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s) / Contract(s)/ Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) between the Company and M/s. GTN Textiles Limited on such terms and conditions as may be mutually agreed between the Company and the above related party, as mentioned in detail in the Explanatory Statement annexed herewith, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorized Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect."

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

## NOTICE (Contd...)

### Resolution:

**RESOLVED THAT** pursuant to Sections 2(76), 179(3) (d), 180(1)(c), 188 and other applicable provisions, if any of Companies Act 2013, Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (LODR) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations), [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and based on recommendation of Audit Committee of Directors and the Board of Directors subject to such permissions and approvals as may be required from appropriate authorities, the consent of the members of the Company be and is hereby accorded ratifying the borrowings made up by way of book entries in the form of interest free unsecured loan of ₹ 10.84 Crores under provisions of Section 169T and 169SS of the Income Tax Act 1961 from Promoter Shri B.K. Patodia.

**RESOLVED FURTHER THAT** Shri T Ravindran Chief Financial Officer of the company be and is hereby authorized to sign and file all the necessary papers, in connection with accepting such loan and also authorised to do all acts, things and deeds necessary to give effect to the said resolution.

**RESOLVED FURTHER THAT** Ms Veena Vishwanath Bhandary Company Secretary be and is hereby authorized to give certified true copy of this resolution and file necessary e-forms with the Registrar of Companies, Kerala.

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

**RESOLVED THAT** pursuant to Sections 2(76), 179(3) (d), 180(1)(c), 188 and other applicable provisions, if any of Companies Act 2013, Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (LODR) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations), [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and based on recommendation of Audit Committee of Directors and the Board of Directors subject to such

permissions and approvals as may be required from appropriate authorities, the consent of the members of the Company be and is hereby accorded ratifying the borrowings made up by way of book entries in the form of interest free unsecured loan of ₹ 3.74 Crores under provisions of Section 169T and 169SS of the Income Tax Act 1961 from Promoter Shri Umang Patodia.

**RESOLVED FURTHER THAT** Shri T Ravindran Chief Financial Officer of the company be and is hereby authorized to sign and file all the necessary papers, in connection with accepting such loan and also authorised to do all acts, things and deeds necessary to give effect to the said resolution.

**RESOLVED FURTHER THAT** Ms Veena Vishwanath Bhandary Company Secretary be and is hereby authorized to give certified true copy of this resolution and file necessary e-forms with the Registrar of Companies, Kerala.

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 and other applicable provisions, if any, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Members of the Company be and is hereby accorded to the ratification of the remuneration of M/s. Hareesh K.N and Associates, Cost Accountants (Firm Reg. No. 101974), appointed as the Cost Auditors by the Board of Directors of the Company ('the Board') for the financial year ending 31<sup>st</sup> March, 2026 to conduct cost audits relating to cost records of the Company and that the said Cost Auditors be paid a remuneration of ₹ 55,000 (Rupees Fifty-Five Thousand only) plus applicable taxes.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

**Veena Vishwanath Bhandary**  
Company Secretary  
Membership No. A61968

Place: Kochi  
Date: 05.08.2025



## NOTICE (Contd...)

### NOTES

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 02/2022, 10/2022 and 09/2023 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, May 5, 2022, December 28, 2022 and September 25, 2023, the latest being General Circular No. 09/2024 dated September 19, 2024 respectively, ("MCA Circulars") has allowed conduct of Annual General Meetings ("AGM") by Companies through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility up to September 30, 2025, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/ CFD/ CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023 and October 3, 2024 ("SEBI Circulars") has provided certain relaxations from compliance with certain provisions of the SEBI Listing Regulations. In compliance with these Circulars, provisions of the Act and the SEBI Listing Regulations, the 34<sup>th</sup> AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 34<sup>th</sup> AGM shall be the Registered Office of the Company.
2. In terms of the MCA Circulars, physical attendance of members has been dispensed with and therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 34<sup>th</sup> AGM. However, pursuant to Section 112 and Section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-Voting, for participation in the 34<sup>th</sup> AGM through VC/ OAVM facility and e-Voting during the 34<sup>th</sup> AGM
3. In terms of the MCA Circulars and relevant circulars issued by SEBI, the Notice of the 34<sup>th</sup> AGM and Annual Report for the financial year ended March 31, 2025 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depository Participants ("DPs") and is also available on the website of the Company at [www.patspin.com](http://www.patspin.com), on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and also on the website of Central Depository Services Limited ("CDSL") at [www.evotingindia.com](http://www.evotingindia.com). Since the 34<sup>th</sup> AGM will be held through VC/ OAVM facility, the Route Map is not annexed in this Notice.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning the business under Item Nos. 3 to 9 of the Notice are annexed hereto. The relevant details pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM are also annexed.
5. Attendance of the Members participating in the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday 24<sup>th</sup> September 2025 to Monday 29<sup>th</sup> September 2025 (both days inclusive) for the purpose of AGM.
7. In case the shareholder holding shares in physical mode has not registered his/her e-mail address with the Company|RTA|Depositories, he/she may do so by sending a duly signed request letter to M/s. Integrated Registry Management Services Private Limited (IRMSPL) by providing Folio No. and Name of shareholder at 2<sup>nd</sup> Floor, Kences Towers, No.1, Ramakrishna Street, T Nagar, Chennai-600017, Tel: 044 28140801-803; E-Mail: [csdstd@integratedindia.in](mailto:csdstd@integratedindia.in)
8. In the case of shares held in demat mode, the shareholder may contact the Depository Participant ("DP") and register the e-mail address in the demat account as per the process followed and advised by the DP.
9. Members seeking any information with regard to Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act, and relevant documents referred to in the accompanying Notice and in the Explanatory Statements are requested to write to the Company on or before Friday 19<sup>th</sup> September 2025, through email on [cs@patspin.com](mailto:cs@patspin.com), quoting their folio number. The same will be replied by the Company suitably.
10. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed dividend account; exchange of securities certificate; sub-division of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form

## NOTICE (Contd...)

ISR – 4, on the website of the Company's Registrar and Transfer Agents, IRMSPL at [csdstd@integratedindia.in](mailto:csdstd@integratedindia.in). It may be noted that any service request can be processed only after the folio is KYC Compliant.

11. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
12. Members are advised to avail the nomination facility in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to IRMSPL. Members holding shares in dematerialized form may contact their respective DP for availing this facility.
13. Members are requested to notify change in address, if any, immediately to M/s. IRMSPL, quoting their folio numbers.
14. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
15. The cut-off date for the purpose of determining the Members eligible for participation in remote e-voting (e-voting from a place other than venue of the AGM) and voting at the AGM through e-voting system is Monday 22<sup>nd</sup> September 2025 ('Cut-off Date').
16. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice, holds shares as on Cut-off Date, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) with a copy marked to the Company on [cs@patspin.com](mailto:cs@patspin.com). However, if the Member is already registered with CDSL for remote e-voting, then he/she/it can use his/her/its existing User ID and password for casting the vote. Only a Member who is entitled to vote shall exercise his/her/its vote through e-voting and any recipient of this Notice who

has no voting rights as on Cut-off Date should treat the same as intimation only.

17. The Board of Directors of the Company has appointed Shri MRL Narasimha (Membership No.2851, CPNO 799), Practicing Company Secretary or failing him, Shri. Abhilash N.A, Practicing Company Secretary (Membership No. 22601 CPNo. 4524) as Scrutinizer for conducting the e-voting process in a fair and transparent manner in accordance with the provisions of Rule 22 of the Companies (Management and Administration) Rules, 2014.
18. Corporate Members are required to scan and send a certified true copy of the Board Resolution, pursuant to Section 113 of the Act, authorizing their representatives to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through their registered e-mail address to [mrln54@outlook.com](mailto:mrln54@outlook.com) with a copy marked to the Company on [cs@patspin.com](mailto:cs@patspin.com).
19. The results once declared along with the Scrutinizer's Report shall be placed on the Company's website [www.patspin.com](http://www.patspin.com) and on website of CDSL within two working days of conclusion of the AGM and will also be communicated to BSE Limited, where the shares of the Company are listed.

### THE INTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM ARE AS UNDER:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as

## NOTICE (Contd...)

well as the e-voting system on the date of the AGM will be provided by CDSL.

### THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

**Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The e-voting period begins on Friday 26<sup>th</sup> September 2025 at 9:00 AM (IST) and ends on Sunday 28<sup>th</sup> September 2025 at 5:00 PM (IST). 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 Monday 22<sup>nd</sup> September 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

**Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"><li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; My Easi New (Token) Tab.</li><li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li><li>3) If the user is not registered for Easi/ Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; My Easi New (Token) Tab and then click on registration option.</li></ol>



## NOTICE (Contd...)

Type of shareholders	Login Method
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is</p>

Type of shareholders	Login Method
	<p>launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p> <p>4) For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

## NOTICE (Contd...)

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <PATSPIN INDIA LTD> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.

## NOTICE (Contd...)

- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address [cs@patspin.com](mailto:cs@patspin.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@patspin.com](mailto:cs@patspin.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@patspin.com](mailto:cs@patspin.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned

## NOTICE (Contd...)

copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 09911.

## NOTICE (Contd...)

### Details of Directors seeking re-appointment at the forthcoming AGM in pursuance of Regulation 36 of SEBI (LODR) Regulations 2015

<b>Name of the Director</b>	<b>Smt. Kalpana Mahesh Thakker</b>
DIN	08601866
Age & Date of Birth	62 years, 10.1.1963
Nationality	Indian
Qualification	Graduate
Expertise	Smt. Kalpana Mahesh Thakker (DIN 08601866), aged 62 years, possessed qualification in Bachelor of Arts. She is the Managing Director of M/s. Purav Trading Limited engaged in procurement of raw cotton both from domestic and overseas markets. In addition to the same, she is partner in M/s. Perfect Cotton Company, M/s Patcot Company, and Standard Cotton Company, Mumbai, leading players in raw cotton market. Her family is in the Business of Raw Cotton Procurement for the last 4 to 5 Decades and have special expertise in Import and Export of Raw Cotton. She is actively involved in her family business for last many years. Presently, she is controlling the whole family business.
Date of Appointment in the Company	14.11.2019
Other Directorships (Listed / Public Co.)	GTN Textiles Limited Purav Trading Limited
Membership / Chairman in other Committees	GTN Textiles Ltd. Nomination & Remuneration Committee-Member
Shareholding in the Company	100 equity shares
Relationship between Directors Inter -se Directors	NIL

<b>Name of the Director</b>	<b>Shri C.K.Gopalakrishnan Nair</b>
DIN	00521840
Age & Date of Birth	78 years, 17.1.1947
Nationality	Indian
Qualification	Diploma in Textile Technology Engineering, CTex ATI
Expertise	Shri. C.K.Gopalakrishnan Nair, aged 78 years, is a Textile Engineer having professional experience over 35 years as Senior positions in Textile Industry and also 10 years in the capacity of Managing Director of public sector companies viz. M/s. Malappuram Co Operative Spinning Mills, M/s. Sitaram Textiles and M/s. Kerala State Textiles Corporation. He was also actively associated with Textile Institute Manchester, I R C Textiles and Kerala Management Association, Palakkad
Date of Appointment in the Company	30.10.2020
Other Directorships (Listed / Public Co.)	GTN Textiles Limited
Membership / Chairman in other Committees	GTN Textiles Ltd <ul style="list-style-type: none"><li>Audit Committee – Member</li><li>Nomination &amp; Remuneration Committee - Member</li><li>Stakeholder Relationship Committee - Member</li></ul>
Shareholding in the Company	NIL
Relationship between Directors Inter -se Directors	NIL

By Order of the Board of Directors

**Veena Vishwanath Bhandary**  
Company Secretary  
Membership No. A61968

Place: Kochi  
Date: 05.08.2025



## NOTICE (Contd...)

### Statement pursuant to Section 102 of the Companies Act, 2013 and Regulation 36 of SEBI (LODR) Regulations, 2018

#### Item No.3

The Members of the Company at their 29<sup>th</sup> Annual General Meeting of the Company held on Friday, 30<sup>th</sup> October, 2020, had approved the appointment of Shri CK Gopalakrishnan Nair (DIN 00521840), as Independent Director of the Company for a period of five years from 30.10.2020 to 29.10.2025, 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 Agreements with the Stock Exchanges. He holds office as Independent Director of the Company up to the close of business hours on 29<sup>th</sup> October 2025 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 reappointment on passing of a Special Resolution by the Company. Further pursuant to sub-regulation 17(1A) of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, mandates that no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attended the age of seventy five years, unless special resolution is passed to that effect.

Shri CK Gopalakrishnan Nair, 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 meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and that he is not disqualified from being appointed as a Director under provisions of Section 164 of the Companies Act, 2013, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority. In the opinion of the Board of Directors of the Company, he fulfils the conditions specified in the Companies Act, 2013 & Rules framed there under and the SEBI (Listing Obligations and Disclosure Requirements) 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 5<sup>th</sup> August, 2025, approved the re-appointment of Shri CK Gopalakrishnan Nair as Non-Executive Independent Director of the Company for a second term of five years from conclusion of 34<sup>th</sup> Annual General Meeting till 39<sup>th</sup> Annual General Meeting of the company as mentioned in the Resolution set out under item no. 3.

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

The Company has received individual notice in writing from Member 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 C.K.Gopalakrishnan Nair for the office of Director of the Company for his second term of five years effective from conclusion of 34<sup>th</sup> Annual General Meeting till 39<sup>th</sup> Annual General Meeting of the company.

Shri. C.K.Gopalakrishnan Nair, aged 78 years, is a Textile Engineer having professional experience over 35 years as Senior positions in Textile Industry and also 10 years in the capacity of Managing Director of public sector companies viz. M/s.Malappuram Co Operative Spinning Mills, M/s. Sitaram Textiles and M/s. Kerala State Textiles Corporation. He was actively associated with Textile Institute, Manchester, I R C Textiles and Kerala Management Association, Palakkad.

Copy of the draft letter of appointment of Shri. C.K.Gopalakrishnan Nair 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 a.m. to 1 p.m. on all days except Saturdays, Sundays and public holidays, till the conclusion of the ensuing Annual General Meeting. The same is also available at the Company's website at [www.patspin.com](http://www.patspin.com).

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

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

#### Item No. 4

Pursuant to recent amendments to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a listed entity is required to appoint a Secretarial Auditor (Individual) for one term of five consecutive years, subject to Members approval at the Annual General Meeting. In this regard, based on the recommendation of the Audit Committee of Directors, the Board of Directors, at its meeting, held on August 5, 2025, approved the appointment of Shri MRL Narasimha Practising Company Secretary, as the Company's Secretarial Auditor for one term of consecutive five years commencing from FY2025-26 to FY2029-30, subject to Members' approval, after taking into account the eligibility of the Auditors qualification, experience, independent assessment, competency and Company's previous experience based on the evaluation of the quality of audit work done by him in the past.

The Company has received a consent letter from him, confirming his willingness to undertake the Secretarial Audit and issue the Secretarial Audit Report in accordance

## NOTICE (Contd...)

with Section 204 of the Act along with other applicable provisions, if any, under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended. He hereby affirms compliance with Regulation 24A(1B) of the Listing Regulations in providing services to the Company. Further, he confirms that he holds a valid peer review certificate issued by ICSI and fulfills all eligibility criteria and has not incurred any disqualifications for appointment, as outlined in the SEBI circular dated December 31, 2024. He is a senior Practicing Company Secretary with over 3 decades of experience in the field of Company Secretary and having vast experience in carrying out Secretarial Audit of listed companies.

Besides the audit services, the Company would also obtain permitted services which are to be mandatorily received from the Secretarial Auditor under various statutory regulations from time to time, for which he will be remunerated separately on mutually agreed terms.

The Board of Directors, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Secretarial Auditor.

None of the Directors, Key Managerial Personnel (KMP) and their relatives are, in any way, concerned or interested in the resolution at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution at Item No. 4 of the accompanying Notice for approval by the Members.

### Item No. 5 & 6

Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended, prescribe certain procedure for approval of related party transactions. Regulation 23 of the SEBI (LODR) Regulations, 2015 has also prescribed seeking of shareholders' approval for related party transactions provided that a transaction with a related party shall be considered material i.e., if the transaction(s) to be entered into individually or taken together with previous transaction during a financial year exceeds ₹ 1000 crore or 10% of the annual turnover of the listed entity as per the last audited financial statement of the listed entity, whichever is lower. Proviso to Section 188 provides that nothing contained in Sub-section (l) of Section 188 applies where transactions are entered into by the company in the ordinary course of conduct of business other than transactions which are not on an arm's length basis.

Annual turnover of Patspin India Limited as per audited financial statements as at 31.3.2025 is ₹ 47.33 crores. Therefore, the value of the related party transactions was considered material, pursuant to the provisions of Regulation 23 of the SEBI (LODR) Regulations, 2015. Hence the following proposed transactions are for the approval of Shareholders of the Company by passing an ordinary resolution.

Name of Related party	Relationship	Estimated value of transaction (₹ In lakhs)	Nature of the transaction (s)	Material Terms of the contract / or agreement
GTN Enterprises Limited (GEL)	Shri. Ankur Patodia is the Managing Director of GEL and Son of Mr. B.K.Patodia, Chairman and Brother of Shri. Umang Patodia, Managing Director of the company.	3000	Sale, Purchase or supply of cotton and cotton yarn / waste	The proposed approval is for a maximum period of 15 months between two Annual General Meetings (AGM), being conclusion of the 34 <sup>th</sup> AGM to the conclusion of the 35 <sup>th</sup> AGM.  Further, the proposed transaction entered into by the company shall be in the ordinary course of business and at arm's length price.
		500	Selling or otherwise disposing off, or buying, property and other assets of any kind	
		2500	Availing or rendering of processing charges or any other transaction of whatever nature	

## NOTICE (Contd...)

Name of Related party	Relationship	Estimated value of transaction (₹ In lakhs)	Nature of the transaction (s)	Material Terms of the contract / or agreement
GTN Textiles Limited (GTN)	Shri. B. K. Patodia is the Chairman and Managing Director and Shri. Umang Patodia is a Non-Executive Director of GTN. The said Company is the main promoter of our Company (46.26% equity shareholding)	1000	Sale, Purchase or supply of cotton and cotton yarn / waste	The proposed approval is for a maximum period of 15 months between two Annual General Meetings (AGM), being conclusion of the 34 <sup>th</sup> AGM to the conclusion of the 35 <sup>th</sup> AGM.  Further, the proposed transaction entered into by the company shall be in the ordinary course of business and at arm's length price.

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto, and the Company's Related Party Transaction Policy are furnished hereunder:

Name of the Related Party	GTN Enterprises Limited
Name of the Director or key managerial personnel who is related, if any	Shri. B.K.Patodia Shri. Umang Patodia
Nature of Relationship	Shri Ankur Patodia is the Managing Director of GTN Enterprises Limited and he is the son of Shri. B.K.Patodia and brother of Shri. Umang Patodia
The nature, material terms, monetary value and particulars of the contract or arrangement	As per table above
Any other information relevant or important for the members to take a decision on the proposed resolution	Presently, Patspin India Limited is carrying on job work due to paucity of funds and is proposed to carry on own manufacturing activities, shortly. There will be requirement to procure / sell the materials from the related party in the normal course of business and at arm's length price

Name of the Related Party	GTN Textiles Limited
Name of the Director or key managerial personnel who is related, if any	Shri. B.K.Patodia Shri. Umang Patodia
Nature of Relationship	<ul style="list-style-type: none"> <li>Shri. B.K.Patodia is the Chairman &amp; Managing Director &amp; Shri. Umang Patodia is a Non Executive Director in GTN Textiles Limited</li> <li>Shri. Umang Patodia is the son of Shri. B.K.Patodia</li> </ul>
The nature, material terms, monetary value and particulars of the contract or arrangement	As per table above
Any other information relevant or important for the members to take a decision on the proposed resolution	Presently, Patspin India Limited is carrying on job work due to paucity of funds and is proposed to carry on own manufacturing activities, shortly. There will be requirement to procure / sell the materials from the related party in the normal course of business and at arm's length price

The above proposed arrangements / transactions were approved by the Audit Committee and the Board of Directors at its meeting held on 05.08.2025 recommended the same to the Shareholders of the Company for their approval.

As per Regulation 23 of the SEBI (LODR) Regulations, 2015, all material related party transactions shall require approval of the shareholders through ordinary resolution and the related parties shall abstain from voting on such resolution whether the entity is a related party to the particular transaction or not. Further, as per Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014, where any Director is interested in any contract or arrangement with a related party,

## NOTICE (Contd...)

such Director shall not be present at the meeting during discussion on the subject matter of the resolution relating to such contract or arrangement. Accordingly, all related parties of the Company shall not participate or vote on this resolution.

Directors or their relatives mentioned as related parties above may be deemed to be interested or concerned in the Resolution.

None of the other Directors of the Company or their relatives are in any way, financially or otherwise, concerned or interested in the resolution.

The above proposal is in the interest of the Company and the Board recommends the Ordinary Resolution as set out at Item No. 5 & 6 for approval by the members.

### Item No. 7 & 8

The Bankers of GTN Textiles Limited (GTN) while issuing No Objection Certificate (NOC) for sale of their immovable properties, stipulated a condition to clear up-to-date bank dues of Patspin India Limited (Patspin) for release of mortgaged documents as well as to satisfy ROC charges. Based on NOC, the Buyer of GTN remitted Bankers dues including up-to-date bankers dues of Patspin, amounting ₹ 14.58 crores. Both GTN & Patspin obtained required approvals from shareholders for this transaction.

Based on approval of the Audit Committee and the Board of Directors of the Company, an MOU have been signed on 30.3.2025 among GTN, Patspin, and Promoter Directors viz. Shri. B.K.Patodia and Shri. Umang Patodia for transfer of specific loan of ₹ 14.58 crores lying in the name GTN to Shri B K Patodia ₹ 10.84 crores and Shri Umang Patodia ₹ 3.74 crores by way of book entries pursuant to provisions of Section 269T and 269SS of the income Tax Act, 1961. The company has also obtained legal opinion from the Income Tax Consultants M/s. Varma & Varma, Chartered Accountants, Ernakulam and also from M/s. Subbaraya Iyer, Padhanabhan & Ramamani Advocates, Chennai in this regard. As per the opinion(s), the transaction i.e. transfer of specific loan is permissible as per relevant laws, however as an abundant caution, the Board seek your approval for ratification of said transaction by passing an Ordinary Resolution

Name of Related party	Relationship	Estimated value of transaction (₹ In lakhs)	Nature of the transaction(s)	Material Terms of the contract / or agreement
Shri B K Patodia	Promoter and Father of Shri. Umang Patodia	1084	Interest free Unsecured loan	<p>Transfer of specific loan of ₹ 10.84 crores lying in the name of GTN Textiles Limited being transferred in the name of Shri B K Patodia as an interest free unsecured loan by way of book (journal) entries vide an MOU dated 30.3.2025 pursuant to provisions of Section 169T and 169SS of the Income Tax Act 1961.</p> <p>The Unsecured loan given is interest free and thereby not prejudicial to the interest of the company. The Audit Committee/Board now seek Shareholders approval to ratify said transaction, as an abundant caution.</p>
Shri Umang Patodia	Promoter , and Managing Director	374	Interest free Unsecured loan Loan	<p>Transfer of specific loan of ₹ 3.74 crores lying in the name of GTN Textiles Limited being transferred in the name of Shri Umang Patodia as an interest free unsecured loan by way of book (journal) entries vide an MOU dated 30.3.2025 pursuant to provisions of Section 169T and 169SS of the Income Tax Act 1961.</p> <p>The Unsecured loan given is interest free and thereby not prejudicial to the interest of the company. The Audit Committee/Board now seek Shareholders approval to ratify said transaction, as an abundant caution.</p>

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto, and the Company's Related Party Transaction Policy are furnished hereunder:

## NOTICE (Contd...)

<b>Name of the Related Party</b>	<b>Shri. B. K. Patodia</b>
Name of the Director or key managerial personnel who is related, if any	Shri. Umang Patodia
Nature of Relationship	Shri. B.K.Patodia, Chairman & Managing Director is the Father of Shri. Umang Patodia
The nature, material terms, monetary value and particulars of the contract or arrangement	As per table above
Any other information relevant or important for the members to take a decision on the proposed resolution	Transfer of specific loan of ₹ 10.84 crores by way of book (journal) entries in the name of Shri BK Patodia. This being carried out pursuant to provisions of Section 169T and 169SS of the Income Tax Act 1961.

<b>Name of the Related Party</b>	<b>Shri. Umang Patodia</b>
Name of the Director or key managerial personnel who is related, if any	Shri. B.K.Patodia, Chairman & Managing Director
Nature of Relationship	Shri. Umang Patodia is son of Shri. B.K. Patodia
The nature, material terms, monetary value and particulars of the contract or arrangement	As per table above
Any other information relevant or important for the members to take a decision on the proposed resolution	Transfer of specific loan of ₹ 3.74 Crores by way of book (journal) entries in the name of Shri Umang Patodia. This being carried out pursuant to provisions of Section 169T and 169SS of the Income Tax Act 1961.

The above proposed ratification of the transactions were approved by the Audit Committee and the Board of Directors at its meeting held on 05.08.2025 recommended the same to the Shareholders of the Company for their approval.

As per Regulation 23 of the SEBI (LODR) Regulations, 2015, all material related party transactions shall require approval of the shareholders through ordinary resolution and the related parties shall abstain from voting on such resolution whether the entity is a related party to the particular transaction or not. Further, as per Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014, where any Director is interested in any contract or arrangement with a related party, such Director shall not be present at the meeting during discussion on the subject matter of the resolution relating to such contract or arrangement. Accordingly, all related parties of the Company shall not participate or vote on this resolution.

Directors or their relatives mentioned as related parties above may be deemed to be interested or concerned in the Resolution.

None of the other Directors of the Company or their relatives in any way, financially or otherwise, concerned or interested in the resolution.

The above proposal is in the interest of the Company and the Board recommends the Ordinary Resolution as set out at Item No. 7 & 8 for approval by the members.

### Item No. 9

The Board of Directors of the company, on the recommendation of the Audit Committee, approved the appointment of M/s Hareesh K.N & Associates, Cost Accountants as Cost Auditors to conduct the audit of the cost records of the company for a remuneration of ₹ 55,000 (Rupees fifty-five thousand only) plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the financial year 2025-26



## **NOTICE (Contd...)**

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, consent of the shareholders is sought for passing an Ordinary Resolution as set out at Item No 9 of the notice for ratification of remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March 2026.

None of the Directors / Key Managerial Personnel/Managers of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in this resolution set out as above.

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the members.

By Order of the Board of Directors

**Veena Vishwanath Bhandary**

Company Secretary

Membership No. A61968

Place: Kochi

Date: 05.08.2025

BOARD'S REPORT

**To the Members,**

Your Directors' present the 34<sup>th</sup> (Thirty Fourth) Board's Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2025.

**1. FINANCIAL RESULTS**

The financial highlights of your Company for the year ended 31<sup>st</sup> March 2025 are summarized as follows:

(₹ in Crores)

	<b>FY 2024-25</b>	FY 2023-24
Revenue from Operations	<b>48.83</b>	49.47
EBITDA	<b>0.58</b>	1.81
Finance cost	<b>7.41</b>	7.55
Depreciation	<b>2.96</b>	3.15
Profit / (Loss) before Tax, before exceptional items	<b>(9.79)</b>	(8.90)
Exceptional Items:		
- Profit on sale of Assets	<b>-</b>	2.25
Profit / (Loss) before tax	<b>(9.79)</b>	(6.65)
Other Comprehensive Income (net of Tax)	<b>(0.22)</b>	0.07
Total Comprehensive loss for the year	<b>(10.01)</b>	(6.58)

**2. FINANCIAL PERFORMANCE**

Absence of Working capital facilities, pending restructuring of debts of the company by the bankers and challenging market conditions for Indian Textiles Industry due to Geo political situation led to Liquidity stress. Consequent to this, the company continues to carry out job work activity during the year under review, where the revenues from Job work covers only variable cost.

The Revenue from Job work operations for FY 2024-25 was marginally lower at ₹ 48.83 Cr as against ₹ 49.47 Cr recorded in the previous year. EBITDA for the year was at ₹ 0.58 Cr. as against ₹ 1.81 Cr achieved in FY 2023-24. Finance Cost for FY 2024-25 was also lower at ₹ 7.41 Cr as against ₹ 7.55 Cr of previous year. Net loss in FY 2024-25 was higher at 9.79 Cr as against Lower Loss at ₹ 6.65 Cr(after reckoning ₹ 2.25 Cr Profit on sale of Company's Mumbai office) in FY 2023-24.

**3. PROPOSAL TO RESUME OWN MANUFACTURING OPERATIONS**

During FY 2024-25, due to geo political situation (long drawn Ukraine War, Red Sea issue), higher inflation, slowdown of global economy (especially major markets such as US,EU), higher raw material (raw cotton) prices and raising interest rates have impacted the

demand situation of Indian Textiles Industry severely. Consequently, the company continue to operate on Job work / Contract manufacturing during FY 2024-25 also. Since the revenue from Job work is covering only the variable expenses with available cash flows the company could service interest on working capital term loan (WCTL) up to Aug'23 and paid quarterly WCTL installments up to 30.09.2023. Subsequently on 20.12.2024, the Promoters have advanced unsecured loan to the company of Rs 14.58 Cr to regularize overdue to its bankers. Accordingly, the company has serviced WCTL quarterly instalment up to 30.9.2024 and Interest up to 20<sup>th</sup> December 2024.

Due to political issues and economic woes at Bangladesh and Sri Lanka and China + 1 policy adopted by many countries, and improved demand situation in major markets ( USA,EU) the Indian Textiles Industry is showing signs of recovery. Coupled with this various Government initiatives such as:

- Recent Signing of FTA with UK and advance negotiations with EU to finalise FTA during this Financial year opens up markets for Indian textiles sector
- higher Government budgetary allocation for FY 2025-26 for Textiles sector,
- enhanced credit access, export promotion measures and the creation of the Bharat Trade Net, digital platform will streamline trade documentation, facilitate smoother global integration and ease market access for small and medium textile enterprises.
- Additionally, INR 1,148 Cr allocation for the PLI Scheme to boost domestic manufacturing and exports, and INR 635 Cr for the Amended Technology Up gradation Fund Scheme (ATUFS) to support modernization and efficiency in textile machinery.
- Establishment of Textile parks in many states are also to benefit Indian Textiles Industry.

Due to improved demand scenario for Indian Textiles Industry and also considering market dynamics, the company now plans to resume own manufacturing of cotton yarn by discontinuing Job work operations. The company aims to revive its financial stability by returning to its core business model and restructuring its financial commitments effectively. To support this transition, the company has submitted a new resolution plan to Lenders in September 2024.

In the restructuring proposal, the company has sought two years moratorium on WCTL quarterly instalment payment from 31.12.2024, six months moratorium

## BOARD'S REPORT (Contd...)

for WCTL monthly interest payment wef 01.01.2025, reduction in the rate of interest and working capital facility of ₹ 25 Cr. Bankers have carried out Techno Economic Viability (TEV) study of the Restructuring Proposal and TEV study report submitted to Bankers confirmed viability of the company's Restructuring proposal. The proposal is under consideration of the Bankers.

With the significant reduction in the debt level as well as rationalization of labour cost through VRS measures and reducing cotton prices, own manufacturing operation could generate better EBITDA to service the debts.

### 4. CHANGE IN LEADERSHIP

#### Chairman

Shri. B.K.Patodia, Chairman vide his letter dated 23.7.2025 communicated to the Board that he would like to take retirement from the day to day activities of the company on the closing, hours of Board meeting date of 5<sup>th</sup> August 2025, due to his advancing age and related health concerns

Your Company was promoted by M/s. GTN Textiles Limited (GTN) along with M/s. Itochu Corporation, Japan and M/s. Kerala Industrial Development Corporation Limited (KSIDC), Trivandrum. Shri. B.K.Patodia held the Chairmanship since inception of the Company in the year 1991. He held position of Chairman & Managing Director of GTN, main Promoter. He has been at the helm of the affairs of GTN over six decades and has taken the reins of "GTN" in 1966 at a very young age of 21. Today, Brand GTN has emerged itself as a "Hallmark of Excellence" in global markets. GTN group had won over fifty Cotton Yarn Exports Awards during the last 35 years for export excellence under his able leadership. His visionary approach was a game changer in the Industry. Imbibing state of the art technology, promotion of compact spinning, use of internationally acclaimed cottons like American Supima and Egyptian Giza are few among them. GTN entered the global niche market in the early 1980's and is one among the first from India.

He had played a key role in the growth of the industry by associating in various organizations as (i) Chairman of Indian Cotton Mills' Federation (now known as Confederation of Indian Textile Industry) New Delhi, (ii) Chairman of Cotton Textiles Export Council (Texprocil) Mumbai, (iii) Chairman of Southern India Mills' Association, Coimbatore, (iv) President of the Employers' Federation of Southern India, Chennai and (v) President of the Cochin Chamber of Commerce and Industry, Cochin.

He was the Past Chairman of the Joint Cotton Committee of International Textile Manufacturers Federation (ITMF),

Zurich. He was also a member of the (i) Advisory Board on the Committee of Management of ITMF and (ii) Spinners Committee of ITMF. He was a member of Cotton Advisory Board Constituted by the Ministry of Textiles, Government of India for a long period. He had also associated with Dr. M.S.Swaminathan, the eminent agricultural scientist in drafting the Technology Mission of Cotton plan which was included in the ninth Five Year Plan, under the aegis of CITI (erstwhile ICMF) and SIMA.

His futuristic approach had played a vital role in expanding the export market for Indian players. He had his footprints in opening up Japanese, U.S.A, Chinese and European markets even under the quota regime facilitating export of cotton textiles worldwide. He led delegations and represented the Industry and visited many countries. He had also played a key role in paving the way for the creation of Technology Upgradation Fund-Scheme, which made the industry globally competitive. His guidance and experience has facilitated these organizations and the Industry in their journey towards excellence and prominence across the world.

He has always set a benchmark with his extraordinary vision, process driven organizational ability and keen pursuit of excellence. Under his able leadership, GTN Group began its journey with a singular mission, to spin a legacy of excellence and create an indelible impact in the world of specialty cotton yarn manufacturing.

### 5. CHAIRMAN EMERITUS

Considering Shri. B.K.Patodia's outstanding and selfless service for development, growth and success of the company over the last three decades, and his path breaking and visionary contribution towards Indian Textile Industry for last six decades, the Board has conferred upon Shri. B.K.Patodia lifetime title of "Chairman Emeritus" effective 6<sup>th</sup> August 2025.

Your Board noted that during the year under review, Shri B.K. Patodia received distinguished recognition from CITI's Exemplary Service Award for 2024 acknowledging his valuable contribution towards growth of the Indian textile industry. He was also honoured by Mr. Christian Schindler, Director General ITMF, for his best services on the Board of ITMF (International Textile Manufacturers Federation) for 14 years by who personally presented the award to him.

### 6. APPOINTMENT OF SHRI. UMANG PATODIA AS CHAIRMAN OF THE COMPANY

Shri. Umang Patodia was appointed as Chairman in place of Shri. B.K.Patodia, effective 6<sup>th</sup> August 2025. He is the elder son of Shri B K Patodia and joined in GTN Group in 1989. He has been an integral part of

## BOARD'S REPORT (Contd...)

the Group for the past 35 years. He is the Managing Director of M/s Patspin India Limited since 1994, part of GTN Group, which manufactures and exports fine cotton yarns, knitted fabrics and garments. In 2003, he started Young Entrepreneurs Group (YEG) within the Confederation of Indian Textile Industry (CITI). He is also a Committee member of CITI and SIMA. He has been past Chairman of CII, Kerala and founding Chair of Yi, Kochi.

### 7. DIVIDEND

In view of the losses for the financial year ended 31<sup>st</sup> March 2025, the Board of Directors regret their inability to recommend any dividend for the year 2024-25.

### 8. 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.

### 9. 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 31<sup>st</sup> March 2025.

### 10. CORPORATE GOVERNANCE

The Company has taken the requisite steps to comply with the recommendations concerning Corporate Governance.

A separate statement on Corporate Governance together with a certificate from the Practicing Company Secretary of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report.

### 11. DIRECTORS AND KEY MANAGERIAL PERSONS

All the Directors have affirmed that they have complied with the Company's Code of Business Conduct & Ethics. In terms of requirements of the Listing Regulations, the Board has identified core skills, expertise and competencies of the Directors in the context of the Company's businesses, which are detailed in the Report on Corporate Governance.

Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs. The Independent Directors

who were required to clear the online proficiency self-assessment test have passed the test. In the opinion of the Board, the Independent Directors fulfil the conditions of independence, are independent of the management, possess the requisite integrity, experience, expertise, proficiency and qualifications to the satisfaction of the Board of Directors.

During the year under review, Shri N K Bafna, Non-Executive Independent Director completed his second term tenure on 18.09.2024 and ceased to be an Independent Director of the Company. The company was very fortunate to have him on Board for such a long period and the Board expressed its profound appreciation for his valuable contribution and guidance, which has benefited the company.

The Board of Directors at their Meeting held on 16.12.2024, based on recommendation of Nomination & Remuneration Committee appointed Dr Shri Raju V P (DIN: 10866461) as Additional Director in the category of Non-Executive Independent Director. The Shareholders have approved the same and regularized the Appointment by passing a Special Resolution on 25.01.2025 vide Postal Ballot.

Other than the above, there is no change in the composition of the Board of Directors and the Key Managerial Personnel during the year under review.

Further the Board at its Meeting held on 05.08.2025, approved the resignation of Chairman Shri B K Patodia (DIN: 00003516) and re-designated him as "Chairman Emeritus". The said meeting also considered re-appointment of Independent Director Shri C K Gopalakrishnan Nair (DIN: 00521840) for a second term tenure of five consecutive years from the conclusion of the 34<sup>th</sup> Annual General Meeting till the conclusion of the 39<sup>th</sup> Annual General Meeting and recommended the same for shareholders' approval at the ensuing Annual General Meeting.

Pursuant to the requirements of the Companies Act, 2013, Smt Kalpana M Thakker (DIN 08601866), retires by rotation at the ensuing Annual General Meeting and, being eligible, offers herself for re-appointment. The Board recommends the appointment / re-appointment of the above Director for approval. The brief details of the Director proposed to be appointed / re-appointed, as required under Regulation 36 of SEBI Listing Regulations, are provided in the Notice of Annual General Meeting.

Shri V N Balakrishnan Non-Executive Independent Director completes his first term of five year and opt out for his second term, due to advancing age and certain personal reasons. The Board place on record its profound appreciation for his valuable contribution during his long association with the company.

## BOARD'S REPORT (Contd...)

### 12. KEY MANAGERIAL PERSONNEL

Shri Umang Patodia, Managing Director, Shri T. Ravindran, Chief Financial Officer, and Ms Veena Vishwanath Bhandary, Company Secretary and Compliance Officer were the Key Managerial Personnel of your Company in accordance with the provisions of Section 203 of the Companies Act 2013 during the year under review.

### 13. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 5(Five) times during the financial year 2024-25. The details of the meetings of the Board of Directors of the Company convened and attended by the Directors during the financial year 2024-25 are given in the Corporate Governance Report which forms part of this Annual Report.

### 14. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 8<sup>th</sup> March 2025 without the presence of non-Independent Directors and members of the Management. For more details, visit corporate Governance Report annexed to this Report.

### 15. 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 31<sup>st</sup> March, 2025 and state that:

- i. in the preparation of the Annual Accounts, the applicable Indian Accounting Standards have been followed and there are no material departures from the same;
- ii. the Directors 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 31<sup>st</sup> March 2025 and of the profit or loss of the company for that period;
- iii. the Directors 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. the Directors have prepared the Annual Accounts on a going concern basis
- v. the Directors 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. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 16. BOARD EVALUATION

Pursuant to the provisions of Companies Act and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, of Committees of the Board and of the Directors individually. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specified duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company.

### 17. FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him, which interalia 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

### 18. AUDITORS

M/s. L.U.Krishnan & Co. (Regn.No.001527S) Chartered Accountants, Chennai were appointed as the Auditors of the Company for second term of 5 years at the 31<sup>st</sup> Annual General Meeting (AGM) held on 30<sup>th</sup> September, 2022 to hold office till the conclusion of the 36<sup>th</sup> AGM of the Company to be held in the year 2027. The Auditors' Report for 2024-25 does not contain any qualifications, reservations or adverse remarks.



## BOARD'S REPORT (Contd...)

### 19. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors as recommended by Audit Committee and subject to members approval at this AGM, recommended appointment of Shri. MRL Narasimha, Practising Company Secretary (C.P No.

799), as Secretarial Auditor of Company for a term of 5 (five) consecutive years from 1<sup>st</sup> April, 2025 to 31<sup>st</sup> March, 2030.

Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2025 issued by Shri M R L Narasimha, Practising Company Secretary in Form MR-3 forms part of this report as Annexure I.

Secretarial Auditors' observation on certain matters and Management's explanation is given below:

SN.	Observations	Management Reply
1	During the year under review, the company availed an additional loan of ₹ 3.98 Cr from GTN Textiles Limited, a related party, aggregating total loan of ₹ 14.58 Cr from the said party. This exceeds the threshold limit of 10% of company's turnover of ₹ 48.824Cr as per latest audited financial statements. While the initial ₹ 10.60 Cr was approved by the shareholders, the subsequent ₹ 3.98 Cr was availed without the approval of shareholders. As per MOU entered with the Promoter Directors, an amount of ₹ 14.58 Crores (bearing interest at 9% p.a) by GTN Textiles Limited to the company was adjusted by GTN Textiles Limited against the unsecured Loans from Promoter Director in their books as at 31-03-2025. Consequently, the amount of ₹ 14.58 Crores shown as advance received from GTN Textiles Limited in the books of the company now stands accounted as interest free advance in the name of Promoter directors as at 31-03-2025	Lenders of M/s GTN Textiles Ltd (GTN) while giving No objection Certificate (NOC) for sale of their land, stipulated a condition to meet the shortfall in payment of dues of our Company as guaranteed by GTN. Accordingly, Lenders confirmed their dues of ₹ 10.60 crores and both GTN and our Company obtained Shareholders approval at its meeting held on 12.9.2024 for the said amount. Due to certain delay for sale, GTN had to pay an additional amount of ₹ 3.98 crores towards Lenders dues on our behalf for which Audit Committee of the company at its meeting held on 11.11.2024 unanimously approved and took note that the said amount is not material in nature as per SEBI LODR Regulations. The company has also obtained legal opinion from M/s Subbraya Aiyar Padmanabhan & Ramamani Advocates, Chennai and as per them, said amount does not exceed materiality thresholds requiring fresh shareholder approval.  As per MOU dated 30.3.2025, said specific loan has been transferred in the name of Promoter Directors as at 31.3.2025 pursuant to provisions of Section 269T and 269SS of the Income Tax Act 1961 after obtaining legal opinion from the Income Tax Consultants of the Company.
2	The Company being declared as defaulter, any re-appointment of Managing Director must be made with the prior approval of the lender. The Co has written to Central Bank of India vide letter dated 27/05/2024 seeking prior approval. The approval of the lender is yet to be received	The Company's revised restructuring/ resolution proposal pursuant to RBI Prudential Frame work for Resolution of Stressed Assets circular of 7 <sup>th</sup> June, 2019 was approved and implemented by the lenders. As an abundant caution, the Company has requested its lenders for appointment of Managing Director and same was duly acknowledged by them.

## BOARD'S REPORT (Contd...)

SN.	Observations	Management Reply
3	Intimation to stock exchange (BSE limited) within the time regarding cessation of Independent Director belatedly, beyond 24 hours under Reg. 30 of SEBI (LODR) 2015. The co has replied suitably	BSE vide their email dated 24.9.2024 communicated a discrepancy" Additional Details Required under SEBI Circular dated July 13, 2023, for Corporate Announcement filed under Regulation 30 of SEBI (LODR) Regulations, 2015. - Material Event is not disclosed to the Exchange within 24 Hours. (submit reason for delay)". Company has communicated vide their letter dated 24/09/2024 to BSE that the Independent Director has completed his tenure on 18.9.2024, thereby retirement on 18.9.2024. It further stated in the said communication that as per Clause 7 .1, mentioned only reason for changes viz; appointment, reappointment, resignation, removal, death or otherwise. Hence informed BSE that Clause 7.1 is not attracted.  No further communication from BSE, presumed that Company's reply is accepted
4	Non-compliance with appointment of Chairperson of Stakeholder Relationship Committee under Reg 20(2)/2A of SEBI (LODR) 2015. The co was levied a fine of ₹ 28,320/- by BSE Limited. The co has applied for a waiver by paying a processing fee of ₹ 11,800 and the wavier petition is under process	BSE vide their email dated 25.10.2024 communicated to the Company a discrepancy that "Corporate Governance report filed for quarter ended September 30, 2024 as per Regulation 20(2) of SEBI LODR 2015 does not have a Chairperson for Stakeholder Relationship Committee(SRC) for the whole quarter". Company vide its email dated 28.10.2024 informed BSE that the Chairperson of SRC had completed his tenure on 18.9.2024 and the Board at its Meeting held on 13.8.2024 appointed a Non-Executive Independent Director as Chairperson of SRC. Inadvertently, BSE vide their email dated 21.11.2024 levied a fine of ₹ 28,320 and BSE vide its email dated 27.11.2024 advised company to apply for waiver of fine with a payment of processing fee of ₹ 11,800 and company's waiver request dated 29.11.2024 is still under process with them.
5	While filing Integrated Governance report with BSE Limited, the company has wrongly mentioned chairperson of SRC Committee as an Executive Director, instead of Non-Executive Director. This mistake was rectified by resubmitting the Integrated Governance Report	BSE allowed re-submission.

### 20. COST AUDITORS

Pursuant to Section 148 of the Act read with Rule 14 of the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records of the Company are required to be audited. The Directors, on the recommendation of the Audit Committee, appointed M/s. Hareesh K.N and Associates, Cost Accountants (Firm Reg. No. 101974) Cost Accountants, to audit the cost accounts of the Company for the FY ending 31<sup>st</sup> March, 2026, on a remuneration as mentioned in the Notice convening the 34<sup>th</sup> Annual General Meeting for

conducting the audit of the cost records maintained by the company.

### 21. EXTRACT OF ANNUAL RETURN

Pursuant to provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, read with Rule 12 of the Companies(Management and Administration) Rules ,2014, the Annual Return of the company for the Financial Year 31<sup>st</sup> March 2025 will be uploaded on the website of the company and can be accessed at the [www.patspin.com](http://www.patspin.com)

## **BOARD'S REPORT (Contd...)**

### **22. RELATED PARTY TRANSACTIONS**

There were no materially significant related party transactions entered between the company, directors, management and their relatives, except for those disclosed in the financial statements. All the contracts/ arrangements/ transactions entered by the Company with the related parties during the Financial Year 2024-25 were in the ordinary course of business and on an arm's length basis, and whenever required the Company has obtained necessary approvals as per the related party transaction policy of the Company. Accordingly, the particulars of contracts or arrangements with related parties which is required to be disclosed under Section 134(3)(h) read with Section 188(1) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company for Financial Year 2024-25 and, hence, the same does not form part of the Board's Report.

The Company has formulated the policy on Related Party Transactions, and the same is available on the website of the Company at [www.patspin.com](http://www.patspin.com). The details of related party disclosures form part of the notes to the Financial Statements provided in this Annual Report.

### **23. 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.

### **24. 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

### **25. 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](http://www.patspin.com)).

### **26. 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 2024-25. Accordingly,

there has been no meeting of CSR Committee held during the year.

### **27. EXTERNAL CREDIT RATING:**

Based on 07.06.2019 RBI circular of "Prudential Framework for Resolution of Stressed Assets" Company's bankers have carried out restructuring of its debts as on 30.9.2022 based on CRISIL RP4 Rating awarded to companies to the Resolution proposal.

As per the said RBI Circular, due to the restructuring, the company's account will get upgraded to standard account only upon payment of 10% outstanding debts as on date of implementation and also the credit facilities shall also be rated as investment grade (BBB- or better), at the time of upgrade. Fresh rating will be obtained at that time

### **28. 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 II forming part of this report

### **29. 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 Depot. 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 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.

### **30. NOMINATION & REMUNERATION POLICY**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays

## BOARD'S REPORT (Contd...)

down criteria for selection and appointment of Board Members. More details on the same are given in the Corporate Governance Report.

### 31. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the applicable provisions of Companies Act, 2013 (hereinafter referred to as "the Act") read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as the "IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. The details relating to shares on which dividends were unclaimed are provided in the General Shareholders Information section of Corporate Governance report forming part of this Annual Report.

### 32. 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) has 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 31<sup>st</sup> March, 2025.

### 33. PARTICULARS OF EMPLOYEES 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

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.

### 34. 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.

### 35. 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.

### 36. GENERAL

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

### 37. ACKNOWLEDGEMENT

Your Directors place on record their gratitude to Central Bank of India, State Bank of India, The Karur Vysya Bank Limited and the concerned Departments of the State and Central Government, valuable customer, Employees and Shareholders for their assistance, support and co-operation to the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 05.08.2025

**B K PATODIA**  
(DIN:00003516)  
Chairman

## ANNEXURE I

**FORM MR - 3**  
**DRAFT SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2025**

[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 31<sup>st</sup> March 2025 and also after 31<sup>st</sup> March, 2025 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 31<sup>st</sup> March 2025 (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 Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
  - iii. The Depositories Act, 1996 and the regulations and byelaws framed there under.
  - iv. 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.
  - v. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021

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 (Depositories and Participants) Regulations, 2018
  - (e) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015,
  - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
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 the following Regulations and Guidelines prescribed under the SEBI Act:



## ANNEXURE I (Contd.)

- (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018
- (d) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations 2018

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 with respect to Board Meetings (SS- 1) and General Meetings (SS- 2) issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreement entered by the company with BSE Limited

I further report that compliance by the company of applicable financial laws, like Direct and Indirect Tax laws, has not been reviewed in this audit since this has been subject to review by Statutory Auditor and other designated professionals. During the period under review, and also considering the compliance relation action taken by the com after 31<sup>st</sup> March 2025 but before issue of this report ,the co has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable, except to the extent of the following:

- (A) During the year under review, the co-availed an additional loan of ₹ 3.98 Cr from GTN Textiles Limited, a related party, aggregating total loan of ₹ 14.58 Cr from the said party. This exceeds the threshold limit of 10% of company's turnover of ₹ 48.824Cr as per latest audited financial statements. While the initial ₹ 10.60 Cr was approved by the Audit comm and shareholders, the subsequent ₹ 3.98 Cr was availed without the approval of Audit Comm and shareholders. As per MOU entered with the Promoter Directors, an amount of Rs 14.58 Crores (bearing interest at 9% p.a) by GTN Textiles Limited to the company was adjusted by GTN Textiles Limited against the unsecured Loans from Promoter Director in their books as at 31-03-2025. Consequently, the amount of Rs 14.58 Crores shown as advance received from GTN Textiles Limited in the books of the company now stands accounted as interest free advance in the name of Promoter directors as at 31-03-2025
- (B) The co being declared as defaulter, any re appointment of Managing Director must be made with the prior approval of the lender. The co has written to Central Bank of India vide letter dated 27/05/2024 seeking prior approval. The approval of the lender is yet to be received.
- (C) Intimation to stock exchange (BSE limited) within the time regarding cessation of Independent Director belatedly, beyond 24 hours under Reg. 30 of SEBI (LODR) 2015. The co has replied suitably.
- (D) Noncompliance with appointment of Chairperson of Stakeholder Relationship Committee under Reg 20(2)/2A of SEBI (LODR) 2015. The co was levied a fine of ₹ 28,320/- by BSE Limited. The co has applied for a waiver by paying a processing fee of Rs 11,800 and the wavier petition is under process.
- (E) While filing Integrated Governance report with BSE Limited, the company has wrongly mentioned chairperson of SRC Committee as an executive Director, instead of Non-Executive Director. This mistake was rectified by resubmitting the Integrated Governance Report.
5. 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 Woman Director and no changes in the composition of the Board of Directors that took place during the period under review in compliance with the provisions of the Act.
  - (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.

## ANNEXURE I (Contd.)

- (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.
- (v) There were no instances of
  - (a) Public/ Rights /Debentures/Sweat Equity
  - (b) Buy-back of Securities.
  - (c) Major decision taken by the members pursuant to section 180 of the Companies Act 2013
  - (d) Merger/ Amalgamation/ Reconstruction etc
  - (e) Foreign technical collaborations.

The appeal before the Hon Securities Appellate Tribunal (SAT) for in principle approval of BSE Limited for issue and allotment of 0.50% 10,80,000 NCCCPS to lenders, Promoters and its Associate is still pending.

Place : Coimbatore  
Date : 05/08/2025  
UDIN: F002851G000932307

**M.R.L. Narasimha**  
Practising Company Secretary  
MNo 2851  
CP No:799  
PR NO.1420/2021

**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 31<sup>st</sup> March,2025 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 are 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 31<sup>st</sup> March 2025 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 : 05/08/2025  
UDIN: F002851G000932307

**M.R.L. Narasimha**  
Practising Company Secretary  
MNo 2851  
CP No:799  
PR NO.1420/2021

## ANNEXURE II

### 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                        | Topmost priority for energy conservation is given at all levels and continually working on reducing the energy consumption through improved operational and maintenance practices |
| (ii) The steps taken by the company for utilizing alternate sources of energy | a) Energy efficient 4Kw motor for B unit Comber material transport and 5.5kw for Ring frame 110 fan motor changed, (40 units saved per day)                                       |
| (iii) The capital investments on energy conservation equipments               |   |

#### (B) Technology absorption:

- |  |  |
|--|--|
| a) The efforts made towards technology absorption  | a) CDS conversion in 11 Ring Frames in A unit for consistent yarn quality.<br>b) Flexi clean connected in a unit Blow Room line for better yarn quality and improving the realization.<br>c) A unit card chute feeding length reduced to 10 from 60 meter in line 1 for better and consistent yarn quality.<br>d) Clubbing the Carding chute lines from B unit to A unit and made flexibility for allocation of cards between A&B units according to the requirement |
| 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) | NIL  |
| 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                              |  |
| d) the expenditure incurred on Research and  | NIL  |

The Foreign Exchange earned inflow in terms of actual during the year - NIL

The Foreign Exchange outgo during the year in terms of actual outflows .NIL

For and on behalf of the Board of Directors

**B.K Patodia**

Chairman

(DIN 00003516)

Place: Mumbai

Date: 5.8.2025

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2024-25**

**1. Company's Philosophy on Code of Corporate Governance**

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 (Listing Regulations). 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 Composition of the Board of Directors of the Company is presently governed by the provisions of Companies Act 2013, the Articles of Association of the Company and the SEBI (LODR) Regulations, 2015. The Board is comprised of 6 Directors, both Executive and Non- Executive and Shri. B.K.Patodia is the Non-Executive Promoter Chairman .The day to day operations of the company is managed by Shri. Umang Patodia, Managing Director, under the overall guidance of the Board of Directors. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. None of the person on the Board serving as Managing Director / Whole Time Director is serving as an Independent Director on the Board of more than 3 listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2025 have been made by the Directors. Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

**a) The Composition of the Board and category of Directors as on 31.3.2025 are as follows:**

Category	Name of Directors
Promoter / Managing Director	Shri. Umang Patodia
Promoter / Non-Executive Director	Shri. B.K. Patodia
Non-Executive /Non- Independent Woman Director	Smt. Kalpana Mahesh Thakker
Non- Executive Independent Directors	Shri N K Bafna (up to 18.9.2024) Shri.V N Balakrishnan Shri. C K Gopalakrishnan Nair Dr. Shri. Raju V P (w.e.f 16.12.2024)

**b) 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 equity shares held as on 31.3.2025	No. of NCCCPS held as on 31.3.2025*	Attendance at		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	75000	5	Present	4	0	None	Relative to Shri.Umang Patodia
Shri.N K Bafna (up to 18.9.2024)	00019372	Nil	Nil	2	Present	1	2	2	None
Shri V N Balakrishnan	08820393	2900	Nil	5	Present	1	2	None	None
Shri C K Gopalakrishan Nair	00521840	Nil	Nil	5	Present	1	2	1	None



## REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of the Director	DIN No	No. of equity shares held as on 31.3.2025	No. of NCCCPS held as on 31.3.2025*	Attendance at		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	
Dr. Shri. Raju V P (w.e.f 16.12.2024)	10866461	Nil	Nil	2	NA	0	2	1	None
Smt. Kalpana Mahesh Thakker	08601866	100	Nil	4	Present	2	None	None	None
Shri.Umang Patodia*	00003588	11,000	25000	5	Present	3	2	None	Relative to Shri.B K Patodia

\*Pursuant to an approved Resolution Plan(RP) under RBI Circular dated 7.6.2019 for restructuring of debts, the Board of Directors have allotted 0.50% 20,51,000 Non-Cumulative Compulsorily Convertible Redeemable Preference Shares(NCCCPS) of ₹ 100 each to (i) Lenders as well as (ii) Promoters & its Associates In lieu of Non-Convertible Redeemable Preference Shares(NCRPS) issued under CDR Scheme. The Company's application for "in-principle" approval was rejected by BSE and now the matter is under Securities Appellate Tribunal (SAT) Mumbai.

### 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.

### c) The details of Directorship in other listed entities and category of Directorship

SN	Name of the Director	Name of other listed entity	Category of Directorship
1	Shri. B.K. Patodia	GTN Textiles Limited	Chairman & Managing Director - Promoter
2	Shri. N.K. Bafna (up to 18.9.2024)	GTN Textiles Limited	Independent Non-Executive Director
3	Shri V N Balakrishnan	GTN Textiles Limited	Independent Non-Executive Director
4	Shri C K Gopalakrishnan Nair	GTN Textiles Limited	Independent Non-Executive Director
5	Dr. Shri Raju VP	NIL	
6	Smt. Kalpana Mahesh Thakker	GTN Textiles Limited	Non-Independent Non-Executive Woman Director
7	Shri Umang Patodia	GTN Textiles Limited	Promoter Non-Executive Director

### d) 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 were within the time limits prescribed by Regulatory Authorities.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

The details of the Board Meetings are as under:

Sl No.	Date	Board Strength	No of Directors Present
1	21 May 2024	6	6
2	13 August 2024	6	6
3	11 November 2024	5	4
4	16 December 2024	6	6
5	10 February 2025	6	6

Board and Audit Committee meetings held on 13.8.2024 were in physical mode. All other meetings in FY 2024-2025 were held through Video Conferencing.

**e) Disclosure of Relationships between Directors inter-se**

Please refer 2 (b) of the Report

**f) No. of shares and convertible instruments held by Non-Executive Directors**

Please refer 2 (b) of the Report

**g) Weblink where details of Familiarization program imparted to independent Directors disclosed**

An appropriate induction program for new Directors and ongoing familiarization with respect to the business / working of the company for all directors is a major contributor for meaningful board level deliberations and sound business decisions. The Company has adopted a structured programme for orientation of independent directors at the time of their joining so as to familiarize them with the company's operation, business, industry and environment in which it functions and the regulatory environment applicable to it. The company updates the Board members on a continuing basis on any significant changes therein and provides them an insight to their expected roles and the responsibilities so as to be in a position to take well informed and timely decision and contribute significantly to the company. The Company through its Managing Director / Senior Managerial Personnel makes presentations regularly to the Board, Audit Committee or such other Committees, as may be required, covering, inter-alia, business environmental, business strategies, operations review, quarterly and annual results, budgets, review of internal audit report and action taken, statutory compliance, etc. Policy on Familiarization programme imparted is available on our website [www.patspin.com](http://www.patspin.com)

**h) Matrix / Table containing skills expertise and competencies of the Board of Directors**

The Board members are from diversified areas having the required knowledge i.e. Competency, Skills and Experience to effectively discharge their responsibilities. The range of experience of the Board members include in the areas of Spinning Industry, Marketing, Finance, Taxation, Legal and Administration as well as procurement of raw materials. The broad policies are framed by the Board of Directors. All strategic decisions are taken by the Board after due deliberations between the Board members which consists of Managing Director, Non-Executive Director and Independent Directors. The Company has identified and broadly categorized its Core Skills, Expertise and Competencies as mentioned hereunder:

Matrix / Table of Core Skills, Expertise and Competencies of Board of Directors as whole:

Particulars	Detailed list of core skills, expertise and competencies	Name of Directors who have skills, expertise and competence				Dr Shri Raju VP(w.ef 16.12.2024)	Smt. Kalpana M Thakker	Shri. Umang Patodia
		Shri. B.K. Patodia	Shri. N.K. Bafna(up to 18.9.2024)	Shri V N Balakrishnan	Shri C K Gopalakrishnan Nair			
Core Skills	Strategic policy formulation and Advising	✓	✓			✓		✓
	Regulatory framework knowledge	✓	✓	✓	✓	✓		✓
	Financial performance	✓	✓	✓	✓	✓		✓
	Advising on Risk mitigation and Compliance requirements	✓	✓	✓	✓	✓		✓

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Particulars	Detailed list of core skills, expertise and competencies	Name of Directors who have skills, expertise and competence				Dr Shri Raju VP(w.ef 16.12.2024)	Smt. Kalpana M Thakker	Shri. Umang Patodia
		Shri. B.K. Patodia	Shri. N.K. Bafna(up to 18.9.2024)	Shri V N Balakrishnan	Shri C K Gopalakrishnan Nair			
Expertise	Knowledge of Spinning Industry	✓	✓	✓	✓		✓	✓
	Commercial acumen	✓	✓	✓	✓	✓	✓	✓
	Procurement of right quality of raw cotton at competitive prices	✓		✓	✓		✓	✓
Competencies	Strategic Leadership	✓		✓	✓	✓	✓	✓
	Execution of policies framed by the Board	✓	✓	✓	✓	✓	✓	✓
	Identifying the growth areas for expanding the business	✓	✓	✓	✓	✓	✓	P
	Advising on Business Risks & environment	✓	✓	✓	✓	✓	✓	✓

### i) Confirmation of Board regarding Independent Directors

Board of Directors confirms that the Independent Directors fulfil the conditions specified in the SEBI (LODR) Regulations, 2015 as amended from time to time and are Independent of the Management.

### j) Separate meeting of Independent Directors

Schedule IV of the Companies Act, 2013, Listing Regulations and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of Non – Independent Directors. The meeting of Independent Directors held on 08.03.2025, inter alia, discussed and reviewed performance of Non-Independent Directors, the Board as a whole, and Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties. In addition to formal meetings, frequent interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

### k) Evaluation of the Board's Performance

Pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A consolidated summary of the ratings given by each Director was then prepared. The report of performance evaluation was then discussed and noted by the Board. The Directors expressed their satisfaction with the evaluation process.

The performance evaluation of the Chairman, Managing Director and Non-Independent Directors was carried out by the Independent Directors. The Independent Directors reviewed key transactions (including related party transactions), quality & timeliness of flow of information, recommended measures for corporate governance etc.

### l) Code of Conduct

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all Employees of the Company. The Board of Directors and the members of Senior Management Team of the Company are required to affirm semi-annual Compliance of this Code. A declaration signed by the Managing Director of the Company to this effect is placed at the end of this report. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website [www.patspin.com](http://www.patspin.com)

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 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.

#### A. The role of the audit committee shall include the following

- (1) 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;
- (2) Recommendation for terms of appointment and remuneration of Auditors of the Company
- (3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
- (4) Review with the management and statutory auditors of the annual financial statements thereon before submission to the Board with particular reference to:
  - a. 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;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any Related Party Transactions;
  - g. Modified opinion(s) in the draft Audit Report;
- (5) Reviewing, with the management the quarterly financial statements before submission to Board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue/rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice / and the report to be submitted by monitoring agency with regard to utilisation of proceeds of a public or rights issue, and making appropriate recommendation to company's Board.
- (7) Review and monitor Statutory Auditor's independence and performance and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions with related parties;
- (9) Scrutiny of Inter-Corporate Loans and Investments;
- (10) Valuation of undertakings or assets of the company, wherever it is necessary;
- (11) Evaluation of Internal Financial Controls and Risk Management Systems;
- (12) 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;
- (13) 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;
- (14) Discussion with internal auditors of any significant findings and follow up thereon
- (15) 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;
- (16) Discussion with statutory auditors before the audit commences, about the nature of scope of audit as well as cost audit discussion to ascertain any area of concern
- (17) To 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;
- (18) To review the functioning of the whistle blower mechanism;

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- (19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (21) To review the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower, if any
- (22) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc on the listed entity and its shareholders:

### B. The Audit Committee shall also mandatorily review the following information

1. Management Discussion and Analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
3. Internal Audit Reports relating to internal control weaknesses and;
4. the appointment, removal and terms of remuneration of the Chief Internal Auditor
5. Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus in terms of Regulation 32(7), if applicable

### 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. Shri. N.K. Bafna, Chairman (up to 18.9.2024), Shri. C K Gopalakrishnan Nair, Chairman (effective 19.9.2024), Shri VN Balakrishnan, Dr Shri Raju VP (w.e.f 16.12.2024) and Shri Umang Patodia are members 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 31<sup>st</sup> March, 2025 are as under:

Sl. No.	Name of the Member	Category of Director	No. of meetings	No. of meetings held Attended
1	Shri.N.K Bafna, Chairman (up to 18.9.2024)	Non-Executive Independent Director	2	2
2	Shri C K Gopalakrishnan Nair Chairman (w.e.f 19.9.2024)	Non-Executive Independent Director	4	4
3	Shri V N Balakrishnan	Non-Executive Independent Director	4	4
4	Dr Shri Raju V P (w.e.f 16.12.2024)	Non-Executive Independent Director	1	1
5	Shri. Umang Patodia	Managing Director	4	4

The Audit Committee met Four (4) times during the financial year 2024-25 and the gap between two meetings did not exceed 120 days. The dates on which Audit Committee Meetings held were: 21<sup>st</sup> May 2024, 13<sup>th</sup> August 2024, 11<sup>th</sup> November 2024 and 10<sup>th</sup> February, 2025. Required quorum was present at the above meetings. The Audit Committee meetings are usually attended by the Managing Director, 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, Internal Auditors as well as other Board Members also attended 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



## REPORT ON CORPORATE GOVERNANCE (Contd.)

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. 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 Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time ("the PIT Regulations"). The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Persons who are expected to have access to unpublished price sensitive information relating to the Company. The code lays down guidelines which included procedures to be followed and disclosures to be made while dealing with the shares of the Company. The Audit Committee monitors implementation and compliance of the Company's Code of Conduct and Ms Veena Vishwanath Bhandary, Company Secretary is the Compliance Officer of the Company. The Code is displayed on the Company's website viz. [www.patspin.com](http://www.patspin.com)

### Vigil Mechanism:

Pursuant to Section 177(9) and (10) of the Act, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. [www.patspin.com](http://www.patspin.com).

## 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 composition of the Nomination and Remuneration Committee and the details of the meetings attended by its members during the financial year ended 31<sup>st</sup> March, 2025 are as under:

Sl. No.	Name of the Member	Category of Director	No. of meetings held	No. of meetings attended
1	Shri.N.K Bafna, Chairman (up to 18.9.2024)	Non-Executive Independent Director	1	1
2	Shri.C.K Gopalakrishnan Nair Chairman (w.e.f. 19.9.2024)	Non-Executive Independent Director	2	2
3	Shri V N Balakrishnan	Non-Executive Independent Director	2	2
4	Dr Shri Raju V P (w.e.f 16.12.2024)	Non-Executive Independent Director	1	1
5	Smt. Kalpana Mahesh Thakker (w.e.f 19.9.2024)	Non-Executive Non-Independent Woman Director	1	1

During the year under review, the Committee met on 21<sup>st</sup> May 2024 and 16<sup>th</sup> December 2024.

At the meeting held on 21.5.2024, the Committee approved reappointment of Shri. Umang Patodia as Managing Director for a period of 5 years from 4.8.2024 to 3.8.2029 with remuneration for 3 years in accordance with Section 197 & 198 read with schedule V of the Companies Act, 2013.

At the meeting held on 16<sup>th</sup> December 2024 the Committee approved appointment of Dr Shri Raju VP (DIN: 10866461) as Additional Director in the Category of Non-Executive Independent Director and recommended to the Board / Shareholders.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

The Committee also met on 05.08.2025 (FY 2025-26) and approved (i) re-appointment of Independent Director Shri C K Gopalakrishnan Nair (DIN: 00521840) for his second term tenure of five consecutive years from the conclusion of 34<sup>th</sup> Annual General Meeting till 39<sup>th</sup> Annual General Meeting (ii) re-appointment of Smt Kalpana Mahesh Thakker, Director retire by rotation basis.

Role of Committee shall, inter-alia include the following:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
  - (1A) For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and also on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as Independent Director shall have the capabilities referred identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - a. use the services of an external agencies, if required;
    - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - c. consider the time commitments of the candidates
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) recommend to the board, all remuneration, in whatever form, payable to senior management

The remuneration policy is in consonance with the existing industry practice and also with the provisions of Companies Act. The Committee also evaluated performance of the entire Board as per Regulation 19 of the SEBI (LODR), Regulations 2015.

### Remuneration to the Managing Director

The aggregate of salary and perquisites paid for the year ended 31<sup>st</sup> March 2025 to Shri. Umang Patodia Managing Director is ₹ 56.43 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 is as under:

Meeting	Amount (in ₹)
Board	7500
Committee	5000

The Fee paid for the year ended 31<sup>st</sup> March 2025 to the Non-Executive Directors is as under:

Name of the Non-Executive Directors	Sitting fee (in ₹)
Shri. B K Patodia	37500
Shri. N K Bafna (up to 18.9.2024)	30000
Shri V N Balakrishnan	77500
Shri C K Gopalakrishnan Nair	77500

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of the Non-Executive Directors	Sitting fee (in ₹)
Dr Shri Raju VP (w.e.f 16.12.2024)	30000
Smt Kalpana M Thakker	35000
<b>Total</b>	<b>287500</b>

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 endeavours 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

Pursuant to provisions of Section 178(5) of the Act read with Regulation 20 of the Listing Regulations, Stakeholders Relationship Committee of the Board of Directors has been constituted.

The role of the committee shall inter-alia include the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- (5) Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants

The Committee was chaired by Shri N. K. Bafna up to 18.9.2024. Effective 19.9.2024, Shri. C K Gopalakrishnan Nair is the Chairman and Shri. V N Balakrishnan, Dr Shri Raju V P (w.e.f 16.12.2024) and Shri. Umang Patodia are the members.

The composition of the Stakeholders Relationship Committee and the details of the meetings attended by its members during the financial year ended 31<sup>st</sup> March 2025 are as under:

Sl. No.	Name of the Member	Category of Director	No. of meetings held	No. of meetings attended
1)	Shri. N.K Bafna, Chairman (up to 18.9.2024)	Non-Executive Independent Director	0	0
2)	Shri C K Gopalakrishnan Nair Chairman (w.e.f 19.9.2024)	Non-Executive Independent Director	1	1
3)	Shri V N Balakrishnan	Non-Executive Independent Director	1	1
4)	Dr Shri Raju V P (w.e.f 16.12.2024)	Non-Executive Independent Director	1	1
5)	Shri. Umang Patodia	Managing Director	1	1

Ms Veena Vishwanath Bhandary, Company Secretary is the Secretary to the Committee

## REPORT ON CORPORATE GOVERNANCE (Contd.)

The details of correspondences / grievances received and redressed during FY 2024-25 through the Registrar M/s. Integrated Registry Management Service Pvt. Ltd. are as under:

Sl. No.	Particulars	No. of Complaints
1)	Investor Correspondence / Complaints pending at the beginning of the year	Nil
2)	Investor Correspondence / Complaints received during the year	Nil
3)	Investor Correspondence / Complaints disposed during the year	Nil
4)	Investor correspondence / complaints remaining unresolved at the end of the year	Nil

Since compliance pursuant to clause 40(9) of the SEBI (LODR), Regulations 2015 was omitted by the SEBI (LODR) (Third Amendment) Regulations, 2024 w.e.f. 13.12.2024, no yearly certificate submitted.

### 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 2024-25. Accordingly, there has been no meeting of CSR Committee held during the year under review.

### Senior Management

Senior Management includes Managing Director, Head - Finance, Chief Financial Officer, Company Secretary and Heads of Department viz; Finance & Accounts, Production, Human Resources, Information & Technology, Marketing & Logistics and Corporate Affairs. There is no change since the close of the previous financial year.

## 6. Disclosures:

### Basis of Related Party Transactions:

All transaction entered into by the Company with related parties, during FY 2024 – 25, were in ordinary course of business and on arm's length basis. The Company has formulated a framework for Related Party Transactions as displayed on the Company's website [www.patspin.com](http://www.patspin.com) which is followed for identifying, entering into and monitoring related party transactions. The deviations, if any, to the said process have been brought to the attention of Audit Committee suitably. The Audit Committee reviews on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the approval granted. The Company has obtained Shareholders approval by way of special resolution to enter into Related Party Transactions.

### Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

### 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.

### Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations

The Company has not raised funds through preferential allotment or Qualified Institutional Placement during the year under review.

### Credit Rating

Based on 07.06.2019 RBI circular of "Prudential Framework for Resolution of Stressed Assets" Company's bankers have carried out restructuring of its debts as on 30.9.2022 based on CRISIL RP4 Rating awarded to companies to the Resolution proposal. As per the said RBI Circular, due to the restructuring, the company's account will get upgraded to standard account only upon payment of 10% outstanding debts as on date of implementation and also the credit facilities shall also be rated as investment grade (BBB- or better), at the time of upgrade. Fresh rating will be obtained at that time

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Annual Secretarial Compliance

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial Compliance Audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretary under Form MR – 3 and has been submitted to the Stock Exchanges within the prescribed time limit. The Company has engaged Shri. MRL Narasimha, Practicing Company Secretary, Coimbatore as Secretarial Auditor of the company for providing the above Certificate.

### Certificate from Practicing Company Secretary

Certificate as required under Part C of Schedule V of Listing Regulations, received from Shri. MRL Narasimha, Practicing Company Secretary, Coimbatore, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority has been annexed to this Report.

### Management Discussion and Analysis Report.

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

### 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. The said Report is filed with the Stock Exchange on quarterly basis and is also available on Company website at [www.patspin.com](http://www.patspin.com)

### Means of Communication and Shareholders Information

- i. The Quarterly, Half-yearly and Annual financial Results of the Company are published in two newspapers viz. BUSINESS STANDARD [National Daily] and DEEPIKA (Regional Newspaper) and displayed on company's website [www.patspin.com](http://www.patspin.com)
- ii. The Annual Report of the Company for the financial year 2024-25 is being emailed to the members whose email addresses are available in the depositories as per Section 136 of the Companies Act, 2013 and Regulation 36 of SEBI (LODR), Regulations 2015. For other members, who have not registered their e-mail addresses, are requested to register their email id at the earliest and ask for the soft copy of the annual report in accordance with General Circular No. 20/2020 dated 5<sup>th</sup> May 2020 issued by Ministry of Corporate Affairs (MCA) and the Circular No. SEBI /HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020 issued by SEBI, Company is not printing copies of the Annual Report. The annual report is available on the Company's website.
- iii. Compliance w.r.t. matters related to capital markets, SEBI (LODR) Regulation's 2015

The Company has complied with all the requirements of the Stock Exchange (BSE) and SEBI on matters relating to Capital Markets, SEBI (LODR) Regulations 2015 and other applicable Regulations issued by SEBI. However, BSE vide their email dated 21.11.2024 communicated non- compliance under Regulation 20(2)/ (2A) of SEBI LODR Regulations 2015 for quarter ended September 30, 2024 and levied a fine of ₹ 28,320. Company communicated that Shri N K Bafna Chairman completed his second term tenure on 18.9.2024 and effective from 19.9.2024, Shri C K Gopalakrishnan Nair Independent Director took Chairmanship vide Board's approval dated 13.8.2024. BSE then vide email dated 27.11.2024 advised the Company to apply for waiver of fine at a payment of processing fee of ₹ 11800. The Company applied for waiver of the fine on 29.11.2024 and the same is pending with BSE.

- iv. Confirmation pursuant to Regulation 26(6) of listing Regulation

In accordance with the provisions of Regulation 26 (6) of the Listing Regulations, the Key Managerial Personnel, Director(s), Promoter(s) and Employees including Senior Management Personnel of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 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 BSE Ltd in the requisite format duly signed by the compliance officer. Pursuant to Regulation 27 of SEBI (LODR) Regulations, 2015. Practicing Company Secretary's certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

### 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
2023-24	Registered Office of the company through Video Conferencing (VC)/Other Audio Visual Means (OAVM)	12.9.2024	Thursday	10.00 AM	Re-appointment of Shri Umang Patodia (DIN: 00003588) as Managing Director for a period of five years with effect from 4.8.2024
2022-23	-do-	29-09-2023	Friday	10.00 AM	Re-appointment of Shri B K Patodia (DIN : 00003516), as Non-Executive Promoter Director, liable to retire by rotation
2021-22	-do-	30-09-2022	Friday	10.00 AM	(1). Increase in Authorized Share Capital (2). Remuneration to Shri Umang Patodia, Managing Director(DIN:00003588) (3). Conversion of Working Capital facilities to Working Capital Term Loan(WCTL) (4). Issuance of 10.81 Lakhs 0.50% Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS) of ₹ 100 each (5). Issuance of 9.70 lakhs 0.50% Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS) of ₹ 100 (6). Issuance of 10 lakhs 0.50% Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS) of ₹ 100 each

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- C. Whether any special resolution passed last year through postal ballot – Yes

Details of voting pattern:

Description of resolution	Votes in favour of the Resolution			Votes against the Resolution			Invalid Votes	
	No. of members voted	No. of valid votes cast (shares)	% of total number of valid votes cast	No. of members voted	No. of valid Votes cast (shares)	% of total number of valid votes cast	Total No. of members whose votes were declared invalid	Total No. of invalid votes cast (shares)
Appointment of Dr Raju VP (DIN 10866461) as Non-Executive Independent Director	87	17716668	99.94	4	10168	0.05	-	-

The Special Resolution was passed with requisite majority.

- D. Person who conducted the postal ballot exercise – Shri MRL Narasimha, FCS, Practising Company Secretary  
E. Whether any special resolution is proposed to be conducted through postal ballot ? – No  
F. Procedure for postal ballot – N.A.

### 10. Compliance in respect of Adoption of Non- Mandatory requirements:

#### a) The Board

The Non-Executive Chairman of the Company has been provided with a Chairman's Office at the Registered Office of the Company.

#### 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

During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.

#### d) Reporting of internal Auditor

The Internal Auditor participates in the meetings of the Audit Committee of the Board of Directors and presents his internal audit observations to the Committee.

#### e) Total fees for all services paid by the listed entity to the statutory auditor

Total Fees paid to Statutory Auditors is ₹ 4.01 Lakhs

#### f) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

The listed entity has no material subsidiaries.

### Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and (Redressal) Act, 2013

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company's Policy on prevention of Sexual Harassment is in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment. During the year under review, the company has not received any complaint in this regard.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 11. General Shareholder information

#### I. Annual General Meeting:

a.	Date and Time	Monday, 29 <sup>th</sup> September 2025 at 10.00 AM
b.	Venue	The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated 13 <sup>th</sup> January 2021 and as such there is no requirement to have a venue for the AGM
c.	Book closure date	Wednesday 24 <sup>th</sup> September 2025 to Monday 29 <sup>th</sup> September 2025
	Financial calendar (tentative):	
	Annual General Meeting	Monday, 29 <sup>th</sup> September 2025
	Results for quarter ended 30 <sup>th</sup> June, 2025	5 <sup>th</sup> August 2025
	Results for quarter ending 30 <sup>th</sup> Sept., 2025	On or before 14 <sup>th</sup> November, 2025
	Results for quarter ending 31 <sup>st</sup> Dec., 2025	On or before 14 <sup>th</sup> February, 2026
	Results for Year ending 31 <sup>st</sup> March, 2026	On or before 30 <sup>th</sup> May, 2026

#### III. Listing:

a.	Listing of Equity Shares on Stock Exchanges	BSE Limited (BSE) Scrip Code No. 514326
b.	Listing Fee	Annual Listing fee for the year 2025-26 have been duly paid to the Stock Exchange within the prescribed time limit.
	Demat ISIN Nos. in NSDL and CDSL for Equity Shares	INE790C01014

#### V

Registrar and Transfer Agents (Share Transfer and communication regarding Share Certificates, Dividends and change of Address)	M/s. Integrated Registry Management Service Private Ltd. 2 <sup>nd</sup> Floor, Kences Towers, No 1, Ramakrishna Street, T Nagar, Chennai - 600 017 Tel: 044 28140801-803 E-Mail : csdstd@integratedindia.in
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**VI Share Transfer Process** - Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialized form with a Depository. This will inter alia, bring benefits viz; (i) it shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities and (ii) transfer of securities only in demat form will lead to ease convenience and safety of transactions for investors. The Company has stopped accepting any transfer requests for securities held in physical form with effect from the said date. During the year, the Company accepted those transfer requests pertaining to securities held in physical form which were lodged for transfer before April 1, 2019 and were returned due to discrepancies. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the company. In view of the aforesaid amendment and in order to eliminate the risks associated with the physical holding of shares, members who are holding shares in physical form are hereby requested to dematerialize their holdings.

#### VII. Shareholding pattern and distribution on Shareholding of the Company: –

##### (a) Shareholding pattern as on 31<sup>st</sup> March 2025:

S.N.	Category	No of shares (Issued Equity)	%
01)	Promoters & Associates	20096918	65.00
02)	Indian Financial Institutions, Banks, Mutual Funds	5300	0.02

## REPORT ON CORPORATE GOVERNANCE (Contd.)

03)	Foreign Institutional Investors / NRIs	578434	1.29
04)	Others	10239348	33.69
	<b>Total :</b>	<b>30920000</b>	<b>100.00</b>

### (b) Distribution of Shareholding as on 31.03.2025:

No. of Shares Held	No. of Shareholders	% of Shareholder	No. of Shares	% of Shareholding
Upto 100	8283	58.86	638296	2.06
101 - 500	3912	27.80	1105590	3.58
501 - 1000	856	6.08	730766	2.36
1001 - 10000	897	6.37	2771368	8.96
10001 - 100000	111	0.79	2561987	8.29
ABOVE 100000	14	0.10	23111993	74.75
<b>Total</b>	<b>14073</b>	<b>100.00</b>	<b>30920000</b>	<b>100.00</b>

### Outstanding GDRs / ADRs / Warrants or any Convertible instruments

Pursuant to an approved Resolution Plan(RP) under RBI Circular dated 7.6.2019 for restructuring of debts, the Board of Directors have allotted 0.50% 20,51,000 Non-Cumulative Compulsorily Convertible Redeemable Preference Shares(NCCCPS) of ₹ 100 each to Lenders as well as Promoters & its Associates In lieu of Non-Convertible Redeemable Preference Shares(NCRPS) issued under CDR Scheme. As per terms of RP, these shares shall be converted into Equity on 31.3.2030. The Company's application for "in-principle" approval was rejected by BSE and now the matter is under Securities Appellate Tribunal (SAT) Mumbai.

### Communication sent to Physical Shareholders in compliance with SEBI Guidelines

The Company in terms of circular issued by SEBI from time to time with respect to Updation of PAN and Bank details, mandating transfer of securities only in electronic form effective from 1<sup>st</sup> April, 2019, has communicated to the shareholders through notice of each Annual General Meetings as well as separate communication letters informing shareholders of the Company holding equity shares in physical mode to furnish their PAN, KYC, Nomination Details etc., to the Registrars and Share Transfer Agent of the Company ie M/s. Integrated Registry Management Service Private Ltd, 2<sup>nd</sup> Floor, Kences Towers, No. 1, Ramakrishna Street, T Nagar, Chennai 600 017 Tel: 044 28140801-803. The Company website also hosts Form ISR-1 KYC, Form ISR-2, Form SH 13 etc. which can be downloaded by Shareholders.

### Share Transfer to Investor Education and Protection Fund Account (IEPF) where the dividend is unpaid or unclaimed for seven or more consecutive years.

In terms of Section 124(6) of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Investor Education and Protection Fund (IEPF) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, dividend etc.), if any, accruing on such shares shall also be credited to such IEPF and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to IEPF can be claimed back by the shareholders from Investors Education and Protection Fund Authority (IEPFA) by following the procedure prescribed under the aforesaid rules. The company last declared dividend in FY 2006-07, thereafter no dividend was declared. The Company had sent letters to all the concerned Members and also published notice in newspaper three months before the due date asking them to claim their dividend amount to avoid transfer of the said unclaimed dividend and respective shares to IEPF. Accordingly, 414582 equity shares of the face value of Rs 10 each for 2672 folios in respect of which dividend was not encased for seven consecutive years were transmitted to Investor Education and Protection Fund (IEPF) Authority on 9<sup>th</sup> December 2019. The above-mentioned shares were transmitted pursuant to requirement under Section 124 of the Companies Act, 2013 read with Rule 6 of Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Nodal Officer

Company Secretary is the Nodal Officer & Chief Financial Officer is the Deputy Nodal Officer for the purpose of co-ordination with the IEPF Authority to ensure processing and verification of claim of the shareholders in a time bound manner.

### VI. Dematerialization of shares and Liquidity:

97.12% of equity shares of the company have been dematerialized (NSDL 83.29% and CDSL 13.83%) as on 31<sup>st</sup> March, 2025. 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.

### VII. Plant Locations

Plant Location	Patodia Nagar, 5/345, Para Road, Kanjikode East P.O, Palakkad, Kerala – 678 621.
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### VIII. Liquidity of shares:

The shares of the Company is actively traded in BSE Limited (BSE).

### XI. Address for correspondence: -

i)	Investor Correspondence: -		
	For transmission / transposition / 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 <sup>nd</sup> Floor, Kences Towers, No 1, Ramakrishna Street, T Nagar, Chennai 600 017 Tel: 044 28140801-803 E-Mail : csdstd@integratedindia.in
		(b)	For share held on Demat form: - To the Depository Participants
(ii)	Any query on Annual Report		Secretarial Department PATSPIN INDIA LIMITED 3 <sup>rd</sup> Floor, Palal Towers, M G Road, Ravipuram, Ernakulam, Kochi – 682 016 E-Mail: cs@patspin.com

### XI. Compliance Certificate from the Practicing Company Secretary

Compliance Certificate from Practicing Company Secretary regarding compliance of corporate governance is annexed to this report as stipulated in the SEBI (LODR) Regulations, 2015.

### XII Details with respect to Demat Suspense Account/Unclaimed Suspense Account as per Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Particulars	DEMAT Shareholders		Physical Shareholders	
	No of Shareholders	No. of equity shares	No of Shareholders	No. of equity shares
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on April 1, 2024	NIL	NIL	NIL	NIL



## REPORT ON CORPORATE GOVERNANCE (Contd.)

Particulars	DEMAT Shareholders		Physical Shareholders	
	No of Shareholders	No. of equity shares	No of Shareholders	No. of equity shares
Number of shareholders who approached the Company for transfer of shares from suspense accounts during the year	-	-	-	-
Number of shareholders to whom shares were transferred from the suspense account during the year	-	-	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2025	NIL	NIL	NIL	NIL

### 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 31<sup>st</sup> March 2025.

For **Patspin India Limited**

Place: Kochi  
Date : 05.08.2025

**Umang Patodia**  
Managing Director  
(DIN: 00003588)

### CERTIFICATE

Based on my verification of books, papers, forms and returns filed and other records maintained by Patspin India Limited ("The Company"), and also the information provide by its officers, agents and authorized representatives during the conduct of secretarial audit of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities Exchange Boards of India, Ministry of Corporate Affairs or any such authority as on 31<sup>st</sup> March, 2025.

Place: Coimbatore  
Date:- 05-08-2025  
UDIN : F002851G000932318

**MRL Narasimha**  
Practicing Company Secretary  
M. No. 2851 COP :- 799  
PR No.1420/2021

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 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 31<sup>st</sup> March 2025 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 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**

**UMANG PATODIA**  
Managing Director  
(DIN:00003588)

**RAVINDRAN T**  
Chief Financial Officer

Place: Kochi  
Date : 05.08.2025

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### Certificate on Corporate Governance for the year ended 31.3.2025

To  
The Members of M/s. PATSPIN INDIA LIMITED

Dear Sir, I have examined the compliance conditions of corporate governance by M/s. PATSPIN INDIA LIMITED ("the Company") for the financial year ended 31<sup>st</sup> March, 2025 as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of corporate governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the company.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the directors and management, I certify that the company has complied with the conditions of corporate governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subject to Reg 20(1), 23(1) and 30(6) (ii) of (LODR), 2015

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

Place:- Coimbatore

Date:- 05-08-2025  
UDIN:- F002851G000932239

**M.R.L. Narasimha**  
Practicing Company Secretary  
M. No. 2851  
COP :- 799  
PR No.1420/2021

## MANAGEMENT DISCUSSION & ANALYSIS

### Economic Review

#### Global Economy and Outlook:

The year 2024 was primarily focused on the major elections in India and the United States and the potentially ensuing policy directions globally. Globally, 2024 witnessed an uneven recovery. Service sectors remained relatively strong, while manufacturing lagged, particularly in Europe and parts of Asia, due to supply chain disruptions and softer external demand. Geopolitical tensions, including the Russia-Ukraine war and Middle East conflicts, heightened uncertainty across financial and commodity markets.

The IMF projects global GDP growth at 2.8% in CY 2025 and 3% in CY 2026, supported by easing in on and sustained demand in emerging market.

The IMF notes heightened financial market volatility due to expected policy changes under newly elected governments. Structural challenges, including trade frictions, accelerated digital and environmental transition along with other factors, continue to complicate the global growth landscape. Fiscal tightening is also anticipated across both advanced and emerging economies in 2025-26. Global risks remain elevated.

#### Indian Economy:

India's economy continued to demonstrate resilience, amid global uncertainties. This growth was driven by supportive policies of the Government of India, stable domestic demand, continued infrastructure investments and an uptick in both urban and rural consumption. Stable macroeconomic policies, good monsoon and robust credit demand contributed to broad-based growth across sectors. Reserve Bank of India (RBI) has lowered the Repo rate (thrice aggregating to 100 bps during February – June 2025 period), to 5.50%, aiming to support investment and borrowing amid tighter global financial conditions. Inflation has moderated significantly,

Industrial activity regained momentum towards the end of FY 2024-25 after a sluggish first half. Growth strengthened in infrastructure-related sectors, domestic manufacturing and energy-intensive industries. Real GDP growth is projected at 6.5% for 2025-26, maintaining momentum from the previous year despite a slight downward revision due to global risks.

#### Indian Textile Industry scenario:

The textile and apparel (T&A) market in India has been on an upward trajectory, growing from USD 106 Billion in FY 2019-20 to USD 147 Billion in FY 2024-25, at a CAGR of 7%. With a contribution of approximately 2.3% to the national GDP in FY 2024-25 and accounting for 3.91% of global textile and apparel trade, India remains one of the world's largest textile markets. Textile and apparel exports surged by 6%, reaching USD 36.6 billion in FY 2024-25, despite soft festive demand and competitive imports from Bangladesh. During the same period, exports of cotton-based products (yarn, fabrics, made-ups and handloom) grew by 3.19% to USD 12.056 Billion. Gujarat, Maharashtra, Tamil Nadu, Punjab, Uttar Pradesh and West Bengal continue to dominate India's textile production. However, fluctuating cotton prices averaging INR 7,800 per quintal in FY 2024-25 (supported by lower production and an INR 589 MSP increase in May 2025 that set prices at INR 7,710–8,110 per quintal) added cost pressures, especially for spinners and weavers. Nevertheless, India's abundant raw-material base with a cotton output of 301.75 lakh bales in FY 2024-25 provided a firm foundation for competitive manufacturing and also with policy interventions focused on boosting domestic production and exports, aiming for a substantial global market share increase.

The country's large cotton output, competitive labour costs and robust manufacturing infrastructure have made it an attractive alternative to China.

#### Indian textiles industry outlook:

The Indian textile industry is inherently cyclical in nature. Any adverse changes in global economic outlook and demand-supply scenario in the domestic market directly impacts its demand. Textile industry as a whole, remains vulnerable to factors such as input price fluctuations, mobilisation of adequate workforce and changes in government policies for overall development of the textile industry.

The profitability of spinning mills depends largely on the cotton and cotton yarn prices which are governed by factors such as area under cultivation, monsoon, and international demand-supply situation, among others. Cotton being the major raw material of spinning mills, movement in cotton prices without parallel movement in yarn prices impact the profitability of the spinning mills. Volatile cotton prices often translate into risk of inventory losses for the industry players, though at times, it also leads to inventory gains.

## MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

### Economic Review

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## MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

The economic outlook for India remains positive, driven by rising consumer demand, improved investment activity and supportive policy measures. The combination of declining inflation and lower interest rates is expected to further boost credit growth and investment activity. Domestically, India's rural demand recovery and strong public capital expenditure are supporting growth. Investment sentiments have improved, with manufacturing capacity utilisation remaining above historical averages.

Meanwhile, global cotton prices decreased by nearly 9%, from 95 cents per pound in 2023 to 86.6 cents in 2024, benefitting textile manufacturers with reduced input costs and supporting downstream production. In India after recording a peak of around ₹ 1 lakh per candy in FY23, domestic cotton prices corrected with the arrival of the new crop, and they are currently hovering between around ₹ 58,000 per candy.

The Union Budget 2025-26 introduced several forward-looking reforms designed to enhance competitiveness and productivity to meet the Ministry of Textiles' target of reaching USD 100 Billion exports by FY 2030-31. Towards this target Government has announced various measures in the recent Union Budget of FY 2025-26 to give impetus.

Key highlights of Union Budget of 2025-26 announcements for textile sector:

- Budget announces INR5272 crores allocation for the Ministry of Textiles for the FY 2025-26
- Textile MSMEs will get better credit access and infrastructure support to strengthen domestic and export markets. Budget thrust on export, enhanced credit and coverage will uplift textile MSMEs.
- Focus on innovation-driven textiles such as medical, industrial, and sustainable fabrics, boost Make in India in technical textile sector viz. agro textiles, medical textiles, and geo-textiles.
- Increased allocation for the Production-Linked Incentive (PLI) scheme to boost textile manufacturing and exports.
- Reduced Import Duties on Raw Materials. This will help textile manufacturers lower production costs and improve global competitiveness.
- Five-Year Cotton Mission. Aimed at addressing stagnant cotton productivity, especially for extra-long staple varieties. Inclusion of enhancing Extra Long Staple (ELS) Cotton Productivity in the five-year Cotton mission in the Union Budget will foster production of superior quality raw material for the textile industry, strengthen India's traditional textile sector, boost exports and reduce dependency on imports.
- Government has finalized setting up of PM Mega Integrated Textile Region and Apparel (PM-MITRA) Parks at 7 sites viz. Tamil Nadu (Virudhnagar), Telangana (Warangal), Gujarat (Navasari), Karnataka (Kalaburagi), Madhya Pradesh (Dhar), Uttar Pradesh (Lucknow) and Maharashtra (Amravati) with an outlay of ₹ 4,445 cr for a period of seven years up to 2027-28
- The Budget aims to accelerate economic growth through Agriculture, it will facilitate significant improvements in productivity and sustainability of cotton farming, increase the income of farmers and ensure a steady supply of quality cotton for India's textile sector.
- 2 types of shuttle-less looms to the list of fully exempted textile machinery.
- Creation of National Manufacturing Mission, Export Promotion Mission, creating the Bharat Trade Net,, Measures for Labour-Intensive Sectors to promote employment and entrepreneurship opportunities, revision in classification criteria for MSMEs and others will create conducive environment for the textile sector.
- TDS/TCS Rationalization Measures in Budget 2025
- GST Amendments for trade facilitation

Furthermore, the recent **India-UK FTA (signed May 2025)** eliminates tariffs on 99% of Indian textile exports. This is expected to boost bilateral trade by an estimated USD 34 Billion annually by 2040 and substantially enhance India's access to Europe's second-largest apparel market. Concurrent negotiations on an **India-EU FTA** and likely to conclude by late 2025, could further enhance competitiveness by lowering duties in key markets.

Additional duties, coupled with procurement regulations ban on usage of cotton from Xingjian region have significantly crippled US' (Ready Made Garment) RMG imports from China over the past 8 years. US based brands shifted to Bangladesh/ India for cotton-based offerings and towards Vietnam for non-cotton offerings. With the latest reciprocal tariffs of 20% above the prevailing Section 301 tariffs ranging from 7-25% on Chinese RMG imports, move away from China would be

**INDEPENDENT AUDITOR'S REPORT****To the Members of Patspin India Limited,  
Report on the Audit of the Financial Statements****Opinion**

1. We have audited the accompanying financial statements of Patspin India Limited (the "Company"), which comprise the balance sheet as at 31 March 2025, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the material accounting policies and other explanatory information. (Hereinafter referred to as "financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements for the year ended 31 March 2025 give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the company as at 31 March 2025, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

3. 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 on the Financial Statements.

**Matters related to Going Concern**

4. For the year ended 31 March 2025 Company has incurred a total comprehensive loss of Rs 1001 lakhs and cash loss of Rs 705 lakhs and net worth is eroded as on that date and Company's accounts with Lenders were classified as sub-standard as of 31 March 2021 due to irregularity in debt servicing and the Company's future cash flows may be uncertain. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However as per the information and explanations provided by the Company in Note No 39 of financial statements for the year ended 31 March 2025, and the discussion held with management, the company has submitted a new resolution plan to Lenders to restructure outstanding debts (WCTL) with moratorium for Interest and WCTL instalment payments and reduction in Rate of interest to Bank MCLR level. Bankers have carried out TEV study which confirmed Viability of the proposal and now the bankers are pursuing further process. With the significant reduction in the debt level as well as rationalization of labour cost through VRS measures and reducing cotton prices, own manufacturing operations could generate better EBITDA and cash profit.

In view of such positivity, our opinion is not modified in respect of this matter.

**Key Audit Matters**

5. 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. We have determined the matter described below to be the key audit matter to be communicated in our report.

**Key Audit Matter: Revenue recognition**

Revenue is one of the key profit drivers and is therefore susceptible to misstatement. There is a risk that revenue is recognized on sale of goods around the year and without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers"

**Auditor's Response:**

In addressing this key audit matter, we performed the following audit procedures:



## INDEPENDENT AUDITOR'S REPORT (Contd...)

- (i) Obtained an understanding of the company's revenue recognition policies and evaluated their compliance with applicable accounting standards.
- (ii) Tested the design and operating effectiveness of relevant controls over the revenue recognition process, the determination of performance obligations and transaction prices.
- (iii) Verified the revenue is recognised after substantial transfer of control.
- (iv) Evaluated the adequacy of the company's disclosures related to revenue recognition in the notes to the financial statements.

### Information Other than the Financial Statements and Auditor's Report Thereon

- 6. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the board of director's report, but does not include the financial statements and our auditor's report thereon. The board of director's report is expected to be made available to us after the date of this auditor's report.
- 7. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- 8. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### Responsibilities of the Management and those charged with Governance for the Financial Statements:

- 9. 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 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 the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 10. 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.
- 11. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

- 12. 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.
- 13. 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

## INDEPENDENT AUDITOR'S REPORT (Contd...)

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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - (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.
14. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
15. 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.
16. 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.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements:

18. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "**Annexure - A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

## INDEPENDENT AUDITOR'S REPORT (Contd...)

- d) In our opinion, the aforesaid 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 31 March 2025 taken on record by the board of directors, none of the directors are disqualified as on 31 March 2025 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion, according to the information and explanations given to us and based on our examination of the records of the company, the remuneration paid by the Company to its directors during the year is 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 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.
  - iv.
    - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company did not declare or pay any dividend during the year.
  - vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31 March 2025, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **L U Krishnan & Co.**

Chartered Accountants

Firm's Registration No: 001527S

Place: Chennai

Date: 30 May 2025

**P K Manoj**

Partner

Membership No.207550

UDIN: 25207550BMJDIY2279

## INDEPENDENT AUDITOR'S REPORT (Contd...)

### **Annexure - A to the Independent Auditor's Report (Referred to in paragraph 18 under 'Report on Other Legal and Regulatory Requirements' section of our report)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) In respect of the Company's property, plant and equipment and intangible assets:
  - (a)
    - A. The Company has maintained proper records showing full particulars including quantitative details and situation of property plant and equipment.
    - B. The Company does not have any intangible assets.
  - (b) The property, plant & 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 found 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 (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
  - (d) The Company has not revalued any of its property, plant and equipment (including right of use asset) and intangible assets during the year.
  - (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. The company is not holding any benami property.
- (ii)
  - a) During the year, inventories have been physically verified by the Management at reasonable intervals of time and there were no discrepancies found during such verification.
  - b) Company does not have any working capital facilities from banks or financial institutions. As there is no working capital facilities the quarterly returns or statements were not required to be filed.
- (iii) In respect of investments in, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to any company, firm, LLP, or other parties,
  - a) The Company has not made investments in, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to any company, firm, LLP, or other parties during the year, and hence reporting under clause 3(iii)(a) to (f) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (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 accounts 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 amounts and records have been made and maintained. However, we have not made any 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

## INDEPENDENT AUDITOR'S REPORT (Contd...)

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 31 March 2025 for a period of more than six months from date they become payable.

- (b) According to the information and explanations given to us, there were no 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 /litigation except for the below:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Amount Deposited against Litigation (₹ in Lakhs)	Period for which the amount Relates	Forum where Dispute is pending
Central Excise Act, 1944	Excise Duty	72.99	7.31	August, 2014 to May, 2016	AC Central Excise, Pollachi
Service Tax	Service tax payable on reverse charge method on ocean freight.	29.22	Nil	April to June 2017	Asst Commissioner of GST & Cent Ex Audit, Coimbatore
CGST Act 2017 and TNGST Act 2017	GST on canteen service	6.44	1.29	April 2017 to March 2019	Additional Commissioner of GST & Cent Ex Audit, Coimbatore Audit Circle II

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3 (viii) of the Order is not applicable.

(ix)

- (a) In our opinion, during the year, the Company has defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date (₹ in Lakhs)	Whether principal or Interest	No. of days delay or unpaid
Working capital term loan	Central Bank of India	194.15	Principal	From December 2024 onwards
		93.63	Interest	From December 2024 onwards
	State Bank of India	122.15	Principal	From December 2024 onwards
		58.63	Interest	From December 2024 onwards
	Karur Vysya Bank	17.10	Principal	From December 2024 onwards
		7.83	Interest	From December 2024 onwards

## INDEPENDENT AUDITOR'S REPORT (Contd...)

- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender.
  - (c) The Company has not taken any term loan during the year.
  - (d) On examination of the financial statements of the Company, Company has not raised any funds on short term basis which has been used for long-term purposes hence reporting under clause 3(ix)(d) of the Order is not applicable.
  - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates hence reporting on clause 3(ix)(e) of the Order is not applicable.
  - (f) The Company has not raised any loans on the pledge of securities held in its subsidiaries, associate companies during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x)
- (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting of the purpose for which amount raised under clause 3 (ix)(a) of the Order is not applicable.
  - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under paragraph (x)(b) of the Order is not applicable to the Company.
- (xi)
- (a) According to the information and explanations given to us, during the year Company has not noticed any fraud by the Company or on the Company.
  - (b) No reportable fraud has been committed by the Company hence Form ADT-4 has not been filed by the auditors as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - (c) During the year Company has not received any whistle-blower complaints to be considered by the auditors.
- (xii) Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) All transactions entered by the Company with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been properly disclosed in the financial statements as required by the applicable Indian accounting standards.
- (xiv) In respect of internal audit system
- (a) Company has an internal audit system commensurate with the size and nature of its business.
  - (b) We have considered the Internal Audit Reports of the Company issued by the Internal auditors for the period under audit
- (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) Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) (a), & (b) of the Order is not applicable and Company is not a Core Investment Company and there is no core investment company within the group. Accordingly, paragraph 3(xvi) (c) & (d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses of ` 705 lakhs and ` 342 lakhs during the financial year and immediately preceding financial year respectively covered by our audit.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, as reported in the "Material Uncertainty on Going Concern" paragraph we report that the Company has incurred a total comprehensive



## INDEPENDENT AUDITOR'S REPORT (Contd...)

loss of ₹ 1001 lakhs and cash loss of ₹ 705 lakhs during the year ended 31 March 2025 and net worth is eroded as on that date and Company's accounts with Lenders were classified as sub-standard with effect from 31 March 2021 due to irregularity in debt servicing and Company's future cash flows are uncertain. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However as per the information and explanations provided by the Company in Note No 39 of financial statement for the year ended 31 March 2025 and the discussion held with management, the company has submitted a new resolution plan to Lenders to restructure outstanding debts (WCTL) with moratorium for Interest and WCTL instalment payments and reduction in Rate of interest to Bank MCLR level. Bankers have carried out TEV study which confirmed Viability of the proposal and now the bankers are pursuing further process. With the significant reduction in the debt level as well as rationalization of labour cost through VRS measures and reducing cotton prices, own manufacturing operations could generate better EBITDA and cash profit.

(xx) The provisions of section 135 of the Companies Act, 2013 which deals Corporate Social Responsibility (CSR) is not applicable. Accordingly, reporting under Paragraph 3(xx)(a) & (b) of the order is not applicable for the year.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **L U Krishnan & Co.**

Chartered Accountants

Firm's Registration No: 001527S

Place: Chennai

Date: 30 May 2025

**P K Manoj**

Partner

Membership No.207550

UDIN: 25207550BMJDIY2279

## **INDEPENDENT AUDITOR'S REPORT (Contd...)**

### **Annexure - B to the Independent Auditors' Report**

**(Referred to in paragraph 19 (f) under 'Report on Other Legal and Regulatory Requirements' section of our 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 Limited** ("the Company") as at 31 March, 2025 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.**

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.

## **INDEPENDENT AUDITOR'S REPORT (Contd...)**

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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.

### **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 31 March 2025, 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

Firm's Registration No: 001527S

Place: Chennai

Date: 30 May 2025

**P K Manoj**

Partner

Membership No.207550

UDIN: 25207550BMJDIY2279

# PATSPIN INDIA LIMITED

## BALANCE SHEET

Particulars	Note No.	As at 31.03.2025 (₹ in Lakhs)	As at 31.03.2024 (₹ in Lakhs)
<b>I. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	6,250.78	6,455.86
(b) Financial Assets			
(i) Investments	4	0.31	0.31
(ii) Other financial assets	5	332.64	305.82
(iii) Right to Use Assets	6	33.22	37.05
(c) Deferred Tax Assets (net)	7	1,236.59	1,236.59
<b>Sub-Total</b>		<b>7,853.54</b>	<b>8,035.63</b>
<b>2 Current Assets</b>			
(a) Inventories	8	9.07	8.54
(b) Financial Assets			
(i) Trade Receivables	9	5.14	5.60
(ii) Cash and Cash equivalents	10	21.15	21.24
(iii) Bank balances other than (ii) above	11	0.72	3.34
(iv) Other Financial Assets	12	18.69	16.64
(c) Other Non-Current Tax Assets	13	52.15	236.19
(d) Other Current Assets	14	201.55	550.13
<b>Sub-Total</b>		<b>308.47</b>	<b>841.68</b>
<b>TOTAL ASSETS</b>		<b>8,162.01</b>	<b>8,877.31</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	3,092.00	3,092.00
(b) Instruments entirely equity in nature	16	2,051.00	2,051.00
(c) Other Equity	17	(8,529.40)	(7,528.70)
<b>TOTAL EQUITY</b>		<b>(3,386.40)</b>	<b>(2,385.70)</b>
<b>Liabilities</b>			
<b>1 Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	5,458.68	5,334.70
(b) Other Non-Current Liabilities	19	439.85	367.64
(c) Lease Liability	20	29.70	31.57
<b>Sub-Total</b>		<b>5,928.23</b>	<b>5,733.91</b>
<b>2 Current Liabilities</b>			
(a) Financial Liabilities	21		
(i) Borrowings		2,667.00	2,000.20
(ii) Trade Payables			
(a) total outstanding dues of micro and small enterprises	126.49	161.15	
(b) total outstanding dues of creditors other than micro and small enterprises.	1,319.19	1,445.68	1,485.24
(iii) Other Financial Liabilities		350.23	530.93
(b) Other Current Liabilities	22	1,098.88	1,293.76
(c) Lease Liability	20	4.98	5.50
(d) Provisions	23	53.41	52.32
<b>Sub-Total</b>		<b>5,620.18</b>	<b>5,529.10</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>8,162.01</b>	<b>8,877.31</b>

### Significant accounting policies

1&2

The accompanying Notes 1 to 44 form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

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

Chartered Accountants  
(ICAI FRN 001527S )

**B.K.PATODIA**

Chairman  
DIN No. 00003516  
Place : Mumbai

**UMANG PATODIA**

Managing Director  
DIN No. 00003588  
Place : Kochi

**P. K. MANOJ**

Partner  
(M. NO. 207550)

**T.RAVINDRAN**

General Manager (Finance)  
& Chief Finance Officer

**VEENA VISHWANATH BHANDARY**

Company Secretary

Place : Chennai  
Date : 30.05.2025

Place : Kochi  
Date : 30.05.2025

Place : Kochi  
Date : 30.05.2025

# PATSPIN INDIA LIMITED

## STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	Year ended 31.03.2025 (₹ in Lakhs)	Year ended 31.03.2024 (₹ in Lakhs)
<b>REVENUE:</b>			
Revenue from operations	24	4,732.95	4,384.24
Other income	25	149.79	562.58
<b>Total Revenue</b>		<b>4,882.74</b>	<b>4,946.82</b>
<b>EXPENSES:</b>			
Cost of materials consumed	26	460.40	522.13
Changes in inventories of finished goods, stock in progress and waste	27	—	85.11
Employee benefits expense	28	1,863.61	1,735.97
Finance costs	29	741.14	755.10
Depreciation and amortization expense		296.46	315.35
Other expenses	30	2,499.82	2,422.72
<b>Total Expenses</b>		<b>5,861.43</b>	<b>5,836.38</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(978.69)</b>	<b>(889.56)</b>
Exceptional items :			
Profit on Sale of office building / Undertaking	31	—	224.41
<b>Profit/(Loss) before tax</b>		<b>(978.69)</b>	<b>(665.15)</b>
Tax expense:			
Current tax		—	—
<b>Profit/(Loss) for the year (A)</b>		<b>(978.69)</b>	<b>(665.15)</b>
Other Comprehensive income (Net of Tax)			
Items that will not be reclassified subsequently to Statement of Profit or Loss			
Re-measurement of defined benefit Obligation		(22.01)	7.51
<b>Other Comprehensive income for the Year (B)</b>		<b>(22.01)</b>	<b>7.51</b>
<b>Total comprehensive income/(loss) for the year (A) + (B)</b>		<b>(1,000.70)</b>	<b>(657.64)</b>
<b>EARNINGS PER EQUITY SHARES (Face value of ₹ 10 each)</b>	32		
Basic EPS (in ₹)		(3.17)	(2.15)
Diluted EPS (in ₹)		(2.97)	(2.02)
Significant accounting policies	1&2		
The accompanying Notes 1 to 44 form an integral part of the financial statements			

As per our report of even date attached

For and on behalf of the Board of Directors

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

**B.K.PATODIA**  
Chairman  
DIN No. 00003516  
Place : Mumbai

**UMANG PATODIA**  
Managing Director  
DIN No. 00003588  
Place : Kochi

**P. K. MANOJ**  
Partner  
(M. NO. 207550)

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

**VEENA VISHWANATH BHANDARY**  
Company Secretary

Place : Chennai  
Date : 30.05.2025

Place : Kochi  
Date : 30.05.2025

Place : Kochi  
Date : 30.05.2025

# PATSPIN INDIA LIMITED

## CASH FLOW STATEMENT

Particulars	2024-25 (₹ in Lakhs) (978.69)	2023-24 (₹ in Lakhs) (889.56)
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit / (loss) before Tax & exceptional items		
Adjustments for:	296.46	315.35
Depreciation and Amortization expense	–	(211.45)
(Profit)/Loss on disposal of tangible assets (net)	(22.01)	7.51
(Gain)/Loss on other comprehensive income (net)	737.54	755.10
Interest Expenses	(28.02)	(11.77)
Interest Income		
Operating profit before working capital changes	5.28	(34.82)
Changes in Working Capital:		
Increase / (Decrease) in trade payables	(200.71)	(269.47)
Increase / (Decrease) in other current liabilities	(194.88)	332.45
Increase / (Decrease) in provisions	1.09	(5.58)
(Increase) / Decrease in inventories	(0.53)	330.72
(Increase) / Decrease in trade receivables	0.46	178.90
(Increase) / Decrease in margin money and deposit accounts	2.62	110.71
(Increase) / Decrease in other financial assets	(2.05)	(8.32)
(Increase) / Decrease in other current assets	348.59	(326.13)
<b>Cash Generated from Operations</b>	(40.13)	308.46
(Taxes Paid)/Refunds – Net	184.04	198.49
<b>Net cash generated from operations before exceptional items</b>	143.91	506.95
Exceptional items	–	224.41
<b>Net cash generated from operating activities</b>	(A) 143.91	731.36
<b>B. Cash flow from Investing Activities:</b>		
Purchase of property, plant and equipment/intangible assets	(87.55)	(3.74)
Proceeds from Sale of property, plant and equipment/intangible assets	–	309.41
Interest received	28.02	11.77
(Increase)/Decrease in other financial Assets	(26.82)	(27.77)
Increase/(Decrease) in other non current liabilities	72.21	38.38
<b>Net cash generated/(used) from /in investing activities</b>	(B) (14.14)	328.05
<b>C. Cash flow from financing activities:</b>		
Proceeds/(Repayment) of Long Term borrowings	(667.50)	(333.10)
Payment to Lease liability	(6.00)	(2.50)
Unsecured loan from Associate	1,458.28	–
Interest paid	(914.64)	(788.71)
<b>Net cash generated / (used) from/in financing activities</b>	(C) (129.86)	(1,124.31)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(A+B+C) (0.09)	(64.90)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	21.24	86.14
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	21.15	21.24

### 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 44 form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

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

Chartered Accountants  
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Place : Kochi  
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Place : Kochi  
Date : 30.05.2025



# PATSPIN INDIA LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2025

### A. Equity Share Capital

(1) Current Reporting Period- As at March 31,2025

(₹ in Lakhs)

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3092.00	-	3092.00

(2) Previous Reporting Period- As at March 31,2024

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3092.00	-	3092.00

### B. Other Equity

(1) Current Reporting Period- As at March 31,2025

	Reserves and Surplus			Revaluation Surplus	Other items of Other Comprehensive Income (specify nature)	Total
	Capital Reserve	Securities Premium	Retained Earnings		Re-measurement of Employee Benefit	
Balance at the beginning of the current reporting period	1,000.00	468.28	(11,939.07)	3,057.96	(115.87)	(7,528.70)
Total Comprehensive Income for the current year			(978.69)		(22.01)	(1,000.70)
Balance at the end of the current reporting period	1,000.00	468.28	(12,917.76)	3,057.96	(137.88)	(8,529.40)

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2025 (Contd...)**

(2) Previous Reporting Period- As at March 31,2024

	Reserves and Surplus			Revaluation Surplus	Other items of Other Comprehensive Income (specify nature)	Total
	Capital Reserve	Securities Premium	Retained Earnings			
Balance at the beginning of the current reporting period	1,000.00	468.28	(11,273.92)	3,057.96	(123.38)	(6,871.06)
Total Comprehensive Income for the current year	-	-	(665.15)		7.51	(657.64)
Balance at the end of the current reporting period	1,000.00	468.28	(11,939.07)	3,057.96	(115.87)	(7,528.70)

The accompanying Notes 1 to 44 form an 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 : Chennai  
Date : 30.05.2025

For and on behalf of the Board of Directors

**B.K.PATODIA**  
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Date : 30.05.2025

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Managing Director  
DIN No. 00003588  
Place : Kochi

**VEENA VISHWANATH BHANDARY**  
Company Secretary

Place : Kochi  
Date : 30.05.2025

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**

**Significant Accounting Policies and notes forming part of the Financial statements for the Year ended 31<sup>st</sup> March 2025**

**1 Corporate Information:**

Patspin India Limited ('the company') is a Public Limited company incorporated and domiciled in India. The Registered office of the Company is at 3<sup>rd</sup> Floor, Palal Towers, Ravipuram, MG Road, Kochi -682 016 Kerala State, India. The company was incorporated under the Indian Companies Act 1956 and its equity shares are listed on the Bombay Stock Exchange Ltd (BSE) in India. The company is engaged in manufacture and Export of cotton yarn. The company was registered as "Medium Enterprises - Manufacturing" on 5<sup>th</sup> May 2021 in Udaym portal of Ministry of MSME and obtained MSME registration certificate under the Provisions of MSMED Act 2006.

**2 Significant Accounting Policies**

**2.1 Basis of preparation and Measurement of financial statements:**

Statement of Standalone Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate affairs pursuant to section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to standalone financial statement. Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2025, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "financial statements"). These financial statements were authorised for issue by the Board of Directors in the meeting held on 30<sup>th</sup> May, 2025.

**2.2 Amendments to the existing Accounting Standards issued effective from 01.04.2023 onwards**

The amendment to Ind AS 1 on 'presenting of financial statements' stipulates that the entity shall disclose material accounting policy information rather than significant accounting policies. Accounting policy information is considered material when accounting policy is related to a material transaction, event, or condition and involves either a change in accounting policy or one or more permissible accounting policy choices or accounting policy development in the absence of specific standard, or significant judgement or assumptions involved in applying such policy, or complexity of accounting requiring one or more application of Ind AS.

Accordingly, the company has revised its accounting policy disclosures by specifically providing only material accounting policy ensuring no obscuring information. The above amendments are no financial effect on company.

The Ministry of Corporate Affairs vide notification dated September 9, 2024 and September 28, 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended / notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 1, 2024:

Insurance contracts - Ind AS 117; and

Lease Liability in Sale and Leaseback- Amendments to Ind AS 11

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

This note provides a list of other accounting policies adopted in the preparation of these standalone financial statements to the extent they have not already been disclosed in the other notes below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.3 Rounding of amount**

These 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 lakh unless otherwise stated.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd...)

### 2.4 Historical Cost convention

The financial statements have been prepared under the historical cost convention, as 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

### 2.5 Use of Estimates

The preparation of financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the 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 those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

### 2.6 Current and non-Current Assets and Liabilities

All assets and liabilities have been classified as current or noncurrent as per the company's normal operating cycle (not exceeding 12 months) 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.

### 2.7 Property, Plant and Equipment

All items of property, plant and equipment (except Freehold Land) 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.

The Carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

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 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 1<sup>st</sup> 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 1<sup>st</sup> 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 end of the reporting period.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd...)

### 2.8 Depreciation

Depreciation is 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 and depreciation is calculated on the carrying amount, which is the cost of an asset less its residual value.

### 2.9 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 1<sup>st</sup> April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of Intangible Assets.

### 2.10 Amortization

Intangible assets are amortized based on their estimated useful lives.

### 2.11 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 power purchase contract obligation and on termination these contracts these shares will be bought back at cost.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### 2.12 Inventories

Inventories are stated at lower of cost and net realisable value. The cost includes cost of purchase, freight, taxes and duties and is net of input credit where are applicable, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Cost of Raw material, stores & spares are considered at "weighted average" cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary to make the sale. Adequate provision is made for obsolete, Non-moving and Slow-moving items.

### 2.13 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 statement of 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 authorities, 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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(Contd...)

A gain or loss on an financial assets that is subsequently measured at amortised cost is recognized in the statement of profit and loss 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 asset 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 statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit and 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 Other Comprehensive Income (OCI). These gains/losses are subsequently transferred to Statement of profit and loss account. 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 and 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.

## **2.14 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.



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(Contd...)

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:

- 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.

### 2.15 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.

### 2.16 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 rate method.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd...)

### 2.17Borrowing 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.

### 2.18Short-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.

### 2.19Foreign 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.

#### 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

### 2.20Taxation

- 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 statement of profit and 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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd...)

### 2.21 Lease Liabilities

The Company's lease primarily comprises of Building and Machinery. Lease contracts are typically made for fixed period of 11 months to 10 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay borrow the funds.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payment associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases with a lease term of 12 months or less, without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

### 2.22 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 statements.

### 2.23 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.

### 2.24 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.

### 2.25 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.

### 2.26 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 FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd...)

## 3 Property, Plant and Equipment

(₹ in Lakhs)							
Gross cost / Deemed cost	Freehold-Land	Buildings	Plant and Equipment	Furniture & Fixtures	Office Equipments	Vehicles	Total
<b>Balance as at 1 st April 2023</b>	<b>3,129.00</b>	<b>2,809.59</b>	<b>13,185.06</b>	<b>79.71</b>	<b>143.97</b>	<b>71.64</b>	<b>19,418.97</b>
Additions	-	-	3.73	-	-	-	3.73
Disposal /Discarded /adjustments	-	108.93	34.46	-	-	-	143.39
<b>Balance as at 31 st March 2024</b>	<b>3,129.00</b>	<b>2,700.66</b>	<b>13,154.33</b>	<b>79.71</b>	<b>143.97</b>	<b>71.64</b>	<b>19,279.31</b>
Additions	-	-	87.40	-	0.15	-	87.55
Disposal /Discarded /adjustments	-	-	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March 2025</b>	<b>3,129.00</b>	<b>2,700.66</b>	<b>13,241.73</b>	<b>79.71</b>	<b>144.12</b>	<b>71.64</b>	<b>19,366.86</b>
<b>Accumulated depreciation</b>							
<b>Balance as at 1<sup>st</sup> April 2023</b>	-	<b>1956.27</b>	<b>10316.97</b>	<b>79.44</b>	<b>138.93</b>	<b>68.09</b>	<b>12,559.70</b>
Disposal /adjustments	-	30.35	19.98				50.33
Depreciation expense	-	15.95	298.02	-	0.11	-	314.08
<b>Balance as at 31 st March 2024</b>	-	<b>1,941.87</b>	<b>10,595.01</b>	<b>79.44</b>	<b>139.04</b>	<b>68.09</b>	<b>12,823.45</b>
Disposal /adjustments	-	-	-	-	-	-	-
Depreciation expense	-	55.44	236.75	-	0.44	-	292.63
<b>Balance as at 31<sup>st</sup> March 2025</b>	-	<b>1,997.31</b>	<b>10,831.76</b>	<b>79.44</b>	<b>139.48</b>	<b>68.09</b>	<b>13,116.08</b>
Net Carrying amount							
<b>As at 31<sup>st</sup> March 2024</b>	<b>3,129.00</b>	<b>758.79</b>	<b>2,559.32</b>	<b>0.27</b>	<b>4.93</b>	<b>3.55</b>	<b>6,455.86</b>
<b>As at 31<sup>st</sup> March 2025</b>	<b>3,129.00</b>	<b>703.35</b>	<b>2,409.97</b>	<b>0.27</b>	<b>4.64</b>	<b>3.55</b>	<b>6,250.78</b>

### Note:

As per the provisions of Para 29 to 31 of the Ind As 16, the Company has adopted Revaluation model for Freehold Land and has determined its fair value on the transition date of 1<sup>st</sup> April 2016 on the basis of valuation report of Chartered Engineer. The details of revaluation of freehold land during past 3 years are given below:

Class of Asset - Freehold Land	Amount ₹ in Lakhs
<b>Carrying value as at 31<sup>st</sup> March 2023</b>	<b>3,129.00</b>
Revaluation surplus recognised in Other Equity as at 31 <sup>st</sup> March 2023	3,057.96
Additions	-
Disposal /adjustments	-
<b>Carrying value as at 31<sup>st</sup> March, 2024</b>	<b>3,129.00</b>
Revaluation surplus recognised in Other Equity as at 31 <sup>st</sup> March 2024	3,057.96
Additions	-
Disposal /adjustments	-
<b>Carrying value as at 31<sup>st</sup> March, 2025</b>	<b>3,129.00</b>
Revaluation surplus recognised in Other Equity as at 31 <sup>st</sup> March 2025	3,057.96

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**  
(Contd...)

	As at 31.03.2025 (₹ in lakhs)	As at 31.03.2024 (₹ in lakhs)
<b>Financial Assets</b>		
<b>4 Non-Current Investment</b>		
Government Securities - Non-Trade (unquoted)	-	-
National Savings Certificates (Lodged with statutory authorities)	0.31	0.31
	<u>0.31</u>	<u>0.31</u>
<b>5 Other Financial Assets</b>		
Electricity Deposits		
Other Security Deposits	277.93	250.93
	54.71	54.89
	<u>332.64</u>	<u>305.82</u>
<b>6 Lease Assets</b>		
	33.22	37.05
Right to use Asset	<u>33.22</u>	<u>37.05</u>
<b>7 Deferred Tax Asset (Net)</b>		
<b>a Deferred Tax Asset</b>		
Unabsorbed Depreciation & Business Loss	3,620.35	3,620.35
Others	248.92	248.92
	<u>3,869.27</u>	<u>3,869.27</u>
<b>b Deferred Tax Liability</b>		
Related to Property, Plant and Equipment	2,929.43	2,929.43
Related to Borrowing Cost	141.45	141.45
	<u>3,070.88</u>	<u>3,070.88</u>
<b>c Minimum Alternate Tax Credit entitlement</b>	438.20	438.20
Net Deferred Tax Asset (a-b+c)	<u>1236.59</u>	<u>1,236.59</u>
* Refer Note 35		
<b>8 Inventories</b>		
Stores, Spares and Packing Materials	9.07	8.54
	<u>9.07</u>	<u>8.54</u>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**  
(Contd...)

	As at 31.03.2025 (₹ in lakhs)	As at 31.03.2024 (₹ in lakhs)
<b>9 Trade Receivables</b>		
Unsecured, considered good	5.14	5.60
	<u>5.14</u>	<u>5.60</u>

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	5.14	-	-	5.14
Previous year	5.60	-		-	-	5.60

	As at 31.03.2025 (₹ in lakhs)	As at 31.03.2024 (₹ in lakhs)
<b>10 Cash and Cash equivalents</b>		
Cash on Hand	0.21	0.35
Balances with Banks in Current Accounts	20.94	20.89
	<u>21.15</u>	<u>21.24</u>
<b>11 Bank balances other than 10 above</b>		
Deposit Accounts under lien (with original maturity less than 12 months of the reporting date)	0.72	3.34
	<u>0.72</u>	<u>3.34</u>
<b>12 Other Financial Assets</b>		
Interest accrued on Deposits	18.69	16.64
	<u>18.69</u>	<u>16.64</u>
<b>13 Other Current tax – assets (net)</b>		
Income Tax (Net)	52.15	236.19
	<u>52.15</u>	<u>236.19</u>
<b>14 Other Current Assets</b>		
Prepaid Expenses	75.30	59.38
Balances with Statutory Authorities	76.25	104.28
Other Deposit and Advances	50.00	386.47
	<u>201.55</u>	<u>550.13</u>
<b>15 Equity Share Capital</b>		
<b>(a) Authorised:</b>		
400,00,000 Equity shares (Previous year 400,00,000 ) of ₹10 each	4,000.00	4,000.00
<b>(b) Issued ,Subscribed and fully paid up shares</b>		
309,20,000 Equity shares (Previous year 309,20,000 ) of ₹10 each	3,092.00	3,092.00
	<u>3,092.00</u>	<u>3,092.00</u>



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd...)

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

Particulars	As at 31.03.2025		As at 31.03.2024	
	No of Shares	Amount ₹ in lakhs	No of Shares	Amount ₹ in lakhs
At the beginning of the Year	30,920,000	3,092.00	30,920,000	3,092.00
Shares issued during the Year	Nil	Nil	Nil	Nil
At the end of the Year	30,920,000	3,092.00	30,920,000	3,092.00

### 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

Particulars	As at 31.03.2025		As at 31.03.2024	
	No of Shares	% of holding in the Class	No of Shares	% of holding in the Class
GTN Textiles Limited (Promoter/Associate )	14,287,068	46.21%	14,287,068	46.21%

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

Particulars	As at 31.03.2025		As at 31.03.2024	
	No of Shares	% of holding in the Class	No of Shares	% of holding in the Class
i GTN Textiles Limited (Promoter /Associate )	14,287,068	46.21%	14,287,068	46.21%
ii KSIDC Ltd (Promoter)	2,490,000	8.05%	2,490,000	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
- vi There are nil number of shares (Previous year Nil) reserved for issue under option and contracts or commitments for the sale of shares or disinvestment.
- vii There are no issue of shares allotted as fully paid up shares pursuant to contract(s) without payment being received in cash or buy back or bonus shares in the preceding five years.
- viii During the year ended 31.03.2025 and in the previous year, no securities convertible into Equity/Preferential shares.
- ix During the year ended 31.03.2025 and in the previous year, there are no calls unpaid including calls unpaid by Directors and officers as on balance sheet date.
- x Shares held by promoters at the end of the year

Promoter name	As at 31.03.2025		As at 31.03.2024		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
<b>Promoter:</b>					
Binod Kumar Patodia HUF	200	-	200	-	Nil
Ankur Patodia	400	-	400	-	Nil
Binod Kumar Patodia	34,550	0.11	34,550	0.11	Nil
Mala Patodia	500	-	500	-	Nil
Prabha Patodia	33,700	0.11	33,700	0.11	Nil
Umang Patodia	11,000	0.04	11,000	0.04	Nil
<b>Promoter Group:</b>					
KSIDC Limited	2,490,000	8.05	2,490,000	8.05	Nil

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**  
(Contd...)

Promoter name	As at 31.03.2025		As at 31.03.2024		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
GTN Textiles Limited	14,287,068	46.21	14,287,068	46.21	Nil
Umang Finance Private Limited	384,900	1.24	384,900	1.24	Nil
Beekaypee Credit Private Limited	1,366,900	4.42	1,366,900	4.42	Nil
Patodia Exports & Investments Private Limited	1,487,700	4.81	1,487,700	4.81	Nil
<b>Total</b>	<b>20,096,918</b>	<b>64.99</b>	<b>20,096,918</b>	<b>64.99</b>	

As at  
**31.03.2025**  
(₹ in lacs)

As at  
31.03.2024  
(₹ in lacs)

**16 Instruments entirely equity in nature**

**Preference Share Capital**

0.50% Non Cumulative Compulsorily convertible Redeemable Preference shares 2,051.00 2,051.00

\* 20,51,000, 0.50 % Non Cumulative Compulsorily Convertible preference shares of Rs 100 each were issued to Lenders, Promoters and their associates pursuant to an approved Resolution Plan as per RBI Circular dated 07.06.2019. The issue details are as follows.

Series	No of Shares	Date of Issue	Date of Redemption	Earlier Redemption
VIII	2051000	14.11.2022	31.03.2030	

Note: During the previous year, Company's Bankers have approved and implemented Resolution Plan (RP) as per the Provisions of Prudential Framework for Resolution of Stressed Assets RBI Circular dated 07.06.2019 . As per the said approved RP Terms existing entire 20,51,000 Non-Cumulative Redeemable Preference Shares (NCRPS) of Rs 100 each was substituted with fresh issue of 20,51,000 nos. 0.5% Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS) of Rs 100 each. The said NCCCPS shall carry a dividend coupon rate of 0.5% p.a. till conversion and will be converted in to equity shares on 31.03.2030 as per the SEBI guideline prevalent on the date of conversion.

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

0.50% Non Cumulative Compulsorily Convertible preference shares of ` 100 each issued as per the RP

Particulars	As at 31.03.2025		As at 31.03.2024	
	No of Shares	% of holding in the Class	No of Shares	% of holding in the Class
i Central Bank of India	199,000	9.70s%	199,000	9.70%
ii State Bank of India	299,000	14.58%	299,000	14.58%
iii Punjab National Bank (erstwhile Oriental Bank of Commerce)	153,000	7.46%	153,000	7.46%
iv Karur Vysya Bank	82,000	4.00%	82,000	4.00%
v Bank of Maharashtra	112,000	5.46%	112,000	5.46%
vi Export Import Bank of India	121,000	5.90%	121,000	5.90%
vii Canara Bank	115,000	5.61%	115,000	5.61%
viii Smt Deepa Bagla	870,000	42.42%	870,000	42.42%
ix Shri B.K.Patodia	75,000	3.66%	75,000	3.66%
x Shri Umang Patodia	25,000	1.22%	25,000	1.22%

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**  
(Contd...)

	As at 31.03.2025 (₹ in lacs)	As at 31.03.2024 (₹ in lacs)
<b>17 Other Equity</b>		
<b>i Reserves and Surplus</b>		
<b>a Capital Redemption Reserve</b>		
Balance as at the beginning and the end of the year	1,000.00	1,000.00
<b>b Securities Premium</b>		
Balance as at the beginning and the end of the year	468.28	468.28
<b>c Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(11,939.07)	(11,273.92)
Less: Profit/(Loss) for the year from the Statement of Profit and Loss	(978.69)	(665.15)
	<u>(12,917.76)</u>	<u>(11,939.07)</u>
<b>ii Revaluation surplus :</b>		
Surplus on Revaluation of land (Refer Note No 3)	3,057.96	3,057.96
<b>iii Other comprehensive income:</b>		
Impact on remeasurement of Employee Benefit	(137.88)	(115.87)
<b>Balance as at the end of the Year</b>	<u>(8,529.40)</u>	<u>(7,528.70)</u>

**Non Current Liabilities**

**18 Financial Liabilities**

	As at 31.03.2025		As at 31.03.2024	
	Non Current	Current	Non Current	Current
<b>(i) Borrowings</b>				
<b>a Secured Loans</b>				
Working Capital Term Loan				
From Banks	4,000.40	1,667.00	5,334.70	1,000.20
<b>b UnSecured Loans</b>				
From Directors	1,458.28			
	<u>5,458.68</u>	<u>1,667.00</u>	<u>5,334.70</u>	<u>1,000.20</u>

**i Working Capital Term Loan are secured by :**

- (i) Working Capital Term loan of ₹ 5667.40 lacs (Previous year ₹ 6334.90 lacs) sanctioned by banks pursuant to an approved Resolution Plan as per RBI Circular dated 07.06.2019. secured by first pari passu charge on the Block assets (Land and Building, Plant & Machinery of Company's kanjicode plant, palakkad, kerala, and pledge of 51% of shares held by promotor (GTN Textiles Limited being 7286405 shares) in favour of the Term Loan Lenders and also guaranteed by chairman of the Company Shri. BK Patodia and Managing Director of the Company Shri. Umang Patodia.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd...)

### 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

	Outstanding as on 31.03.2025 - ₹ in lakhs	Repayments - ₹ in Lakhs				
		FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
From Banks	5,667.40	333.00	1,333.60	1,333.60	1,333.60	1,333.60
Rate of Interest	Current effective average rate is 10.01% p.a.					

Repayment of WCTL in 24 quarterly installments. First installment due on 30.06.2023 and last installment due on 31.03.2029.

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

	Amount Due as on 31.03.2025	Amount paid subsequently	Date of payment	Balance payable
Principal	333.00	-	-	333.00
Interest	160.08	-	-	160.08

**31.03.2025**  
(₹ in lacs)      31.03.2024  
(₹ in lacs)

### 19 Other non current liabilities

Provision for Employee benefits (Gratuity)

**439.85**      367.64  
**439.85**      367.64

### Current liabilities

**As at 31.03.2025**      **As at 31.03.2024**  
**Non Current**      **Current**      **Non Current**      **Current**

### 20 Lease liabilities

Current and Non current portion of Lease liabilities

29.70      4.98      31.57      5.50  
29.70      4.98      31.57      5.50

### 21 Financial liabilities

#### (i) Borrowings

##### Secured Loans

Term Loans :

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

From Banks      **1,667.00**      1,000.20

##### Unsecured Loans

Corporate Deposits (Interest rate at 8.25% p.a.)

**400.00**      400.00

Loan from Directors/relatives-Interest Free

**600.00**      600.00

**2,667.00**      2,000.20

#### (ii) Trade payables

Due to Micro, Small and Medium Enterprises (MSME's)

**126.49**      161.15

Due to Others

**1,319.19**      1,485.24

**1,445.68**      1,646.39

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**  
(Contd...)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	126.49	-	-	-	26.49
(ii) Others	772.14	19.99	460.13	66.93	1,319.19
(iii) Disputed dues – MSME					Nil
(iv) Disputed dues - Others					Nil

**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	<b>126.49</b>	161.15
Interest due thereon remaining unpaid	<b>Provided for ₹ 358186/-</b>	Provided for ₹ 803568/-
Interest paid along with the amount of the payment during the year	<b>Nil</b>	Nil
Interest due and payable but without adding the interest specified in the above-mentioned act.	<b>Nil</b>	Nil
Interest accrued and remaining unpaid at the end of the year.	<b>Nil</b>	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.	<b>Nil</b>	Nil

\* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at reporting date has been made in the financial statements based on information received and available with the Company and has been relied upon by the auditors.

Further, as per the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

**(iii) Other financial liabilities**

Interest due on borrowings	<b>350.23</b>	530.93
	<b>350.23</b>	530.93

**22 Other current liabilities**

Advances from customers	<b>177.76</b>	353.22
Expenses Payable	<b>878.73</b>	897.72
Statutory and Other dues payable	<b>42.39</b>	42.82
	<b>1,098.88</b>	1,293.76

**23 Provisions**

Provision for Employee benefits	<b>53.41</b>	52.32
	<b>53.41</b>	52.32

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**  
(Contd...)

		<b>Year ended 31.03.2025 (₹ in lacs)</b>	<b>Year ended 31.03.2024 (₹ in lacs)</b>
<b>24 REVENUE FROM OPERATIONS</b>			
<b>A Sale of Products</b>			
<b>Finished Goods :</b>			
Domestic		<b>560.42</b>	497.62
<b>Waste Sales</b>			
Domestic		<b>247.68</b>	404.06
<b>Net Sales</b>		<b>808.10</b>	901.68
<b>B Other Operating Revenues</b>			
Job Work Income		<b>3,924.85</b>	3,482.56
<b>Total (A) + (B)</b>		<b>4,732.95</b>	4,384.24
<b>25 OTHER INCOME</b>			
Interest Income		<b>28.02</b>	11.77
Agricultural Income		<b>0.18</b>	0.10
Interest on Income Tax refund		<b>22.61</b>	13.84
Sale of Scrap		<b>9.61</b>	15.10
Lease Rent		<b>18.00</b>	7.10
Excess provision reversed		<b>71.37</b>	514.67
<b>Total</b>		<b>149.79</b>	562.58
<b>26 COST OF MATERIALS CONSUMED</b>			
<b>a Raw materials Consumed</b>			
Opening Inventory		-	241.91
Add:Purchases during the Year	<b>335.56</b>		167.31
Less:Sale of Cotton	-	<b>335.56</b>	0.04
Less: Closing Stock		-	-
<b>Total (a)</b>		<b>335.56</b>	409.18
<b>b Packing Material Consumed</b>			
Opening Inventory		<b>3.47</b>	5.02
Add:Purchases during the Year		<b>125.21</b>	111.40
Less: Closing Stock		<b>3.84</b>	3.47
<b>Total (b)</b>		<b>124.84</b>	112.95
<b>Total (a) + (b)</b>		<b>460.40</b>	522.13



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**  
(Contd...)

	<b>Year ended 31.03.2025 (₹ in lakhs)</b>	<b>Year ended 31.03.2024 (₹ in lakhs)</b>
<b>27 CHANGES IN INVENTORY OF FINISHED GOODS, GOODS IN PROCESS AND WASTE</b>		
<b>a Stock at the beginning of the year:</b>	-	-
Finished Goods	-	28.29
Goods-in-process	-	56.64
Waste	-	0.18
<b>Total</b>	<u>-</u>	<u>85.11</u>
<b>b Less : Stock at the end of the year:</b>		
Finished Goods	-	-
Goods-in-process	-	-
Waste	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
<b>(Increase)/Decrease in Stocks (a-b)</b>	<u>-</u>	<u>85.11</u>
<b>28 EMPLOYEES BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	<b>1,621.39</b>	1,499.12
Contribution to Provident and Other Funds	<b>124.14</b>	120.72
Welfare Expenses	<b>118.08</b>	116.13
<b>Total</b>	<u><b>1,863.61</b></u>	<u>1,735.97</u>
<b>29 FINANCE COSTS</b>		
Interest Expenses	<b>737.54</b>	753.85
Interest -Cost on Lease assets	<b>3.60</b>	1.25
<b>Total</b>	<u><b>741.14</b></u>	<u>755.10</u>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**  
(Contd...)

	Year ended 31.03.2025 (₹ in lakhs)	Year ended 31.03.2024 (₹ in lakhs)
<b>30 OTHER EXPENSES</b>		
Power and Fuel	1,900.64	1,748.93
Repairs to Building	2.77	2.73
Repairs to Machinery	176.16	157.25
Stores and Spares consumed	60.89	69.44
Processing Charges	66.65	61.99
Rent	4.57	9.08
Insurance	74.36	124.96
Rates and Taxes	21.05	23.50
Commission and Brokerage	-	0.82
Baddebts written off	-	8.88
Freight, Forwarding and Other selling expenses	7.62	9.44
Payment to Auditors		
Audit Fee	3.00	3.00
Certification Charges	0.42	0.73
Directors Sitting Fee	2.88	2.40
Loss / (Profit) on sale of Property, Plant and Equipment	-	12.97
Net loss /(gain) on foreign currency transaction and translation	-	0.91
Miscellaneous Expenses	178.81	185.69
<b>Total</b>	<b>2,499.82</b>	<b>2,422.72</b>
<b>31 EXCEPTIONAL ITEMS</b>		
Profit on Sale of office building / Undertaking	-	224.00
<b>Total</b>	<b>-</b>	<b>224.00</b>

During previous year Company has sold its office building in Mumabi for a sale consideration of Rs 303 lac and the profit on sale was Rs 224 lakh. The Sale proceeds were used for repayment of Bank debts.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**  
(Contd...)

	<b>Year ended 31.03.2025</b>	Year ended 31.03.2024
<b>32 EARNING PER SHARE</b>		
Net profit /(Loss) as per statement of profit and loss	<b>(978.69)</b>	(665.15)
Less: Dividend on Preference Shares -Notional	<b>1.03</b>	1.03
Net profit available to Equity Share holders	<b>(979.72)</b>	(666.18)
Weighted average no of Equity Shares (Face value of ₹ 10 each)	<b>30920000</b>	30920000
Weighted average no of 0.50% Non Cumulative Compulsorily Convertible Redeemable preference shares of Rs 100 each	<b>2051000</b>	2051000
Basic Earning Per Share ₹	<b>(3.17)</b>	(2.15)
Diluted Earning Per Share ₹	<b>(2.97)</b>	(2.02)

**33 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 continuous 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 Gratuity fund of 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.

	<b>Gratuity Plan 2024-25 ₹ in Lakhs</b>	Gratuity Plan 2023-24 ₹ in Lakhs
<b>Change in Defined Benefit Obligation (DBO) during the year</b>		
1 Present value of DBO at the beginning of the year	<b>583.90</b>	549.00
2 Current Service cost	<b>23.93</b>	22.47
3 Interest cost	<b>41.72</b>	40.71
4 Actuarial (gain)/loss arising from changes in experience assumptions	<b>16.60</b>	9.01
5 Actuarial loss arising from changes in experience adjustments	<b>5.63</b>	(17.02)
6 Benefits paid	<b>(21.73)</b>	(20.27)
<b>Present value of DBO at the end of the year</b>	<b>650.05</b>	583.90
<b>Change in fair value of plan assets during the year</b>		
1 Fair value of plan assets at the beginning of the year	<b>216.26</b>	219.74
2 Interest income	<b>15.45</b>	16.30
3 Employer contributions	<b>-</b>	1.00
4 Benefits paid	<b>(21.73)</b>	(20.27)
5 Remeasurements - return on plan assets (excluding interest income)	<b>0.22</b>	(0.51)
<b>Present value of DBO at the end of the year</b>	<b>210.20</b>	216.26

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**  
(Contd...)

	Gratuity Plan 2024-25 ₹ in Lakhs	Gratuity Plan 2023-24 ₹ in Lakhs
<b>Amounts recognised in the Balance Sheet</b>		
1 Present value of DBO at the end of the year	650.05	583.90
2 Fair value of plan assets at the end of the year	210.20	216.26
<b>Funded status of the plans - (Assets)/Liability</b>	<b>439.85</b>	<b>367.64</b>
<b>(Assets) and Liability recognised in the Balance sheet - Non current</b>	<b>439.85</b>	<b>367.64</b>
<b>Components of employer expense</b>		
1 Current service cost	23.93	22.47
2 Interest income on net defined benefit obligation	26.27	24.42
<b>Expense recognised in Statement of Profit and Loss</b>	<b>50.20</b>	<b>46.89</b>
<b>Remeasurements on the net defined benefit obligation</b>		
Return on plan assets(excluding interest income)	(0.22)	0.51
Actuarial loss arising from changes in financial assumptions	16.60	9.01
Actuarial loss arising from changes in experience adjustments	5.63	(17.02)
<b>Remeasurements recognised in other comprehensive income</b>	<b>22.01</b>	<b>(7.50)</b>
<b>Total defined benefit cost recognised</b>	<b>72.21</b>	<b>39.39</b>
<b>Nature and extent of investment details of the plan assets</b>		
State and Central Securities	-	-
Bonds	-	-
Special Deposits	-	-
Insurar Managed funds	100%	100%
	<b>Gratuity Plan</b>	
	<b>As at</b>	<b>As at</b>
	<b>31.03.2025</b>	<b>31.03.2024</b>
<b>Assumptions</b>		
Discount rate	6.70%	7.15%
Expected rate of salary increase	2.00%	2.00%
<b>Sensitivity analysis - DBO at the end of the year (in lakhs)</b>		
Discount rate + 100 basis points	613.40	548.55
Discount rate - 100 basis points	690.38	622.89
Salary Growth rate + 1%	691.90	624.55
Salary Growth rate - 1%	611.43	546.51
Attrition rate +50%	655.37	589.86
Attrition rate -50%	644.44	577.62
<b>Weighted average duration of DBO</b>	<b>6 Years</b>	<b>6 Years</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd...)

		Gratuity Plan	
		As at 31.03.2025	As at 31.03.2024
<b>Expected cash flows (in laks)</b>			
<b>1. Expected employer contribution in the next year</b>		<b>464.06</b>	390.15
<b>2. Expected benefit payments</b>			
Year 1		<b>50.54</b>	47.80
Year 2 to year 5		<b>341.52</b>	264.97
Year 6 to year 10		<b>401.86</b>	416.12
Beyond 10 years		<b>226.35</b>	251.59
<b>34</b> 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.			
<b>35</b> Deferred Tax assets for the current financial year was not recognised. Post restructuring of companies debts under approved resolution proposal by the lenders, Management is hopeful that there would be sufficient taxable profit in the ensuring years against which the unused tax losses and unused tax credits can be utilised/to allow the benefit of part or all of that deferred tax assets to be utilised. In view of this the Deferred tax Assets as at 31.03.2020 is continue to be recognised in the Books.			
<b>36</b> 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.			
<b>37 RELATED PARTY DISCLOSURES</b>			
<b>Related Party Disclosures pursuant to Ind AS 24</b>			
<b>(a) Names of Related parties and nature of relationships</b>			
<b>i Promoter / Associate</b>			
GTN Textiles Limited			
<b>ii Enterprises/Entities having relatives of Key Management Personnel</b>			
1 GTN Enterprises Limited			
2 Patodia Exports and Investments (P) Ltd			
<b>iii Key Management Personnel:</b>			
Shri Umang Patodia - Managing Director			
Shri T.Ravindran - Chief Financial Officer			
Ms.Veena Vishwanath Bhandary - Company Secretary			
<b>iv Relative of Key Managerial Personel :</b>			
1 Shri Binod Kumar Patodia - Father of Shri Umang Patodia			
2 Smt Prabha Patodia - Mother of Shri Umang Patodia			

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(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 /Enterprises/Entities having relatives of Key Management Personnel		Other Related parties*	
	2024-25 ₹ in lakhs	2023-24 ₹ in lakhs	2024-25 ₹ in lakhs	2023-24 ₹ in lakhs
Sales,Service and other income	1,930.05	1,169.11		
Purchase of Goods and Services	100.62	81.34		
Sale of fixed assets	-	0.30		
Remuneration paid			52.99	54.76
Sitting Fees			0.38	0.15
Interest Paid	69.68	33.09		
Rent Paid	7.08	2.55	7.50	9.00
Rent Received	21.24	7.64		
Loans received	1,458.28		1,458.28	
Loans repaid	1,458.28			
Balances as at year end:				
Amount Receivable	-	-		
Amount Payable	427.51	580.94	2,049.86	555.13

\*Includes relatives of key Management personnel

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

		Transactions	
		2024-25 ₹ in lakhs	2023-24 ₹ in lakhs
(i) Sale of goods			
a) Cotton			
GTN Enterprises Ltd		-	63.94
b) Cotton Yarn			
GTN Enterprises Ltd		-	117.87
c) Store Items			
GTN Enterprises Ltd		1.10	3.04
d) Sale of Waste			
GTN Enterprises Ltd		-	5.75
e) Sale Machinery			
GTN Enterprises Ltd		-	0.30
ii) Purchase of goods			
a) Cotton Yarn			
GTN Enterprises Ltd		-	0.52
b) Store Items			
i) GTN Textiles Ltd		-	0.20
ii) GTN Enterprises Ltd		11.33	1.86



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**  
(Contd...)

		<b>Transactions</b>	
		<b>2024-25</b>	<b>2023-24</b>
		<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
<b>(iii) Rendering of services</b>			
<b>a) Rent</b>			
GTN Enterprises Ltd		<b>21.24</b>	7.64
<b>b) Processing Charges</b>			
GTN Enterprises Ltd		<b>1,928.95</b>	978.52
<b>(iv) Receiving of services</b>			
<b>a) Rent</b>			
GTN Enterprises Ltd		<b>7.08</b>	2.55
Smt. Prabha Patodia		<b>7.50</b>	9.00
<b>b) Processing Charges</b>			
GTN Enterprises Ltd		<b>89.29</b>	78.76
<b>(v) Remuneration paid</b>			
Shri. Umang Patodia		<b>52.99</b>	54.76
<b>(vi) Sitting Fees</b>			
Other related parties		<b>0.38</b>	0.15
<b>(vii) Interest Paid</b>			
GTN Textiles Limited		<b>36.68</b>	
M/s Patodia Exports and Investments (P) Ltd		<b>33.00</b>	33.09
<b>(viii) Loans and advance received</b>			
GTN Textiles Limited		<b>1,458.28</b>	
Shri. B K Patodia		<b>1,083.99</b>	
Shri. Umang Patodia		<b>374.29</b>	
<b>(ix) Loans and advance repaid</b>			
GTN Textiles Limited		<b>1,458.28</b>	

**38 CONTINGENT LIABILITY AND COMMITMENTS:**

**CONTINGENT LIABILITY**

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

- Excise duty : ₹ 72.99 lacs (Previous year ₹ 72.99 lacs). Deposits against litigation ₹ 7.31 lacs
- 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 SC has accepted the appeal on records. Liability towards the same ₹ 74.67 lacs (Previous year ₹ 74.67 lacs). Deposits against litigation ₹ Nil.
- 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 ₹ 308.42 lacs .(Previous year ₹ 308.42 lacs). Deposits against litigation ₹ Nil.
- Asst Commissioner of GST & Cent Ex Audit , Coimbatore Audit Circle II has raised additional demand on Ocean Freight based on Bills of Entry filed. Liability towards the same is ₹ 29.92 lacs. (Previous year ₹ 29.92 lacs). Deposits against litigation ₹ Nil.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd...)

- e) GST department has issued a notice on 22.05.2025 for excess claiming input credit in Input Service Distribution (ISD) for an amount of Rs 23.86 lac along with fine and penalty ₹ 73.89 lac.

### 39 Absence of Working capital facilities and challenging market conditions for Indian Textiles Industry due to Geopolitical situation and other external factors led to Liquidity stress and consequently, Company continues to carry out job work activity throughout the year.

Since the Company was carrying out Job work and the revenue from job work covers only variable cost, company could service interest on working capital term loan (WCTL) up to 20<sup>th</sup> Dec 2024 and paid quarterly WCTL installments up to 30.09.2024 from available resources including sale proceeds of Office in Mumbai and the unsecured loan of ₹ 14.58 Cr received from Promoters.

Due to improved demand scenario for Indian Textiles Industry and considering market dynamics, the company now plans to resume own manufacturing of cotton yarn at its Palakkad plant. The company aims to revive its financial stability by returning to its core business model and restructuring its financial commitments effectively. To support this transition, the company has submitted a new resolution plan to Lenders to restructure outstanding debts (WCTL) with moratorium for Interest and WCTL instalment payments and reduction in Rate of interest to Bank MCLR level. Bankers have carried out TEV study which confirmed Viability of the proposal and now the bankers are pursuing further process. With the significant reduction in the debt level as well as rationalization of labour cost through VRS measures and reducing cotton prices, own manufacturing operations could generate better EBITDA and cash profit.

With improved demand situation and post restructuring of its debts, management is hopeful that there would be sufficient taxable profits in the ensuing years against which the unused tax losses and unused tax credits can be utilized. In view of this, the Company would like to continue to retain the deferred tax assets of ₹ 3869.27 lakhs as recognized in earlier years and not recognized incremental deferred tax asset for the current financial year ended 31.03.2025.

As per MOU entered with the Promoter directors', an amount of ₹ 14.58 Cr advanced (bearing interest at 9% p.a) by GTN Textiles Ltd to the company was adjusted by GTN Textiles Ltd against the outstanding unsecured loan from its Promoter directors' in their books as at 31.3.2025. Consequently, the amount of ₹ 14.58 Cr shown as advance received from GTN Textiles Ltd in the books of the company now stands accounted as interest free advance in the name of Promoter directors' as at 31.3.2025.

### 40 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, Exchange Risk and Commodity Price 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 encompass 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 FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (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	55.56%	77.34%
Revenue from Top Five Customers	99.86%	100.00%

\*From 2022-23 onwards Company was operating under Contract manufacturing due to Paucity of Working capital and Liquidity stress pending approval of Restructuring proposal from company bankers. Revenue from Top Customers were of conversion charges on contract manufacturing arrangement.

The credit risk on cash & cash equivalent, investment in fixed deposits, liquid funds and deposits are insignificant as counter parties 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 Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	Due within 12 months from Balance sheet Date	Due beyond 12 months of Balance Sheet Date
Borrowings	8,125.68	2,666.60	5,459.08
Trade payables	1,445.68	1,445.68	-
Other Financial Liabilities	350.23	350.23	-
Other Current Liabilities	1,098.88	1,098.88	-

### 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 ₹ 5667.40 lacs out of the total debt of ₹ 11548.41 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 ₹ 28.34 Lacs on annual basis.

### Foreign Currency Risk

The company is not exposed to the foreign currency risk from transactions & translation. Since company was operating on contract manufacturing from FY 2022-23 onwards there were no foreign currency exposure either on Exports of Yarn or on Imports of Raw materials.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd...)

### 41 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.

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 31.03.2025 ₹ in Lakhs	As at 31.03.2024 ₹ in Lakhs
Total equity	(3,386.40)	(2,385.70)
Net Debt	8,104.53	7,313.66
Total Capital Employed (Borrowings and Equity)	4,718.13	4,927.96
(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.		

### 42 Ratios:

		2024-25		2023-24		% Variance	Reason for Variance
a	Current Assets	308.47		841.68			The performance of the Company was adversely affected during the past few years due to i) Liquidity constrain ii) Non availability of Working Capital and iii) adverse market conditions.
b	Current Liabilities	5620.18		5529.10			
	<b>Current Ratio (a/b) (Times)</b>		0.05		0.15	-63.94%	
c	Total Debt	8,125.68		7,334.90			
d	Shareholders Equity.	(3,386.40)		(2,385.70)			
	<b>Debt-Equity Ratio (c/d) (Times) (Where total debt refers to sum of Current and Non Current Borrowings)</b>		(2.40)		(3.07)	-21.96%	
e	Profit/(Loss) before tax	(978.69)		(665.15)			
f	Finance Cost	741.14		755.10			
g	Depreciation and Amortization expense	296.46		315.35			
h	Earnings available for debt service	58.91		405.30			
i	Current Borrowings	2,667.00		2,000.20			
j	Interest due on borrowings	350.23		530.93			
k	Total Debt service (i+j)	3,017.23		2,531.13			

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**  
(Contd...)

		2024-25		2023-24		% Variance	Reason for Variance
	<b>Debt Service Coverage Ratio (h/k)</b>		<b>0.02</b>		0.16	-87.8%	
l	Profit/(Loss) after tax	<b>(978.69)</b>		(665.15)			
m	Average Shareholders Equity	<b>(2,886.05)</b>		(2,056.87)			
	<b>Return on Equity Ratio (l/m)</b>		<b>33.91%</b>		32.34%	4.86%	
n	Sales	<b>808.10</b>		901.68			
o	Average Inventory	<b>8.81</b>		173.90			
	<b>Inventory turnover Ratio(n/o)</b>		<b>91.78</b>		5.19	1670.04%	
p	Revenue from operation	<b>4,882.74</b>		4,946.82			
q	Average Trade Receivable	<b>5.37</b>		95.05			
	<b>Trade Receivable turnover Ratio (p/q)</b>		<b>909.26</b>		52.04	1647.09%	
r	Total Purchases	<b>460.77</b>		278.67			
s	Average Trade Payables	<b>1,546.04</b>		1,781.13			
	<b>Trade payable turnover Ratio (r/s)</b>		<b>0.30</b>		0.16	90.49%	
t	Revenue from operation	<b>4,732.95</b>		4,384.24			
u	Current assets	<b>308.47</b>		841.68			
v	Current liabilities	<b>5,620.18</b>		5,529.10			
w	Net working capital	<b>(5,311.71)</b>		(4,687.42)			
	<b>Net Capital turnover ratio (t/w)</b>		<b>(0.89)</b>		(0.94)	4.73%	
x	Profit/(Loss) after tax	<b>(978.69)</b>		(665.15)			
y	Total Income	<b>4,882.74</b>		4,946.82			
	<b>Net Profit Ratio (x/y)</b>		<b>-20.04%</b>		-13.45%	-49.07%	
aa	Profit/(Loss) before tax	<b>(978.69)</b>		(665.15)			
ab	Finance Cost	<b>741.14</b>		755.10			
ac	Earning before Interest and Tax (aa+ ab)	<b>(237.55)</b>		89.95			
ad	Tangible Networth	<b>(3,386.40)</b>		(2,385.70)			
ae	Total Debt	<b>11,548.41</b>		11,263.01			
af	Deferred Tax liability	-		-			
ag	Capital employed (ad+ae-af)	<b>8,162.01</b>		8,877.31			
	<b>Return on Capital employed (ac/ag)</b>		<b>-11.99%</b>		-7.49%	60.03%	
ah	Return on Investment		-		-		
ai	Profit/(Loss) after tax	<b>(978.69)</b>		(665.15)			
aj	Total Non Current assets	<b>7,853.54</b>		8,035.63			
ak	Total Current Asset - Current liability	<b>(5,311.71)</b>		(4,687.42)			
al	Total Investment	<b>2,541.83</b>		3,348.21			
am	Return on Investment (ai/al)		<b>(0.39)</b>		(0.20)	93.82%	

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd...)

### 43 Other Statutory Information

- a) All title deeds of Immovable Property are held in the name of the Company and the Company does not have any immovable property without Title in its name.
- b) The Company has not availed any Working capital facilities from Banks or Financial institution and hence filing of quarterly statements not applicable.
- c) Disclosure on PPE & Intangible Assets
  - (1) There is no restriction on the title of Property, Plant and Equipment and Property, which was mortgaged to Lenders for the credit facilities sanctioned to Company.
  - (2) Company has not constructed any item in Property, Plant & equipment.
  - (3) Company has no contractual commitments for the acquisition of Property, Plant & Equipment.
  - (4) Company has no Impairment loss during the year for Property, Plant & Equipment.
  - (5) Company has not revalued any items of Property, Plant & Equipments during the Year
  - (6) Carrying amount of Property, Plant & Equipment are not retired from active use and not held for disposal.
  - (7) The existence and carrying amounts of intangible assets whose title is not restricted and the carrying amounts of intangible assets are not pledged as security for liabilities.
- d) Company does not hold any benami property and no proceeding were initiated or pending against the company under the Benami Transaction (Prohibition) Act 1988 and rules thereon.
- e) The Company is not a declared as wilful defaulter by any bank or financial institution or other lenders.
- f) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- g) The Company does not have any charges or satisfaction of charges which is yet to be registered with ROC beyond the statutory period.
- h) The Company has complied with the number of layers prescribed under clause(87) of section 2 of the Act read with Companies ( Restriction on number of Layers) Rules, 2017.
- i) Utilisation of Borrowed funds and share Premium:
  - A. The Company has not advanced or loaned to or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
    - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
    - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding that the Company shall
    - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**  
(Contd...)

- j) There were no transactions relating to previously unrecorded income that have been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- k) Company shall not be required to comply with Corporate Social Responsibility (CSR) as provisions of section 135 of the Companies Act, 2013 due to its losses.
- l) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

**44 Previous year's figures have been regrouped/reclassified wherever necessary to conform the current year's presentation.**

As per our report of even date attached

For and on behalf of the Board of Directors

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

**B.K.PATODIA**  
Chairman  
DIN No. 00003516  
Place : Mumbai

**UMANG PATODIA**  
Managing Director  
DIN No. 00003588  
Place : Kochi

**P. K. MANOJ**  
Partner  
(M. NO. 207550)

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

**VEENA VISHWANATH BHANDARY**  
Company Secretary

Place : Chennai  
Date : 30.05.2025

Place : Kochi  
Date : 30.05.2025

Place : Kochi  
Date : 30.05.2025

## NOTE

[illegible]





Registered Office: 3rd Floor, Palal Towers, Ravipuram, M G Road, Ernakulam– 682 016

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