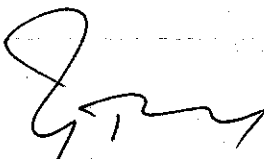
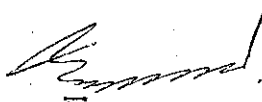




**FORM A**

1.	Name of the Company	Patspin India Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	To be signed by –	
	CEO/ Managing Director	 Shri. Umang Patodia Managing Director (DIN 00003588)
	CFO	 Shri. N.N. Venkatasubramanian Chief Financial Officer (Membership No.022869)
	Auditor of the Company	 Shri. R. Mugunthan (Membership No. 21397) M/s. M.S. Jagannathan & Visvanathan, Chartered Accountants, Coimbatore – 641 030 (Firm Registration No. 0012095)
	Audit Committee Chairman	 Shri. N.K. Bafna Chairman – Audit Committee (DIN 00019372)

**PATSPIN INDIA LIMITED**

CIN: L18101KL1991PLC006194

**MARKETING / REGD. OFFICE :**

3rd Floor, Palal Towers, M.G. Road, Ravipuram, Kochi-682 016, India  
 Phone : 91-484-3928300, Fax: 91-484-2370812/3928380  
 E-mail: cs@patspin.com

**CORPORATE OFFICE :**

43, Mittal Chambers, 4th Floor, 228, Nariman Point, Mumbai-400 021 India.  
 Phones: 91-22-2202 1013 / 22028246, Fax: 91-22-2287 4144  
 E-mail: mumbai@gtntextiles.com  
 www.patspin.com



**GTN**  
GROUP

ISO 9001 : 2008 / 14001 : 2004 Certified



23RD | TWENTY THIRD  
ANNUAL REPORT  
2013-14



## Board of Directors

B K Patodia	Chairman
N K Bafna	Independent Director
Prem Malik	Independent Director
Rajen K Mariwala	Independent Director
V.Viswanathan	Nominee Director (KSIDC)
Umang Patodia	Managing Director
S Sundareshan	Independent Director (w.e.f 19.09.2014)
B L Singhal	Independent Director (up to 31.07.2014)
R Rajagopalan	Independent Director (up to 31.07.2014)
Yoshikazu Ono	Nominee of ITOCHU Corporation, Japan (up to 10.01.2014)
Keisuke Oba	Alternate to Yoshikazu Ono (up to 10.01.2014)

Company Secretary	Abhilash N A
General Manager (Finance) & Chief Financial Officer	N N Venkitasubramanian

## Bankers &amp; Financial Institution

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

Auditors	M/s. M S Jagannathan & Visvanathan, [Chartered Accountants], Coimbatore.
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Legal Advisors	M/s. Menon & Pai, Kochi
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Registered Office	3rd Floor, Palal Towers, Ravipuram M G Road, Ernakulam, Kochi 682016
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Corporate Office	43, 4th Floor, Mittal Chambers, 228, Nariman Point, Mumbai 400021
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Corporate ID No. (CIN)	L18101KL1991PLC006194
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# PATSPIN INDIA LIMITED

## NOTICE

NOTICE is hereby given that the **TWENTY THIRD** Annual General Meeting of **PATSPIN INDIA LIMITED** will be held at the Bharat Hotel (BTH), Durbar Hall Road, Kochi-682 016 at 9.30 a.m. on Friday, the 19th day of September, 2014 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the Reports of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri. B.K. Patodia (DIN:00003516), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard, 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 224, and other applicable provisions, if any, of the Companies Act, 1956) M/s. MS Jagannathan & Visvanathan (Firm Reg. No: 001209S), Chartered Accountants, be and is hereby reappointed as the Statutory Auditors of the Company, to hold Office for a period of 3 years from the conclusion of this Annual General Meeting to, till the conclusion of the twenty sixth (26th) Annual General Meeting of the Company, subject to ratification by the shareholders annually, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of traveling and out of pocket expenses incurred by them for the purpose of audit.”

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**.  
“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 (the “Act”) and the Rules made thereunder read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri Umang Patodia (DIN: 00003588) as Managing Director of the Company, for a period of five years with effect from 4.8.2014, on the terms and conditions including remuneration as are set out and approved by the Nomination & Remuneration Committee and the Board of Directors. The draft remuneration structure placed before this meeting is specifically sanctioned with liberty to the Board of Directors (hereinafter referred to the “Board” which term shall be deemed to include the Nomination & Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and or remuneration and or agreement, subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013 including any statutory re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri. Umang Patodia”.  
“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Act, the remuneration payable to Shri. Umang Patodia by way of salary, perquisites, commission and other allowance shall not in any event exceed 5% of the net profits of the Company in that financial year”.  
“**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Shri. Umang Patodia, the remuneration, perquisites and other allowances shall be governed by the limits prescribed in Section II of Part II of Schedule V to the Act”.  
“**RESOLVED FURTHER THAT** Shri Umang Patodia shall not be liable to retire by rotation”

AND

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

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.  
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereon for the time being in force) read with Schedule IV to the Companies Act, 2013 (Act), approval of the Company be and is hereby given to the appointment of Shri. N.K. Bafna (DIN :00019372), whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Act, as an Independent Director of the Company who shall hold office from the date of this Annual General Meeting till 18th September, 2019 and whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation.”
6. 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, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereon for the time being in force) read with Schedule IV to the Companies Act, 2013 (Act), approval of the Company be and is hereby given to the appointment of Shri. Rajen K Mariwala (DIN: 00007246), whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Act, as an Independent Director of the Company who shall hold office from the date of this Annual General Meeting till 18th September, 2019 and whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation.”
7. 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereon for the time being in force) read with Schedule IV to the Companies Act, 2013 (Act), approval of the Company be and is hereby given to the appointment of Shri. Prem Malik (DIN :00023051), whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Act, as an Independent Director of the Company who shall hold office from the date of this Annual General Meeting till 18th September, 2019 and whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation”
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 the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereon for the time being in force) read with Schedule IV to the Companies Act, 2013 (Act), approval of the Company be and is hereby given to the appointment of Shri S.Sundareshan (DIN 01491102), and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Act, as an Independent Director of the Company who shall hold office from the date of this Annual General Meeting till 18th September, 2019 and whose office shall not, be liable to determination by retirement of Directors by rotation.”
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

## NOTICE (Contd.)

“**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and read with Clause 49 (VII) of the Listing Agreements entered into with the Stock Exchange(s) and subject to such approvals, consents, sanctions and permission as may be necessary, consent of the members of the Company be accorded to the Board of Directors of the Company to enter into contracts and / or agreements with related parties as defined under the Act with respect to (a) Sale, Purchase or supply of cotton, cotton yarn, waste, stores & spares and other related materials, (b) Selling or otherwise disposing off, or buying properties, plant & machineries and other equipments, (c) Leasing or hiring property / assets of any kind and (d) Availing or rendering of processing charges or any other services of whatever nature with the following related parties :

1.	GTN Textiles Limited
2.	GTN Enterprises Limited
3.	Patcot Company
4.	Standard Cotton Corporation
5.	Perfect Cotton Company

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding”.

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

“**RESOLVED THAT** in supersession of the resolution passed under Section 293(1) (d) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 26.7.2007 and pursuant to Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time, the consent 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 include any Committee thereof for the time being exercising the power conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 500 crores”

“**FURTHER RESOLVED THAT** the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things as they may deem necessary to give effect to the above resolution including but not limited to the appointment of any manager/ consultant or any other intermediary in respect of the above offerings and / or to execute all such documents, instruments and writings as may be required”.

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

“**RESOLVED THAT** the Board of Directors of the Company, be and is hereby authorized pursuant to Section 181 of the Companies Act, 2013, to contribute and/or donate, from time to time, to any bona fide charitable and other funds, amounts not exceeding in aggregate to all such funds taken together up to a sum of Rs. 10

lakhs (Rupees Ten Lakhs only) during any Financial Year of the Company”.

By Order of the Board  
For **PATSPIN INDIA LIMITED**

**ABHILASH N.A.**  
Company Secretary

Place : Kochi  
Date : 30th July, 2014.

### NOTES:-

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

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

2. Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto and forms part of the Notice.
3. The Company has already notified Closure of Register of Members and Share Transfer Books thereof from Friday, 12th September, 2014 to Friday, 19th September, 2014 (both days inclusive) for the purpose of the Annual General Meeting.
4. Pursuant to Section 205A (5) of the Companies Act, 1956, as amended with effect from 31st October 1998, dividends for the financial year ended 31st March 1996 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date of transfer of the same under sub section (1) of the said Section will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government established under Section 205C of the Act. As per Section 205A(5) of the Companies Act, 1956, dividend upto the Financial Year upto 31st March, 2006 have been transferred by the Company to the Investor Education and Protection Fund (IEPF), established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Information in respect of such Unclaimed Dividend when due for transfer to the said Fund with reference to dividend for the financial year ended 31st March, 2007 and thereafter is given below:

Financial year Ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
31.3.2007	26.7.2007	25.7.2014	24.8.2014

Shareholders who have not so far encashed the Dividend Warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company. Also, note that no claim shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid after a period of 7 (Seven) years from the date that they first became due for payment and no payment shall be made in respect of any such claim.

5. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules,

## NOTICE (Contd.)

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

6. Disclosure relating to particulars of Cost Auditor as per general Circular No.15/2011 dated 11th April, 2011 for the year ended 31.03.2013.

Name	M/s STR & Associates
Address	37 & 38, Kaveri Nagar, Srirangam, Trichy - 620 006. Ph: 0431 6547726, 2432224 e mail ID's : strengarajan@hotmail.com strassociates@rediffmail.com
Due date for filing Cost Audit Report in XBRL format for F.Y ended 31.03.2013	30.09.2013
Actual date of filing Cost Audit Report in XBRL Format	26.09.2013

7. Disclosure as per Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No. of Complaints of sexual harassment received during the year	NIL
No. of complaints disposed off during the year	--
No. of cases pending for more than ninety days	--
No. of workshops or awareness programme against sexual harassment carried out	2
Nature of action taken by the employer	--

### REQUEST TO THE MEMBERS:

- Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 7 (Seven) days in advance, so as to enable the Company to keep the information ready.
- As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.
- All communications relating to shares including change in their address are to be addressed to the Company's Share Transfer Agent M/s. Integrated Enterprises (India) Ltd., 2nd Floor, Kences Towers, No.1, Ramakrishna Street, T Nagar, Chennai-600017, Tel: 044 28140801-803; E-Mail: [corpseiv@integratedindia.in](mailto:corpseiv@integratedindia.in).
- The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to register/update your e-mail addresses, in respect of shares held in dematerialized form with your respective Depository Participants

and in respect of shares held in physical form with above RTA directly to enable Company to send communication / documents via e-mail.

- Copies of the Annual Report 2014 alongwith Notice of the 23rd AGM, Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email address are registered with the Company/ Depository Participant (s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
- Members who hold shares in physical forms are requested to dematerialise their holdings for facilitating the transfers of Company's equity shares in all stock exchanges connected to the depository system.
- Voting through electronic means**

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is pleased to offer e Voting facility to the members to cast their votes electronically as an alternative to participation at the 23rd Annual General Meeting (AGM) to be held on Friday, 19th September, 2014 at 9:30 a.m at the Bharat Hotel (BTH), Darbar Hall Road, Kochi 682 016. The Company has engaged the services of Central Depository Services India Ltd (CDSL) to provide e-Voting facilities. The e-Voting facility is available at the link <https://www.evotingindia.com>

The Company had fixed Thursday, 14th August, 2014 as the cut off date for determining voting right of shareholders entitled to participating in the e-Voting process. In this regard, your demat account / folio number has been enrolled by the Company for your participation in e-Voting on all the resolutions placed by the Company on e-Voting system.

The e-Voting facility will be available during the following period:

<b>Commencement of e-Voting</b>	<b>from 9:00 a.m. on Wednesday, 10th September, 2014</b>
<b>End of e-Voting</b>	<b>Up to 6:00 p.m on Friday, 12th September, 2014</b>

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

**The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the company as on Thursday, 14th August, 2014.**

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

- Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- Click on "Shareholders" tab.
- Now, select the "PATSPIN INDIA LIMITED" from the drop down menu and click on "SUBMIT"
- Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.

## NOTICE (Contd.)

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Demat Account .</li> </ul> <p>eg: For CDSL : last 8 digits of beneficiary ID</p> <p>For NSDL: 8 digits Client ID</p> <ul style="list-style-type: none"> <li>• Physical Shareholders who have not updated their PAN enter First Two letters of their name and Folio Number in PAN field .If the Folio is less than 8 Character enter the applicable number of 0's before the folio number after the first two characters of the name in CAPITAL letters.</li> </ul> <p>eg.: If your name is Ramesh Kumar with Folio Number 2345 then enter RA00002345 in the PAN field.</p>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p># Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the NUMBER OF SHARES held on cut off date in the Dividend Bank details field in order to login.</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for PATSPIN INDIA LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The

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

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - a) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - b) After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - c) The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - d) They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
    - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - The Company has appointed Shri P.Sivakumar, Practicing Company Secretary (M.No. 3050, C.P No : 2210) as the Scrutinizer for conducting the e voting process in fair and transparent manner.
    - The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
    - The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's web site [www.patspin.com](http://www.patspin.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and the National Stock Exchange of India Limited.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT /RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING  
PURSUANT TO SECTION 160 OF THE COMPANIES ACT,2013  
(In pursuance of Clause 49 of the Listing Agreement)**

<b>Name of Director</b>	<b>Shri. N.K. Bafna</b>	<b>Shri Rajen K. Mariwala</b>	<b>Shri Prem Malik</b>	<b>Shri S.Sundareshan</b>
<b>Date of Birth</b>	03.07.1939	04.09.1962	03.02.1942	28.10.1952
<b>Date of appointment</b>	20.06.2000	21.01.2006	15.5.2012	19.09.2014
<b>Qualifications</b>	B.Com, FCA, Law Graduate	BTech Chemical Engineering, M Tech Chemical Engineering	Post Graduate, Punjab University	M.A,M.B.A,I.A.S
<b>Expertise in specific functional area</b>	Practicing Chartered Accountant and a Senior Partner of M/s. Lodha & Co. Chartered Accountants, Mumbai. Besides his proficiency in Finance and Accounts, he is also an expert in Company Law matters.	Shri Rajen K Mariwala, aged 52 years, is a Bachelor of Chemical Engineering (BTech Chem.Eng.) from A.C College of Technology, Anna University, Chennai, Tamilnadu. He has also secured Masters Degree in Chemical Engineering (M Chem. Engg.) from Cornell University, USA, Ithaca New York. Besides these formal Degrees, Shri Rajen K. Mariwala keeps abreast of recent developments in Management Philosophy & Science by annually attending continuing educational courses at Wharton School of Business.	Shri. Prem Malik, aged 72 years, is a post graduate from Punjab University and is having over 5 decades of experience in textiles and clothing. He had worked as Executive Director of main Board of M/s. Mafatal Fine Spinning & Manufacturing Company Limited and M/s Bombay Dyeing and Manufacturing Company Limited. Presently, he is a Textile Consultant / Advisor. He is the Chairman of Confederation of Indian Textile Industry and Bombay Textiles Research Association and is the Vice Chairman of India ITME Society. He is a member/director of Textile Committee, Ministry of Textiles, Govt. of India. He is the past Chairman of Texprocil and a past Vice Chairman of the Synthetic Rayon Textile Export Promotion Council.	Shri S.Sundareshan, aged 61 years and did his Masters from University of Mumbai before joining the 1976 batch of Indian Administrative Service. He has worked at senior level in the Ministry of Heavy Industries & Public Enterprises as Secretary, Department of Heavy Industries since May, 2011 onwards to October 2012 and Ministry of Petroleum & Natural Gas as Secretary, Special Secretary and Additional Secretary since April-2007. During the period from April, 2007 to May,2011, he was on the Board of ONGC,GAIL India Ltd and IOC. He was also Chairman of Petronet LNG Ltd. He has also been Chairman, Forward Markets Commission, putting in place necessary regulation and structures for the growth of Commodities Futures market. An MBA from University of Leeds, UK, Shri Sundareshan has held several important positions in the Government of India including Joint Secretary in the Department of Economic Affairs (Ministry of Finance), Minister (Economic and Commercial), Embassy of India, Tokyo, Japan. Joint Chief Controller of Imports & Exports (Ministry of Commerce) and Deputy Secretary, Ministry of Environment, Government of India. He has handled important assignments in his cadre State Kerala. These include Principal Secretary (Revenue), Secretary (Department of Expenditure), District Collector in Kerala, Managing Director (MD), Kerala State Milk Marketing Federation, MD, Kerala Fisheries Corporation.
<b>Shareholding in the Company.</b>	Nil	21300 Equity Shares of face value of Rs 10 each	None	None
<b>Relationship Inter -se Directors</b>	None	None	None	None



**Details of other Directorship:-**

Name of Director	Name of the Company	Position held	Committee type	Membership status	Shareholdings
<b>Shri. N.K. Bafna</b>	GTN Textiles Limited	Director	Audit Shareholders/IGC Remuneration	Member Member Member	Nil
	Prime Urban Development India Ltd.	Director	Shareholders/IGC	Chairman	Nil
	National Collateral Management Services Ltd.	Director	Audit	Chairman	Nil
<b>Shri Rajen K. Mariwala</b>	Hindustan Polyamides and Fibers Limited	Managing Director	None	None	Nil
	Marico Limited	Director	Audit Shareholders/IGC	Member Member	Nil
	Kaya Ltd	Director	None	None	Nil
	Marico Kaya Enterprises Ltd	Director	None	None	Nil
	Scientific Precision Pvt Ltd	Director	None	None	Nil
	Mariwala Estates Private Limited	Director	None	None	Nil
	Artic Investment & Trading Company Private Ltd	Director	None	None	Nil
	Rajanjali Estates Private Limited	Director	None	None	Nil
<b>Shri Prem Malik</b>	GTN Textiles Limited	Director	Audit Shareholders/IGC Remuneration	Member Member Member	Nil
	Gyscoal Alloys Ltd	Director	None	None	Nil
	Spentex Industries Limited	Director	Audit Remuneration	Member Chairman	0.017%
	Indo Count Industries Ltd	Director	None	None	Nil
	Four Seasons Residency Ltd	Director	None	None	Nil
	Lahoti Overseas Limited	Director	Audit	Member	Nil
	APPTEx Manpower Development Services Limited	Director	None	None	Nil
	Ginni International Ltd	Director	Audit Shareholders/IGC	Chairman Member	Nil
	Alder Trading Co. Pvt. Limited	Director	None	None	52.27%
	Smilesville Care Pvt. Ltd.	Director	None	None	6.79%
	CLC Textiles Park Pvt. Ltd.	Managing Director	None	None	7.19%
	Chhindwara Infrastructure Pvt. Ltd.	Managing Director	None	None	2.08%
	M & M Mining Pvt. Ltd.	Director	None	None	Nil
Techware Consultants Pvt. Ltd.	Director	None	None	Nil	
<b>Shri S. Sundareshan</b>	None	None	None	None	Nil

By Order of the Board  
For **PATSPIN INDIA LIMITED**

**ABHILASH N. A.**  
Company Secretary

Place : Kochi  
Date : 30th July, 2014.

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM No.4:

The present term of office of Shri Umang Patodia as Managing Director will expire on 3rd August 2014. Subject to shareholders' approval, the Board of Directors, at their meeting held on 15th May, 2014 have reappointed him for a further period of five years from the expiry date of his term on the remuneration determined by the Nomination & Remuneration Committee of the Board of Directors.

Nomination & Remuneration Committee constituted by the Board had met on 15.5.2014 and approved and recommended remuneration package of Shri. Umang Patodia, Managing Director for a period of three years, in accordance with Schedule V to the Companies Act, 2013

In terms of Section II Part II of Schedule V of the Companies Act, 2013, where in any financial year, during the currency of the tenure of the managerial person, a Company has no profits or its profits are inadequate, it may pay remuneration to a managerial person without central government approval not exceeding the higher of the following two limits (A and B):

A.	
(1)	(2)
Where the Effective Capital (EC) is	Limit of yearly remuneration payable shall not exceed (Rs.)
i. Negative or less than Rs. 5 Crore	30 lacs
ii) Rs. 5 crores and above but less than Rs. 100 Crores	42 lacs
iii) Rs. 100 crores and above but less than Rs.250 Crores	60 lacs
iv) Rs. 250 Crores and above	60 lacs + 0.01% of EC in excess of Rs. 250 Crores
Provided that the above limits shall be doubled if the resolution passed by the shareholders is a special resolution.	
B.	
In case of managerial person who was not a security holder holding securities of the Company of nominal value of rupees five lacs or more or an employee or a director of the Company or not related to any director or promoter at any time during the two years prior to his appointment as a managerial person, — 2.5% of the current relevant profit.	
Provided that if the resolution passed by the shareholders is a special resolution, this limits shall be doubled.	

Provided that the limits specified under this section shall apply, if

- (i) payment of remuneration is approved by a resolution passed by the Board and, in the case of a Company covered under sub section (1) of section 178 also by the Nomination and Remuneration Committee;
- (ii) the Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person;
- (iii) a special resolution has been passed at the general meeting of the Company for payment of remuneration for a period not exceeding three years; and
- (iv) a statement along with notice calling the General Meeting referred to in Clause(iii) is given to the shareholders containing certain information as specified in the said Schedule.

Shri. Umang Patodia was drawing a monthly salary of Rs.380000/- in the scale of Rs. 370000 – Rs. 10000 – Rs. 390000 effective from 1st April, 2012 plus usual perquisites. Under his able leadership, the Company has recorded significant growth. Therefore, the Nomination & Remuneration Committee unanimously recommended to fix the remuneration of Rs.400000/- per month in the scale Rs.400000-Rs20000-Rs 440000 plus usual perquisites to Shri. Umang Patodia,

Managing Director for a period of three years from 1-6-2014 to 31-5-2017, as set out below:

#### a) **Salary:**

Rs. 4,00,000/- per month in the Scale Rs.400000– Rs.20000– Rs. 440000 effective from 1st June, 2014 for a period of three years up to 31st May,2017.

#### b) **Commission:**

Subject to the overall limits laid down in Sections 197 & 198 of the Companies Act, 2013, such percentage of the Net Profit of the Company or such quantum as may be fixed by the Board of Directors for each financial year not exceeding 5% of the Net Profits of the Company, each year, restricted to an overall limit of Rs.60 lacs per annum.

#### c) **Perquisites as follows:**

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

#### Perquisites not included in Managerial Remuneration

- a. contribution to Provident Fund, Superannuation or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961
  - b. gratuity payable at a rate not exceeding half a months salary for each completed year of service; and
  - c. encashment of leave at the end of the tenure.
- d) Overall Remuneration:**  
The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 197 & 198 and other applicable provisions of the Act read with Schedule V to the said Act, as may for the time being in force.
- e) Minimum Remuneration:**  
In case of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary, commission and perquisites shall be governed by the limits prescribed under the Section II of Part II of Schedule V to the Act.  
Further more, approval of the members in general meeting by way of a special resolution is required to be obtained for payment of minimum remuneration, by way of salary and perquisites and allowances as specified above in the event of absence or inadequacy of profits in any financial year during the tenure of Shri Umang Patodia, Managing Director of the Company.

Shri. B.K. Patodia and Shri. Umang Patodia are related to each other and are deemed to be interested in the resolution mentioned in Item no.4 of the Notice.

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (Contd.)

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

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

#### I. General Information:

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

Particulars	(Rs. in lacs)		
	2011-12	2012-13	2013-14
Income from Operations	42585	46197	60961
Other income	85	99	104
Operating Profit	1202	2612	5920
Finance Cost	2809	2904	3464
PBDT	(1607)	(292)	2456
Profit / (Loss) Before Tax	(3621)	(2324)	557
Profit / (Loss) After Tax	(2355)	(1582)	425
Amount of Equity Dividend Paid	Nil	Nil	Nil
Rate of Dividend Declared (%)	Nil	Nil	Nil

The Effective Capital of the Company based on the Audited Accounts for the Year Ended 31.3.2014 is Rs 203 Crores.

The Company has not made any default in the repayments of its dues (including Public Deposits) or interest payments thereon. The Company has not issued any debentures.

- v) Export Performance and Net foreign Exchange contributions:

(Rs. in Lacs)	
Financial Year	Export Turnover
2011-12	21931
2012-13	28094
2013-14	36460

The Company does not have any Foreign Exchange Collaboration.

- vi) Foreign Investments or Collaborators, if any:  
The Company does not have any foreign investments or collaborators.

#### II. Information about the appointee: Shri. Umang Patodia

Vide Item No.4 of the Notice of this Annual General Meeting of the Company; the approval of the members is being sought for fixing the remuneration of Shri. Umang Patodia, Managing Director effective from 1st June, 2014 for a period of three years from 01.06.2014 to 31.5.2017. Shri. Umang Patodia is a Citizen of India, 43 years of age. He is a Commerce Graduate and has over two decades of experience in the textile business and has a successful presence in the textile business segment. He is actively involved in the day to day management of the Company. He plays a pivotal role in policy matters as well as strategic planning and has also been instrumental in the project implementation, start up and operations of the Company. He is the past Chairman of

CII -Kerala State Council. He is presently Committee Member of CII State and Southern Region, Confederation of Indian Textile Industry, TEXPROCIL and special invitee in Southern India Mills Association. In the year 2000, he was nominated by CITI New Delhi, to the "YOUNG ENTREPRENEURS GROUP" of International Textile Manufacturers' Federation based at Zurich, and in October 2002, the group nominated him as their Vice Chairman. Mr. Umang Patodia, who pioneered the Young Entrepreneurs Group during 2003 within CITI served as its founder Chairman till September 2005. He is also a Member and Networking Chair of Young Presidents Organization (YPO) Kerala Chapter.

During the financial year 2013-2014, he was paid the following remuneration:

(Rs. in Lacs)				
Salary	Commission	Perquisites	P.F./Gratuity/ Superannuation	Total
44.95	—	0.40	13.26	58.61

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

#### III. Other Information:

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

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

Shri. Umang Patodia and Shri.B. K. Patodia, Managing Director and Chairman respectively, are being related to each other are deemed to be interested in the resolution mentioned in Item No.4 of the notice and none of the other Directors of the Company and Key Managerial Personnel or their relatives is in any way concerned or interested, financial or otherwise in the resolution.

The terms and conditions mentioned in item No.4 of the notice may also be taken as an Abstract of the agreement to be made by the Company with Shri Umang Patodia, pursuant to section 190 of the Companies Act, 2013.

Your Directors recommend this Resolution for approval.

#### ITEM No. 5:

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Act and revised Clause 49 of the Listing Agreement, Shri N.K Bafna being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 18th September, 2019 .A notice has been received from a member proposing Shri N K Bafna as a candidate for the office of Director of the Company together with requisite deposit of Rs. one lac.

In the opinion of the Board, Shri N.K Bafna fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company and is independent of the management. He does not hold by himself or for any other person on a beneficial basis any shares in the Company. Pursuant to revised Clause 49 of the Listing Agreement Shri. N.K. Bafna's tenure as Independent Director in the Company shall be more than 5 years as on 1st October, 2014 and therefore, this appointment will be treated as his 2nd term in the office.

The Board considers that his continued association would be of great

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (Contd.)

benefit to the Company and it is desirable to continue the service of Shri N.K Bafna as Independent Director of the Company. Accordingly, the Board recommends the Resolution in relation to appointment of Shri N.K Bafna as Independent Director, for the approval by the shareholders of the Company by way of Special Resolution.

Copy of the draft letter for appointment of Shri N K Bafna as an Independent Director would be available for inspection without any fee by the members at the Registered office of the Company during normal business hours on any working day.

None of the Directors and Key Managerial Personnel or their relatives except Shri N.K Bafna is concerned or interested, financial or otherwise, in the resolution set out at item No.5.

### ITEM No. 6:

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Act and revised Clause 49 of the Listing Agreement, Shri Rajen K Mariwala being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 18th September, 2019. A notice has been received from a member proposing Shri Rajen K Mariwala as a candidate for the office of Director of the Company together with requisite deposit of Rs. one lac.

In the opinion of the Board, Shri Rajen K Mariwala fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company and is independent of the management. He is holding 21300 equity shares in the Company and does not hold, by himself or for any other person any shares on a beneficial basis in the Company. Pursuant to revised Clause 49 of the Listing Agreement Shri. Rajen K Mariwala's tenure as Independent Director in the Company shall be more than 5 years as on 1st October, 2014 and therefore, this appointment will be treated as his 2nd term in the office.

The Board considers that his continued association would be of great benefit to the Company and it is desirable to continue the service of Shri Rajen K Mariwala as Independent Director of the Company. Accordingly, the Board recommends the Resolution in relation to appointment of Shri Rajen K Mariwala as Independent Director, for the approval by the shareholders of the Company by way of Special Resolution.

Copy of the draft letter for appointment of Shri Rajen K Mariwala as an Independent Director would be available for inspection without any fee by the members at the Registered office of the Company during normal business hours on any working day.

None of the Directors and Key Managerial Personnel or their relatives except Shri. Rajen K Mariwala is concerned or interested, financial or otherwise, in the resolution set out at item No.6.

### ITEM No. 7:

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Act and revised Clause 49 of the Listing Agreement, Shri Prem Malik being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 18th September, 2019. A notice has been received from a member proposing Shri Prem Malik as a candidate for the office of Director of the Company together with requisite deposit of Rs. one lac.

In the opinion of the Board, Shri Prem Malik fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company and is independent of the management. He does not hold by himself or for any other person on a beneficial basis any shares in the Company. Pursuant to revised Clause 49 of the Listing Agreement Shri. Prem Malik's tenure as Independent Director in the Company shall be less than 5 years as on 1<sup>st</sup> October, 2014 and therefore, this appointment will be treated as his 1<sup>st</sup> term in the office.

The Board considers that his continued association would be of great

benefit to the Company and it is desirable to continue the service of Shri Prem Malik as Independent Director of the Company. Accordingly, the Board recommends the Resolution in relation to appointment of Shri Prem Malik as Independent Director, for the approval by the shareholders of the Company by way of Ordinary Resolution.

Copy of the draft letter for appointment of Shri Prem Malik as an Independent Director would be available for inspection without any fee by the members at the Registered office of the Company during normal business hours on any working day.

None of the Directors and Key Managerial Personnel or their relatives except Shri Prem Malik is concerned or interested, financial or otherwise, in the resolution set out at item No. 7.

### ITEM No. 8:

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Act and revised Clause 49 of the Listing Agreement, Shri S.Sundareshan, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 18<sup>th</sup> September, 2019. A notice has been received from a member proposing Shri S.Sundareshan as a candidate for the office of Director of the Company together with requisite deposit of Rs. one lac.

In the opinion of the Board, Shri S.Sundareshan fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company and is independent of the management. He does not hold any shares in the Company by himself or for any other person any shares on a beneficial basis in the Company.

The Board considers that his association would be of great benefit to the Company and it is desirable to have service of Shri S.Sundareshan as Independent Director of the Company. Accordingly, the Board recommends the Resolution in relation to appointment of Shri S.Sundareshan as Independent Director, for the approval by the shareholders of the Company by way of an Ordinary Resolution.

Copy of the draft letter for appointment of Shri S.Sundareshan as an Independent Director would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day.

None of the Directors and Key Managerial Personnel or their relatives except Shri S.Sundareshan is concerned or interested, financial or otherwise, in the resolution set out at item No.8.

### ITEM NO. 9

The Company has been hitherto entering into transactions with related parties confirming to prescribed statutory procedure under the Companies Act, 1956 and with the approval of central Government in respect of transactions falling under the proviso to the Section 297 (1) of the Companies Act, 1956.

The Company proposes to enter into such transactions with related parties on Arms Length basis confirming to the requirements of the Companies Act, 2013 for a period of 5 years. Such transactions will now be also governed by the requirements of the revised clause 49 of the listing agreement.

In the above context, the necessary Special Resolution is proposed for the approval of the members. The transactions have been approved by the Audit Committee in their meeting held on 30.7.2014 and also by the Board of Directors, subject to the approval of the company in General meeting by a special resolution as per the requirement of the Act as applicable and the listing agreement.

The particulars as to the related party transactions are furnished below as per the requirements of the prescribed rules and the grounds for having the transactions.

All related party transactions shall be in the ordinary course of business and at arm's length and shall not be prejudicial to the interest of either parties.

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (Contd.)

The details of the related party transaction(s) are furnished below:

1.	<b>Name of the related party</b>	<b>GTN Textiles Limited</b>		
	<b>Name of the Director / KMP who is related, if any</b>	Shri. B.K. Patodia, Shri. Umang Patodia		
	<b>Nature of Relationship</b>	Interested as Directors		
	<b>Nature, Material terms, monetary value and particulars of the contract or arrangements</b>			Rs. In lacs / Annum
		Sale, Purchase or supply of cotton, cotton yarn, waste, stores & spares and other related materials		2000.00
		Selling or otherwise disposing off or buying properties, plant & machineries and other equipments		500.00
		Leasing or hiring property / assets of any kind		10.00
		Availing or rendering of processing charges or any other services of whatever nature		500.00
	<b>Terms of the Contract</b>	The Contract would be for a period of 5 years		
	<b>Any other information relevant or important for the members to take decision on the proposed resolution</b>	GTN Textiles Limited is the main promoter of the Company. Both the companies are engaged in manufacture and exports of yarn for domestic and international markets.		
The Company has entered into transactions with GTN Textiles Limited for the last three years as under :				
			Rs. In lacs	
2011-12		2012-13	2013-14	
4752.12		2163.06	2282.27	
These transactions were exempted pursuant to provisions of section 297(1) of the Companies Act, 1956.				
No approval from shareholders is required pursuant to the provisions of Section 188 of the Companies Act, 2013, since the transactions are in the ordinary course of business and at arm's length; however, pursuant to the revised Clause 49 (VII) (C) of the Listing Agreement, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 5% of the annual turnover or 20% of the networth of the Company as per the last audited financial statements of the Company, whichever is higher. As per audited financial statement for the year ended 31.3.2014, the maximum permissible limit available without shareholders approval as stated above is about Rs. 3000 lacs only; since the transactions of the company will exceed the above said limit, the proposed resolution for shareholders approval.				
2.	<b>Name of the related party</b>	<b>GTN Enterprises Limited</b>		
	<b>Name of the Director / KMP who is related, if any</b>	Shri. B.K. Patodia, Shri. Umang Patodia		
	<b>Nature of Relationship</b>	Interested as Directors		
	<b>Nature, Material terms, monetary value and particulars of the contract or arrangements</b>			Rs. In lacs / Annum
		Sale, Purchase or supply of cotton, cotton yarn, waste, stores & spares and other related materials		2000.00
		Selling or otherwise disposing off or buying properties, plant & machineries and other equipments		500.00
		Leasing or hiring property / assets of any kind		10.00
		Availing or rendering of processing charges or any other services of whatever nature		500.00
	<b>Terms of the Contract</b>	The Contract would be for a period of 5 years		
	<b>Any other information relevant or important for the members to take decision on the proposed resolution</b>	GTN Enterprises Limited is our group Company, controlled by Shri. B.K. Patodia. Both the companies are engaged in manufacture and exports of yarn for domestic and international markets		
The Company has entered into transactions with GTN Enterprises Limited for the last three years as under :				
			Rs. In lacs	
2011-12		2012-13	2013-14	
1981.10		5486.49	4806.52	
These transactions were exempted pursuant to provisions of section 297(1) of the Companies Act, 1956.				
No approval from shareholders is required pursuant to the provisions of Section 188 of the Companies Act, 2013, since the transactions are in the ordinary course of business and at arm's length; however, pursuant to the revised Clause 49 (VII) (C) of the Listing Agreement, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 5% of the annual turnover or 20% of the networth of the Company as per the last audited financial statements of the Company, whichever is higher. As per audited financial statement for the year ended 31.3.2014, the maximum permissible limit available without shareholders approval as stated above is about Rs. 3000 lacs only; since the transactions of the company will exceed the above said limit, the proposed resolution for shareholders approval.				

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (Contd.)

3.	<b>Name of the related party</b>	<b>Patcot Company, Mumbai</b>	
	<b>Name of the Director / KMP who is related, if any</b>	Shri. B.K. Patodia, Shri. Umang Patodia	
	<b>Nature of Relationship</b>	Interested through Relative	
		Rs. In lacs / Annum	
	<b>Nature, Material terms, monetary value and particulars of the contract or arrangements</b>	Purchase of cotton	2500.00
	<b>Terms of the Contract</b>	The Contract would be for a period of 5 years	
	<b>Any other information relevant or important for the members to take decision on the proposed resolution</b>	<p>The Company has obtained necessary Central Government approval vide letter Ref. 10/297/24/K/2011/SRN B19032788, B19032358 &amp; B19031426 dated 20.9.2011 for the period from 1.10.2011 to 30.9.2014 for entering into transactions with the Company for Rs. 3000 lacs per annum</p> <p>M/s. Patcot Company, a firm, is engaged in cotton business for very long period and has rich experience in procuring good quality cotton. They have their own ginning and pressing arrangements and thereby able to ensure the availability of quality cotton with assured supplies at competitive prices.</p> <p>No approval from shareholders is required pursuant to the provisions of Section 188 of the Companies Act, 2013, since the transactions are in the ordinary course of business and at arm's length; however, pursuant to the revised Clause 49 (VII) (C) of the Listing Agreement, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 5% of the annual turnover or 20% of the networth of the Company as per the last audited financial statements of the Company, whichever is higher. As per audited financial statement for the year ended 31.3.2014, the maximum permissible limit available without shareholders approval as stated above is about Rs. 3000 lacs only; since the transactions of the company will exceed the above said limit, the proposed resolution for shareholders approval.</p>	
4.	<b>Name of the related party</b>	<b>Standard Cotton Corporation. Mumbai</b>	
	<b>Name of the Director / KMP who is related, if any</b>	Shri. B.K. Patodia, Shri. Umang Patodia	
	<b>Nature of Relationship</b>	Interested through Relative	
		Rs. In lacs / Annum	
	<b>Nature, Material terms, monetary value and particulars of the contract or arrangements</b>	Purchase of cotton	1500.00
	<b>Terms of the Contract</b>	The Contract would be for a period of 5 years	
	<b>Any other information relevant or important for the members to take decision on the proposed resolution</b>	<p>The Company has obtained necessary Central Government approval vide letter Ref. 10/297/24/K/2011/SRN B19032788, B19032358 &amp; B19031426 dated 20.9.2011 for the period from 1.10.2011 to 30.9.2014 for entering into transactions with the Company for Rs. 3000 lacs per annum.</p> <p>M/s. Standard Cotton Corporation, a firm, is engaged in cotton business for very long period and has rich experience in procuring good quality cotton. They have their own ginning and pressing arrangements and thereby able to ensure the availability of quality cotton with assured supplies at competitive prices.</p> <p>No approval from shareholders is required pursuant to the provisions of Section 188 of the Companies Act, 2013, since the transactions are in the ordinary course of business and at arm's length; however, pursuant to the revised Clause 49 (VII) (C) of the Listing Agreement, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 5% of the annual turnover or 20% of the networth of the Company as per the last audited financial statements of the Company, whichever is higher. As per audited financial statement for the year ended 31.3.2014, the maximum permissible limit available without shareholders approval as stated above is about Rs. 3000 lacs only; since the transactions of the company will exceed the above said limit, the proposed resolution for shareholders approval.</p>	

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (Contd.)

5.	<b>Name of the related party</b>	<b>Perfect Cotton Company, Mumbai</b>	
	<b>Name of the Director / KMP who is related, if any</b>	Shri. B.K. Patodia, Shri. Umang Patodia	
	<b>Nature of Relationship</b>	Interested through Relative	
	<b>Nature, Material terms, monetary value and particulars of the contract or arrangements</b>	Purchase of cotton	Rs. In lacs / Annum 1000.00
	<b>Terms of the Contract</b>	The Contract would be for a period of 5 years	
	<b>Any other information relevant or important for the members to take decision on the proposed resolution</b>	The Company has obtained necessary Central Government approval vide letter Ref. 10/297/24/K/2011/SRN B19032788, B19032358 & B19031426 dated 20.9.2011 for the period from 1.10.2011 to 30.9.2014 for entering into transactions with the Company for Rs. 3000 lacs per annum M/s. Perfect Cotton Company, a firm, is engaged in cotton business for very long period and has rich experience in procuring good quality cotton. They have their own ginning and pressing arrangements and thereby able to ensure the availability of quality cotton with assured supplies at competitive prices. No approval from shareholders is required pursuant to the provisions of Section 188 of the Companies Act, 2013, since the transactions are in the ordinary course of business and at arm's length; however, pursuant to the revised Clause 49 (VII) (C) of the Listing Agreement, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 5% of the annual turnover or 20% of the networth of the Company as per the last audited financial statements of the Company, whichever is higher. As per audited financial statement for the year ended 31.3.2014, the maximum permissible limit available without shareholders approval as stated above is about Rs. 3000 lacs only; since the transactions of the company will exceed the above said limit, the proposed resolution for shareholders approval.	

The Board recommends the Special Resolution as set out in item 9 of the Notice for the approval of the members who are not related party(s).

Directors, Key Managerial Personnel of the Company or their relatives as mentioned as related parties above, may be deemed to be interested or concerned in the Resolution.

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

Your Directors recommend this Resolution for approval.

### ITEM No. 10

In terms of the resolution passed by the members of the Company at the Annual General Meeting held on 26.7.2007, the Board of Directors of the Company were authorized to borrow on behalf of the Company up to Rs. 400 crores (Rupees four hundred crores only) at any point of time. The Ministry of Corporate Affairs (MCA), Government of India, vide their Circular No. 4/2014 dated 25.03.2014, have clarified that resolution passed under Section 293 (1) (d) of the Companies Act, 1956 before 12.09.2013 will be valid only till 1 year from the date of notification of Section 180 i.e up to 11.09.2014. Further, in view of expected growth in the business, it may be necessary for the Company to borrow monies from various sources consequent to which the amount outstanding could exceed the present limit of Rs. 400 crores (Rupees four hundred crores only). Further under the law, it is now required that such a resolution be by way of a Special resolution

Your directors accordingly recommend increase in the borrowing powers from Rs. 400 crores to Rs. 500 crores in the resolution at item no. 10 for approval of the members

None of the Directors and Key Managerial Personnel or their relatives is concerned or interested, financial or otherwise in this resolution set out at item 10 of the Notice.

### ITEM No.11

As per Section 181 of the Companies Act, 2013, the Board of Directors of the Company can contribute to bona fide charitable and other funds, any amount the aggregate of which, in any financial year shall not exceed 5% of its average net profits, as determined in accordance with the provisions of Section 198 of Companies Act, 2013, for the three immediately preceding financial years.

The shareholders at the Annual General Meeting held on 31.07.2003 have fixed a limit of Rs 10 lakhs pursuant to Section 293 (1) (e) of the Companies Act, 1956. In view of the new provisions in the Companies Act, 2013, the Board of Directors considers that keeping in view the Company's obligations to the society at large and other social welfare and charitable funds /causes, it is proposed to retain the earlier shareholders approval limit of Rs 10 lacs.

This resolution is, therefore, recommended for your acceptance

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financial or otherwise in this resolution.

By Order of the Board  
For **PATSPIN INDIA LIMITED**

**ABHILASH N.A.**  
Company Secretary

Place : Kochi  
Date : 30.7.2014.

# PATSPIN INDIA LIMITED

## DIRECTORS' REPORT

### To the Members,

Your Directors present the **TWENTY THIRD** Annual Report together with the Audited Statements of Account for the year ended 31<sup>st</sup> March, 2014.

### FINANCIAL RESULTS

(Rs in lacs)

PARTICULARS	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>REVENUE</b>		
Income from operations	60961	46197
Other income	104	99
Changes in Inventories	1675	(1053)
Total	<u>62740</u>	<u>45243</u>
<b>EXPENSES</b>		
a) Cost of materials	46230	34383
b) Employee benefits expense	2630	1830
c) Other expenses	7960	6418
Total	<u>56820</u>	<u>42631</u>
<b>OPERATING PROFIT</b>	5920	2612
Finance Costs	3464	2904
<b>PROFIT/(LOSS) BEFORE DEPRECIATION, AMORTISATION &amp; TAX EXPENSES</b>	2456	(292)
Depreciation and Amortisation Expenses	1899	2032
<b>PROFIT/(LOSS) BEFORE TAX</b>	557	(2324)
Tax Expenses		
a) Current Tax (MAT)	—	—
b) MAT credit entitlement	—	—
c) Deferred Taxation	132	(742)
<b>PROFIT/(LOSS) AFTER TAX</b>	<u>425</u>	<u>(1582)</u>

### DIVIDEND

In view of accumulated losses, your Directors regret their inability to recommend dividend for the financial year ended 31st March, 2014.

### PERFORMANCE REVIEW

As mentioned in the last year's Directors' Report, there has been steady demand recovery in textile business from second half of FY 2012-13, both in international as well as domestic market. Accordingly, the year under review witnessed overall improvement in performance of your Company, with sales, operating margin and cash profit reporting substantial increase. Exports of the Company showed handsome increase of 30% over previous year to Rs. 365 crores, significant part of which came from outsourced yarn business. Amongst various importing countries, demand from China was main factor leading to export led growth of the industry. However, of late, exports to China have been showing a declining trend for various reasons including uncertainty over cotton stocking policies of that country, which has direct impact on our export prices.

Total income during the year was substantially higher at Rs. 627.40 crores as against Rs. 452.43 crores of the previous years. While Operating profit increased to Rs. 59.20 crores from Rs. 26.12 crores, cash profit stood at Rs. 24.56 crores as compared to previous year loss of Rs. 2.92 crores. After charging depreciation of Rs. 18.99 crores, the profit before tax was at Rs. 5.57 crores as against a loss of Rs. 23.24 crores in previous year. After provision

for deferred Tax of Rs. 1.32 crores, the Net profit was at Rs. 4.25 crores in comparison to previous year's Net Loss of Rs. 15.82 crores.

During the year, your Company's operations for the first quarter were adversely affected due to illegal strike at Kanjikode Plant in Kerala, which started on 23.08.2012 and was withdrawn on 17.05.2013, as mentioned by the directors in their last year's report. As such, your Company's performance could have been better, but for the loss of production during the strike. Further, power generation through Company owned windmills was adversely affected throughout the year, due to power evacuation problem faced in the State of Tamil Nadu by TNEB, causing financial loss to your Company. However, after representations from the industry, recently TNEB has assured proper mechanism for evacuation of power generated by the windmills.

Your Directors are glad to inform that the power situation in Tamilnadu has improved considerably and effective from June, 2014, TNEB has withdrawn all power restrictions and load shedding. Your Company is also well covered for raw material for FY 2014-15 and as such in spite of signs of slow down in demand and pressure on prices, the Company is hopeful to perform reasonably well during the current financial year.

### MODERNISATION, UPGRADATION AND MARGINAL EXPANSION PLANS:

Your Company had withheld the implementation of project due to illegal strike at Kanjikode Plant last year. After withdrawal of strike, your Company is now implementing the remaining project and we have so far executed the project to the tune of Rs. 26.38 crores as against the total project cost of Rs. 42.41 crores. The project is likely to be completed within this year itself.

### CORPORATE DEBT RESTRUCTURING

As reported in the previous Directors' Report, the Company has complied with all the terms and conditions as required by CDR EG Mumbai, with regard to the restructuring proposal under CDR system. The Promoters and its associates have brought in their contribution of Rs. 2.70 crores and the Share Issue Committee of the Board of Directors have allotted 270000, 0.01% Non Cumulative Redeemable Preference Shares of Rs. 100 each at their meetings held on 30.7.2013 and 13.2.2014, respectively.

### POTENTIALLY SICK COMPANY UNDER THE PROVISIONS OF SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985.

As reported in the previous Directors' Report, your Company has been classified as a "potentially sick Company" under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 as at the close of 31st March, 2013 and the shareholders at their Extra Ordinary General Meeting held on 30.7.2013 have approved the Report of Board of Directors regarding the erosion of the peak networth and revival measures being taken as per Section 23 of the SICA, 1985.

Your Directors are striving hard to come out from the above provisions and hope that the Company achieves better results in the coming years.

### DISPOSAL OF EQUITY SHARES BY ITOCHU TEXTILE MATERIALS (ASIA) LIMITED

Due to changes in their internal policy, Itochu Textile Materials (Asia) Limited, Hong Kong, one of the Promoter of the Company, had disposed off their share holding of 30 lacs equity shares in the



## DIRECTORS' REPORT (Contd.)

Company to (i) M/s. Beekaypee Credit Private Limited (12,34,300), (ii) M/s. Umang Finance Private Limited (360,000) and (iii) M/s. Patodia Exports and Investments Pvt. Ltd (14,05,700). pursuant to Regulation 10(1)(a) (ii) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Consequently, Mr. Yoshikazu Ono, their Nominee on the Board and Mr. Keisuke Oba, his alternate has resigned from the Board of the Company. The Board places on record its profound appreciation and gratitude to M/s. ITOCHU for their valuable contribution as co-promoter of the company since its inception. However, your company's existing sales and marketing arrangement with Itochu will continue as at present.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- appropriate accounting policies have been selected and applied them consistently and have 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 at the end of the financial year and of the profit of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

### CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Your Directors affirm their commitments to the Corporate Governance Standards prescribed by the Securities and Exchange Board of India (SEBI).

A Report on Corporate Governance with Management Discussion and Analysis as required under Clause 49 of the Listing Agreement is attached.

### FIXED DEPOSITS

The company had no unclaimed deposits outstanding as at the close of the financial year.

### DIRECTORS

Pursuant to Section 149 of the Companies Act, 2013, the Board at its meeting held on 30th July, 2014 recommended appointment of Shri. N.K. Bafna, Shri. Prem Malik, Shri. Rajen K Mariwala and Shri. S.Sundareshan as Independent Directors of the Company, not liable to retire by rotation for a period of 5 years from the date of its 23rd Annual General Meeting subject to approval of the members of the Company. These directors have given the declaration to the Board that they meet the criteria of Independence as provided under section 149 (6) of the said Act and also confirm that they will abide by the provisions as mentioned in Schedule IV of the Companies Act, 2013. The Board recommends the Resolutions for your approval for the above appointments.

Shri B.K. Patodia will retire by rotation at the ensuing Annual

General Meeting and, being eligible, offer himself for reappointment. The Board recommends the same for your approval.

Shri. B.L. Singhal and Shri. R. Rajagopalan, Directors have resigned from the Board effective from 31.7.2014 for personal reasons.

Shri. B.L. Singhal has joined the Board of the Company effective from 20.6.2000 and was with the Board for a long period of 14 years. He was Chairman of "Stakeholders Relationship Committee" and "Nomination and Remuneration Committee", besides a member of the Audit Committee of the Board of Directors.

Shri. R.Rajagopalan has joined the Board of the Company effective from 27.1.2005. He was a member of "Audit Committee" and "Nomination and Remuneration Committee" of the Board of Directors.

The Board places on record its profound appreciation for Shri. B.L. Singhal and Shri. R. Rajagopalan for their valuable contributions as Independent Directors with the Company.

### AUDITORS

M/s. M S Jagannathan & Visvanathan, Chartered Accountants, Coimbatore, who are the Statutory Auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for reappointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. MS Jagannathan & Visvanathan, Chartered Accountants as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 26th AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

### PERSONNEL & INDUSTRIAL RELATIONS

The plant at Kanjikode Unit re-opened only on 18.5.2013 due to the illegal strike by the workmen. Barring that, Industrial Relations were cordial and satisfactory. There were no employees whose particulars are to be given in terms of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011 dated 31st March, 2011.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in Annexure, attached hereto and forms part of this report.

### ACKNOWLEDGEMENT

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

For and on behalf of the Board

Place : Kochi,  
Date : 30th July, 2014

**B.K PATODIA**  
Chairman

## ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report.

### A. Conservation of Energy

- a) Energy conservation measures taken.

The Company is making all round efforts for the conservation of energy. To reduce the energy cost, energy efficient equipments were used and the effect of the same has been felt.

- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
- d) Total energy consumption and energy consumption per unit of production as prescribed in **Form-A** given below.

	Year ended 31.3.2014	Year ended 31.3.2013
<b>I. Power and fuel consumption</b>		
1 Electricity		
a) Purchased (Units in lacs) [wind Mill Units Consumed 92.23 (Previous year 134.01)]	<b>689.10</b>	536.97
Total amount (Rs. In lacs)	<b>4372.99</b>	3553.03
Rate per unit (Rs.)	<b>6.34</b>	6.62
b) Own generation		
i) through Diesel Generator (units in lacs)	<b>5.17</b>	1.28
Total amount (Rs. in lacs)	<b>79.12</b>	20.41
Units per liter of diesel oil	<b>3.60</b>	3.61
Cost per unit (Rs.)	<b>15.30</b>	15.94
ii) through steam turbine / generator		
Units	<b>Nil</b>	Nil
Unit per liter of fuel oil / gas	<b>Nil</b>	Nil
Cost per unit (Rs.)	<b>Nil</b>	Nil
2 Coal	<b>Nil</b>	Nil
3 Furnace Oil	<b>Nil</b>	Nil
4 Others/internal generation	<b>Nil</b>	Nil
<b>II. Consumption per unit of production</b>		
a) Electricity – Units per Kg. Yarn	<b>6.08</b>	6.11
b) Furnace Oil	<b>Nil</b>	Nil
c) Coal	<b>Nil</b>	Nil
d) Others	<b>Nil</b>	Nil

### B. Technology Absorption

Efforts made in Technology Absorption as per Form B:

Indigenous technology alone is used and Research and Development are carried out by a separate Textile Research Association for Textile Units situated in Southern Region (SITRA).

### C. Foreign Exchange Earnings & Outgo

- a) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans

The company is presently exporting yarn and knitted fabric. Steps are being taken to explore new markets and product development.

- b) Total Foreign Exchange earned and used excluding capital goods, components & Spares:

Earned: Rs 36459.37 lacs (Previous year Rs. 28094.70 lacs) (including shipping freight realisation and agents commission) Used: Rs. 8260.00 lacs (Previous year Rs. 5702.89 lacs)

For and on behalf of the Board

Place : Kochi,  
Date : 30th July, 2014

**B.K PATODIA**  
Chairman

# PATSPIN INDIA LIMITED

## REPORT ON CORPORATE GOVERNANCE

### 1) The Company's Philosophy on Code of Corporate Governance

The Company firmly believes in and has consistently endeavoured to practice good Corporate Governance. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facets of its operations, and in all its interactions with its stake holders, including shareholders, employees, the government and lenders.

### 2) Board of Directors

The Board is headed by a Non-Executive Chairman, Shri. B K Patodia and comprises eminent persons with considerable professional experience in diverse fields. About 88% of the Board consists of Non-Executive Directors.

As on 31st March, 2014, the Board comprises of 5 Independent Directors constituting 63% of the total Board strength. The Company is in compliance with the Clause 49 of the Listing Agreement pertaining to Composition of Directors.

**Composition and category of Directors is as follows:**

Category	Name of Directors
Promoter/Executive Director	Shri. Umang Patodia
Promoter / Non-Executive Directors	Shri. B K Patodia
	Shri Yoshikazu Ono (Nominee of ITOCHU Corporation, Japan) (upto 10.01.2014)
	Shri Keisuke Oba (Alternate Director to Shri Yoshikazu Ono) (upto 10.01.2014)
	Shri V. Viswanathan (Nominee of KSIDC, Trivandrum)
Independent Directors	Shri. N K Bafna
	Shri.B L Singhal (upto 31.07.2014)
	Shri.R Rajagopalan (upto 31.07.2014)
	Shri Prem Malik
	Shri. Rajen K Mariwala
	Shri S. Sundareshan (w.e.f 19.09.2014)

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

Name of the Director	DIN No	No. of shares held	Attendance particulars		No. of other Directorships and Committee memberships / Chairmanships			Relationship interse Directors
			Board meetings	Last AGM	Other Directorships including Pvt. Ltd.Cos.	Other Committee Memberships #	Other Committee Chairmanships #	
Shri. B K Patodia	00003516	34,550	4	Yes	8	None	None	Related to Shri. Umang Patodia
Shri. N K Bafna	00019372	Nil	4	Yes	3	5	2	None
Shri. B L Singhal	00006433	6,460	4	Yes	7	6	3	None
Shri. R Rajagopalan	00003642	Nil	4	Yes	2	4	3	None
Shri. Prem Malik	00023051	Nil	4	No	14	6	1	None
Shri Rajen K Mariwala	00007246	21,300	None	No	8	2	None	None
Shri. Keisuke Oba [Itochu Nominee]	03074332	Nil	None	No	None	None	None	None
Shri. V. Viswanathan [KSIDC Nominee]	00027843	Nil	4	Yes	1	None	None	None
Shri. Umang Patodia	00003588	11,000	4	Yes	3	None	None	Related to Shri.B K Patodia

# In accordance with Clause 49 of the Listing Agreement, Membership / Chairmanship of only the Audit Committees and Shareholders /Investors' Grievance 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 Clause 49 of the Listing Agreement.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Number of Board meetings held and the dates on which held;

Four Board meetings were held during the year. The maximum time gap between any such two meetings was not more than 4 calendar months.

The details of the Board Meetings are as under:-

Sl. No.	Date	Board Strength	No. of Directors present
1)	30th May, 2013	9	7
2)	29th July, 2013	9	7
3)	31st October, 2013	9	7
4)	13th February, 2014	8	7

### 3) Audit Committee

Audit Committee comprises of four Independent Directors and one Non Independent Director namely; Shri N.K Bafna, Chairman, Shri.B L Singhal, Shri.R Rajagopalan, Shri Prem Malik and Shri Umang Patodia, Managing Director. All the Members of the Audit Committee possess financial / accounting expertise. The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 (Erstwhile Section 292A of the Companies Act, 1956) and Clause 49 of the Listing Agreement.

Shri Abhilash N.A, Company Secretary is the Secretary of the Audit Committee.

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

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

- The Audit Committee shall oversee financial reporting process and disclosures.
- To review quarterly, half yearly and annual financial statements, management discussion and analysis of financial condition and results of operation.
- To review adequacy of internal controls in the Company including the plan, scope and performance of internal audit function.
- To review management letters/ letters of internal control weakness issued by the statutory auditors, internal audit report relating to internal control weakness.
- To review related party transactions.
- To review financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to depositors, debenture / shareholders and creditors.
- To oversee compliance with stock exchange and legal requirements concerning financial statements
- To review auditors qualifications (draft) and to ensure compliance with Accounting Standards
- Recommending the appointment and renewal of external Auditors / Chief internal auditor and their fees
- Recommending the appointment of Cost Auditor, fixation of audit fee, approval for payment for any other services and also approval of appointment of Chief Financial Officer (CFO).
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of intercorporate loans and investments.
- Valuation of undertaking or assets of the company, wherever necessary.
- Evaluation of internal financial controls and risk management systems
- Monitoring the end use of funds raised through public offers and related matters.

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

Sl. No.	Name of the Member	Status	No. of meetings attended
1)	Shri. N K Bafna	Chairman & Independent Director	4
2)	Shri. B.L Singhal	Independent Director	4
3)	Shri. R Rajagopalan	Independent Director	4
4)	Shri. Prem Malik	Independent Director	4
5)	Shri. Umang Patodia	Executive Director	4

The details of the meetings are as under:-

Sl. No.	Date	Committee Strength	No. of Directors present
1)	30th May, 2013	5	5
2)	29th July, 2013	5	5
3)	31st October, 2013	5	5
4)	13th February, 2014	5	5

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Shri. N K Bafna, Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 30th July, 2013.

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

**i) Internal Audit and Control:**

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

**ii) Prevention of Insider Trading:**

The Audit Committee also monitors implementation and compliance of the Company's Code of Conduct for prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended upto date. The Board has designated Shri Abhilash N.A, Company Secretary as the Compliance Officer of the Company.

**iii) Risk Management:**

The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures. The Designated Officials submit quarterly reports which are reviewed periodically by the Management Committee to ensure effective risk management.

**4) Remuneration Committee**

The Remuneration Committee of the Board of Directors comprises of three Independent Non-Executive Directors namely; Shri. B L Singhal, Chairman, Shri N.K Bafna, and Shri. R. Rajagopalan.

The broad terms of reference of the Remuneration Committee are as follows;

- Review the performance of the Managing Director after considering the Company's performance
- Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director. This including annual increment, commission and retirement benefits.

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

The Committee which is renamed as Nomination & Remuneration Committee by the Board as per Section 178 of the Companies Act, 2013 had met on 15.05.2014 and approved remuneration package of Shri. Umang Patodia , Managing Director for a period of three years from 1st June, 2014 upto 31st May, 2017, in accordance with Section 197 and 198 read with Schedule V of the Companies Act, 2013 (the Act). The same was also approved by the Board. The remuneration structure approved by the Nomination & Remuneration Committee as well as the Board of Directors is as follows;

**a) Salary:**

Rs. 4,00,000/- per month in the Scale of Rs. 400000–Rs. 20000– Rs. 440000 effective from 1st June, 2014 upto 31st May, 2017.

**b) Commission:**

Subject to the overall limits laid down in Sections 197 of the Companies Act, 2013, such percentage of the Net Profits of the Company or such quantum as may be fixed by the Board of Directors for each financial year not exceeding 5% of the Net Profits of the Company, each year, restricted to an overall limit of Rs.60 lacs per annum.

**c) Perquisites as follows:**

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

Perquisites not included in Managerial Remuneration

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

**d) Overall Remuneration:**

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time

## REPORT ON CORPORATE GOVERNANCE (Contd.)

under Section 197 and other applicable provisions of the Act read with Schedule V to the said Act, as may for the time being in force.

### e) Minimum Remuneration:

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

Pursuant to the provisions of Section 196,197,198 and 203 read with Schedule V of the Companies Act, 2013 the approval of the members in general meeting is required to be obtained with regard to the remuneration as set out in Item No.4 of the accompanying notice.

### Details of the remuneration paid to Managing Director for the Year:

The aggregate of salary and perquisites paid for the year ended 31st March, 2014 to Managing Director, was as follows:-

Shri. Umang Patodia : Rs 45.35 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 paid to Non-Executive Directors:

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

The details of payment of sitting fee are as follows;

Meeting	Amount (in Rs)
Board	7500
Committee	5000

The Fee paid for the year ended 31st March, 2014 to the Non Executive Directors is as follows:

Name of the Non-Executive Director	Sitting fee (Rs.)
Shri. B K Patodia	40000
Shri.N K Bafna	80000
Shri. B L Singhal	80000
Shri.R Rajagopalan	50000
Shri. Prem Malik	50000
Shri. V. Viswanathan	30000
Shri. Rajen K Mariwala	Nil
Shri. Keisuke Oba	Nil
Total	3,30,000

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

### 5) Shareholders / Investors' Grievance Committee

The Board has constituted Shareholders / Investors' Grievance Committee comprising Shri.B L Singhal, Chairman; Shri.N K Bafna and Shri Umang Patodia.

The Board has renamed the Committee as Stakeholders Relationship Committee at its meeting held on 15.05.2014 in line with the Section 178 of the Companies Act, 2013.

The Committee reviews redressing of shareholders and investors complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared Dividends, etc besides complaints from SEBI, Stock Exchanges, Court and various Investor forums. The Committee also oversees the performance of Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor's services.

During the year, the Committee met four times, details of which are as under:-

Sl. No.	Date	Committee Strength	No. of Directors present
1)	30th May, 2013	3	3
2)	29th July, 2013	3	3
3)	31st October, 2013	3	3
4)	13th February, 2014	3	3

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

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Investor Grievance Redressal:

SEBI had introduced its electronic portal **Sebi COmplaint REdress System (SCORES)** with the intent to ensure speedy redressal of Investors Complaints thereby casting a responsibility on the Listed Companies to file Action Taken Reports (ATRs) under SCORES.

SEBI vide its circular dated April 17, 2013 has mandated all the Listed Companies to get their **SCORES** Registration before May 17, 2013. As per the mandate, the Company obtained SCORES Registration.

It has also been mandated that all the Listed Entities are required to upload Action Taken Reports(ATRs) on the electronic portal of SEBI i.e. SCORES within 30 days from the date of receipt of any Investor Grievance. The Company regularly files Action Taken Reports (ATRs) within 30 days of receipt of any investor complaints.

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

Type of complaints	Receipt of Complaints			Total Number of complaints
	SCORES	STA/CO	OTHERS	
Non-receipt of Annual Reports	—	—	—	—
Non-receipt of Dividend Warrants	—	4	—	4
Non-receipt of Share Certificates	—	—	—	—
Complaints in respect of Electronic Transfers	—	—	—	—
Complaints / queries received from Regulatory Agencies	—	—	—	—
Total:	—	4	—	4

There were no outstanding complaints as on 31st March, 2014. Three requests for dematerialization were pending in NSDL system for approval as on 31st March,2014, which were approved/confirmed on 3rd & 5th April, 2014 and no request for dematerialization was pending in the CDSL system.

The Shareholders/Investors may please take note of the following e mail id and website for lodging their grievances as well as for accessing Company information.

Clause 47(f) of the Listing Agreement	Investor Grievance	Email ID : cs@patspin.com
Clause 54 of the Listing Agreement	Functional Website	www.patspin.com

### 6) General Body Meetings:

i) Location, date and time of Annual General Meetings held during the preceding 3 years and Special Resolutions passed:

Year	Location	Date	Day	Time	Special Resolution
2010-11	Aangan Hall, Bharat Hotel, Kochi-682 016	29.07.2011	Friday	9:30 a.m	None
2011-12	-do-	13.08.2012	Monday	9:30 a.m	Consent for fixing of Remuneration of Managing Director
2012-13	-do-	30.07.2013	Tuesday	9:30 a.m	Consent to issue Redeemable Preference Shares to Promoters & its Associates

ii) Extra –Ordinary General Meeting of the shareholders held during the year.

An Extra Ordinary General Meeting of the Shareholders of the Company was held on Tuesday, the 30th July,2013 at 10:15 a.m at Aangan Hall, Bharat Hotel, Kochi-682 016 to consider and approve the Report of the Board of Directors of the Company as required under Section 23 of the Sick Industrial Companies (Special Provisions) Act,1985 regarding the erosion of the peak net worth of the Company during the immediately preceding four financial years by its accumulated losses as on 31st March,2013 and the causes for such erosion.

(iii) Whether special resolutions were put through postal ballot, last year?

Not Applicable

(iv) Are votes proposed to be conducted through postal ballot, this year?

No

### 7) Disclosures:

#### i) Related Party Transactions/Material Contract

Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

During the year, the Company had not entered into any transaction of a material nature with any of the related parties which were in conflict with the interest of the Company.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

All transactions with the Related Parties were in the ordinary course of business and at arms length.

### ii) Details of Compliance

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI, or any Statutory Authority, on any matter related to Capital markets, during the last three years.

None.

### iii) Code of Conduct

The Company has laid down a Code of Conduct for all Board Members as well as for all Employees of the Company. The Code of Conduct is available on [www.patspin.com](http://www.patspin.com). The Managing Director has confirmed and declared that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. The declaration to that effect forms part of this report.

### iv) Adoption, Compliance and Non Adoption of non mandatory requirements

#### a) The Board

The Company meets expenses to maintain Chairman's office in the performance of his duties. The Company has not fixed up the tenure of the Independent Directors of the Board. The dates of appointment of Independent Directors are, as follows:-

Name of Independent Directors	Date of first appointment
Shri. N K Bafna	20.06.2000
Shri.B.L.Singhal	20.06.2000
Shri.R.Rajagopalan	27.01.2005
Shri.Rajen K Mariwala	21.01.2006
Shri Prem Malik	15.05.2012

#### b) Remuneration Committee

Information pertaining to Remuneration Committee is provided in Point No. 4 of this report.

#### c) 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.

#### d) Audit Qualifications

There are no qualifications in the Auditors Report on the accounts for the year 2013-14.

#### e) Others

The Company has not adopted other non-mandatory requirements of Clause 49 of the Listing Agreement relating to imparting training to the Non-Executive Directors, evaluation of their performance and the whistle blower policy during the financial year 2013-14 .

#### v) 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.

## 8) Means of communication

### Half-yearly report sent to each household of shareholders

Although, Half-yearly report is not sent to each household of shareholders, the Company normally publishes the same in all India editions of BUSINESS STANDARD [National Daily] and MANGALAM [Regional News Paper].

### Quarterly results

The quarterly results are normally published in all India editions of BUSINESS STANDARD [National Daily] and MANGALAM [Regional Newspaper].

Your Company is also uploading regularly quarterly Corporate Governance Report ,Shareholding Pattern and other related documents through web based platforms of NSE and BSE. The same can be accessed at i) <https://www.connect2nse.com/LISTING>. and ii) <https://www.listing.bseindia.com>

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



## REPORT ON CORPORATE GOVERNANCE (Contd.)

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

The Management Discussion and Analysis (MD&A) is a part of the Annual Report.

### 9) General Shareholder information:

#### I) Annual General Meeting:

a)	Date and Time	:	19th September, 2014
b)	Venue	:	'Aangan Hall', Bharat Hotel (BTH), Durbar Hall Road, Kochi- 682 016.
c)	Book closure date	:	Friday, 12th September, 2014 to Friday, 19th September, 2014 (both days inclusive)
d)	Financial calendar (tentative):		
	Annual General Meeting	:	19th September, 2014
	Results for quarter ending 30th June, 2014	:	On or before 14th August, 2014
	Results for quarter ending 30th Sept., 2014	:	On or before 14th November, 2014
	Results for quarter ending 31st Dec., 2014	:	On or before 14th February, 2014
	Results for Year ending 31st March, 2015	:	On or before 30th May, 2015

#### II) Listing

a)	Listing of Equity Shares on Stock Exchanges at	:	BSE Limited (Formerly Bombay Stock Exchange Limited) (BSE) and The National Stock Exchange of India Limited (NSE)
b)	Listing Fee	:	Annual Listing fee for the year 2014-15 have been duly paid to all the above Stock Exchanges. The Annual Custodial Charges to NSDL and CDSL has also been paid
i)	Stock Code: Scrip Code No. : Bombay Stock Exchange	:	514326
	Trading symbol : National Stock Exchange	:	PATSPINLTD
ii)	Demat ISIN Nos. in NSDL and CDSL for Equity Shares	:	INE790C01014

#### III) Stock market data :

(in Rs. per Share)

Month	BSE		NSE	
	High	Low	High	Low
April, 2013	5.49	4.50	5.75	4.40
May, 2013	5.48	3.94	5.20	4.15
June, 2013	5.41	4.04	5.30	4.30
July, 2013	5.18	4.34	5.20	4.75
August, 2013	4.99	4.02	4.70	4.50
September, 2013	4.39	3.84	4.40	4.20
October, 2013	5.35	3.70	5.10	4.15
November, 2013	7.00	5.10	7.30	5.25
December, 2013	7.53	6.50	7.50	6.25
January, 2014	8.38	6.66	8.20	7.00
February, 2014	7.35	5.74	7.35	6.00
March, 2014	6.70	5.75	6.60	5.50

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

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

#### (a) Shareholding pattern as on 31st March, 2014:

S.No.	Category	No of Shares	% of Shareholding
1	Promoters		
	GTN Textiles Limited	14287068	46.21
	KSIDC	2490000	8.05
	Patodia Family	3319850	10.74
2	Indian Financial Institutions, Banks, Mutual Funds	7300	0.02
3	Foreign Institutional Investors/NRIs	244526	0.79
4	Others	10571256	34.19
	Total:-	30920000	100

#### (b) Distribution of Shareholding as on 31st March, 2014:

S.No.	Category	No of Holders	%	No of shares	% Of Shares
1	Upto 100	10791	58.85	1007747	3.26
2	101 - 500	5410	29.50	1534612	4.96
3	501 - 1000	1117	6.09	960050	3.11
4	1001-10000	929	5.07	2718666	8.79
5	10001 - 100000	74	0.40	1885583	6.10
6	Above 100000	16	0.09	22813342	73.78
	Total:	18337	100.00	30920000	100.00

### VII) Dematerialisation of shares and Liquidity:

The shares of the Company are compulsorily traded in DEMAT form by all categories of investors with effect from 29th January 2001. The Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of our shares for scrip less trading. As on 2nd May 2014, 94.61% shares of the Company were held in Dematerialized form.

#### Liquidity of shares:

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

VIII)	Plant Location:	(1) Patodia Nagar, 5/345, Para road, Kanjikode East PO, Palakkad, Kerala – 678 621.	(2) S.F No.190 and 191, Tirupur Road, Ponneri, Udumalpet, Tamil Nadu
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## REPORT ON CORPORATE GOVERNANCE (Contd.)

IX) Address for correspondence:-

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

### DECLARATION BY CEO ON CODE OF CONDUCT AS REQUIRED BY CLAUSE 49 I(D)(ii) OF THE LISTING AGREEMENT

“As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to declare that all the Members of the Board and the Senior Management have affirmed with the Code of Conduct for the year ended 31st March, 2014”

For **PATSPIN INDIA LIMITED**

Place : Kochi,  
Date : 30th July, 2014

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

The above report was adopted by the Board of Directors at their meeting held on 30.07.2014.

### AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To the Members of **PATSPIN INDIA LIMITED**

We have examined the compliance of conditions of corporate governance by **PATSPIN INDIA LIMITED** for the year ended March 31, 2014 as stipulated in clause 49 of the Listing agreement(s) of the said Company with the stock exchange(s) in India.

The compliance of conditions on Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

**FOR M. S. JAGANNATHAN & VISVANATHAN**  
CHARTERED ACCOUNTANTS  
(ICAI FIRM NO. 001209S)

Place : Kochi  
Date : 30th July, 2014

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

# PATSPIN INDIA LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE & DEVELOPMENTS

The importance of textile industry in the national economy is overwhelming because of its contribution to economic growth, exports and employment. Exports of Textiles and Clothing during 2013-14 are estimated at around 37.47 billion USD, which works out to a share of about 12 per cent in the estimated total exports of 313.54 billion USD. This sector currently employs about 35 million workers directly and 47 million workers in allied sectors like Agriculture.

The Indian Textile Industry had faced a challenging year in 2011-12 because of economic crisis in Eurozone and the weak recovery in US, resulting in demand recession. Its working, however, improved in 2012-13 and 2013-14 on account of steady prices of raw material and better demand, both in international and domestic markets.

#### Spinning and Weaving Capacities

Figures of world's installed spinning and weaving capacities are available from International Textile Manufacturers Federation (ITMF) as of May, 2014. As at the end of 2013, world's total spindleage was 257 million, with China having 121 million spindles, representing the share of 47 per cent and India was having 48 million spindles, representing share of about 18.7 per cent. As of March, 2014, however, India's installed spindles have increased to 49.44 million, accounting for almost 19.25 per cent of the global spindleage. It is pertinent to mention that during the last four years, the spindleage in India has expanded by around 8 million. The capacity utilization of spinning of Indian textile mills has substantially increased to 90 per cent in 2013-14 as compared to 88 per cent in 2012-13.

Deducting 10 million spindles of closed mills, the number of operative spindles works out to around 40 million. The number of installed open-end rotors has marginally increased from 795 thousand in March, 2013 to 820 thousand in March, 2014. It is pertinent to point out that expansion of spinning capacity has been significant both in the organized and small spinning sectors. To meet the rising domestic demand for cotton yarn from the downstream value chain and also to meet higher targets of exports of cotton yarn and other cotton textile items, the Twelfth Five Year Plan has envisaged investment of Rs. 40,000 crores in the spinning sector.

A major chunk of spinning capacity expansion took place under the TUF Scheme, which was operative for a span of eight years from 1st April, 1999 to 31st March, 2007. Further, under the modified TUF Scheme operative from 1st April, 2007, investments during three years 2007-08 to 2009-10, increased considerably towards modernization and expansion.

The Restructured TUF Scheme was announced by the Ministry of Textiles on 28th April, 2011. The Scheme was operative from 28th April, 2011 to 31st March, 2012, the terminal year of the Eleventh Five Year Plan. The major change in the Restructured Scheme was a reduction in the repayment period to seven years with two years moratorium as compared to earlier repayment period of ten years with two years moratorium. It is commendable that Government has decided to continue TUF Scheme during the Twelfth Plan period, 2012-17.

The total subsidy outflow to stand alone spinning sector will be kept at 26 per cent of the plan allocation (i. e., Rs. 11,952.80 crore) including commitment liabilities of spinning sector of erstwhile / modified TUFs, RTUFs and fresh sanctions in the 12th Plan period.

The number of looms in the mill sector which remained stagnant at 71,000 for the three-year period, 2007-08 to 2009-10, declined to 66,000 during 2011-12 and 2012-13. It further declined to 52,000 in 2013-14. However, the weaving capacity in the powerloom sector has increased from 22.46 lakhs looms in 2009-10 to almost 23.68 lakhs looms as of February, 2014.

#### Production of Yarn

The total production of spun yarn which was 4193 million kgs in 2009-10 expanded to 4713 million kgs in 2010-11, showing a creditable growth of over 12 per cent. However, total production of spun yarn in 2011-12 was lower at 4373 million kgs exhibiting a decline of 7 per cent. For the year 2012-13, total production of spun yarn was placed at 4867 million kgs showing a robust growth of 11 per cent. The total Spun yarn production in 2013-14 is projected at 5295 million kgs. Similarly, production of cotton yarn also escalated from 2009-10 to 2010-11. Production of cotton yarn in 2012-13 was placed at 3583 million kgs and for 2013-14 it is projected at 3923 million kgs. This shows a growth of 9 per cent both in respect of spun and cotton yarn in 2013-14 as compared to the previous year.

#### Exports of Cotton Yarn

In pursuance of National Fibre Policy, Government set up in September 2010, Cotton Yarn Advisory Board (CYAB) to advise the Government on matters pertaining to production, consumption and exports of cotton yarn.

Exports of cotton yarn in 2013-14 are estimated at 1350 million kgs valued at 4.7 billion USD as against exports of 1108 million kgs valued at 3.54 billion USD in 2012-13. This shows a growth of 22 per cent in terms of quantity and 33 per cent in terms of value.

China has been increasing its sourcing of cotton yarn from all over the world in view of the high value cotton stock held by it and to meet ever increasing demand for yarn for its domestic knitting and weaving industry. Import of cotton yarn in China increased by 69 per cent from all sources - 1526 million kgs in 2012 against 903 million kgs in 2011. As against this, import

## **MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)**

of cotton yarn from India in the year 2012 increased by 124 per cent. India's exports of cotton yarn in 2012 were 326 million kgs as against 111 million kgs in 2011. The share of India's exports of cotton yarn to China accounts for almost 33 per cent of India's total exports of cotton yarn. Thus, India has emerged as the leading exporter of cotton yarn to China. However, our exports of cotton yarn to China in the current fiscal are likely to suffer due to changes brought by the Chinese Government in its cotton pricing policy.

Exports of cotton yarn are permitted freely subject to registration of contracts with DGFT. In the year 2013-14, export contracts registered with DGFT were 1415 million kgs, whereas actual exports at 1350 million kgs, is the highest so far.

### **Domestic Cotton Scenario**

For the cotton season 2012-13, Cotton Advisory Board had estimated area under cotton at 119.78 lakhs hectares and crop at 365 lakh bales. The per hectare yield for the season increased to 518 kgs as against of 496 kgs in the previous season. For the cotton season 2013-14, Cotton Advisory Board has estimated the area at 117.27 lakhs hectares and a crop of 390 lakh bales. Per hectare yield in the cotton season 2013-14 works out higher at 565 kgs.

### **Global Organic Cotton**

Global organic cotton production in 2011 declined from 1,95,797 Metric tonnes to 1,03,004 metric tonnes in 2011-12, organic cotton saw a fall of about 47 per cent. The top ten organic cotton producing countries in order by rank are: India, Turkey, Syria, China, USA, Uganda, Tanzania, Peru, Egypt and Burkina Faso. India took over Turkey's long-time standing as the number one producer in 2007-08. More than 70 per cent of the world's organic cotton is grown in India. Over the past 6 years, India has been the global leader in organic cotton production. Recently production of organic cotton is coming down as the global brands shift to Better Cotton Initiative (BCI), a market driven green alternative to conventional cotton growing using chemicals. BCI is growing rapidly getting premium over conventional cotton.

### **Better Cotton Initiative**

A sustainable environmental friendly approach of Better Cotton Initiative (BCI) is growing rapidly. BCI brings together Farmers, Ginners, Traders, Spinners, Garmenters, Retailers and Brands in a unique global community committed to develop better cotton as a sustainable main stream commodity. Today almost 900,000 Farmers from 17 countries are participating in BCI programs, including India.

### **Prospects of Cotton Crop in the Coming Season**

Government's prediction of a weak monsoon, which is already delayed for the coming season, has been causing anxiety in the industry about uncertainty of the size of cotton crop. Encouraging factors are: growing awareness among farmers for adoption of better technology and use of augmented supply of a good quality seed. So far in the current cotton crop year 2014-15 sowing is far behind, but it is expected that even if with late rainfall, the area under cotton in all probability will be almost similar to previous season. Therefore, even though the crop is nearly a month late but due to higher productivity, we will have satisfactory and adequate crop.

### **Global Cotton Production**

According to ICAC, for the cotton season 2012-13, global production was estimated at 26.68 million tons. Consumption, on the other hand, was 23.29 million tons. The ending stocks are expected to rise to 17.80 million tons, as against 15.27 million tons in 2011-12.

ICAC's forecast for global cotton production for the cotton season 2013-14 is lower at 25.63 million tons and consumption is forecast at 23.48 million tons. Ending stocks are estimated at 19.94 million tons. Thus Cotlook 'A' Index for the cotton season 2011-12 which was 100 cents per pound declined to 88 cents per pound in 2012-13. However, for the cotton season 2013-14 the price forecast is 91 cents per pound. For the cotton season 2014-15, ICAC has forecast cotton production lower at 25.26 million tons and consumption at 24.35 million tons with ending stocks at 20.89 million tons. The price forecast for Cotlook 2014-15 A index is lower at 75.90 cents per lb. This indicates comfortable supply of cotton in international markets.

The above price forecasts are based on the assumption that the Chinese Government will continue its current reserve policy. As it is, China has built up a massive national cotton reserve, ensuring raw material security to its textile industry. China holding 59 per cent of global cotton stocks, is creating significant uncertainty for the global cotton market. With reduced imports of cotton by China, its share in the global cotton stocks is set to decline.

## **BUSINESS OVERVIEW**

The Company is engaged in the business of manufacture and export of cotton yarn. The yarn is manufactured from the world's best sources of raw cotton like the American Supima, American Roller Gin SJV, Australian Cotton, DCH 32, MCU-5, MCH-1, West African, BCI, FTC, Shankar and organic, setting high standards of quality and excellence at all levels of production. The company manufactures yarns of various counts ranging from NE 20s to NE 120s. Permutations and combinations in spinning, finishing processes result in yarns of varied qualities for specific end users. The extensive range of products on company's portfolio is a testimonial to a continuous process of innovation and expansion in manufacturing

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

technology. The company was amongst the first in India to manufacture compact yarn using the breakthrough technology of compact spinning, and also uses state-of-art machineries across its plants. The company has 2 Plants at Palakkad in Kerala and Ponneri in Tamil Nadu having a capacity of 113,856 spindles, consisting of 79,025 Compact Spinning and 34,831 Ring Spinning, along with Twisting and Gassing capacities. The Company has also having 4 wind mills with total capacity of 5.80 MW, for captive consumption.

Your company's performance improved during F.Y. 2013-14 in line with over all improvement in working of textile mills, mainly on account of robust demand for cotton yarn from China as well as spurt in domestic demand. There is however anxiety in the industry that exports to China may come down due to a change in the cotton policy of China, which was the largest importer of cotton yarn in 2013-14. Further, the power situation which was critical in Tamil Nadu and Kerala in past few years is showing signs of improvement including wind evacuation support from TNEB in respect of power generated through windmills. However, power tariffs are expected to rise soon during the current fiscal. To overcome the problem of shortage of skilled and trained manpower and its increasing cost, it is gratifying that Confederation of Indian Textile Industry (CITI) has already initiated the work for establishment of Textile Sector Skill Council.

### OUTLOOK, OPPORTUNITIES AND THREATS

- (a) Global exports of textiles and clothing in 2012 were 708 billion USD, as per WTO figures. China's share in the global trade in textiles / clothing was 35 per cent and that of India a barely 5 per cent. With the rising costs in China and its deliberate shift in favour of domestic consumption, India has tremendous scope for boosting its share to a more respectable figure. Further, by 2022, world exports of textiles / clothing are projected to increase to 1,200 billion USD. The expectation is that India's exports would rise from 37.47 billion USD to 120 billion USD by 2022. This will provide immense potential to India for enhancing its exports.

On the domestic front also India is poised for a healthy growth, in view of rising population, sustained increase in per capita income and disposable surplus, favourable demographic profile and changing lifestyle. Surveys carried out by Textiles Committee also corroborate this. Besides, Government of India is becoming increasingly sensitive to the needs of the textile industry and taking ameliorative measures in regard to debt restructuring scheme, extension of TUFs and TMC in the Twelfth Five Year Plan etc. Happily, new Government has announced that it will get necessary impetus for boosting exports of textiles. This augurs well for higher of textiles from the country. Another area is rapid growth of technical textiles for which Government has been providing encouraging support.

The Ministry of Commerce has been announcing exporter-friendly measures in the Foreign Trade Policy. Favourable policy changes have been made in Focus Product Scheme, Market Product Scheme, Market Linked Focus Product Scheme, Incremental Exports Incentivisation Scheme, Liberalized EPCG Scheme, etc. All these measures will boost exports of textiles and clothing.

Above all, India is in a unique position of having an integrated textile set-up endowed with presence across all the textile value chain from fibres to fashion garments.

All these favourable factors indicate extremely optimistic and positive future for the healthy growth of the Indian textile industry.

- (b) The health of textile units is primarily dependent on adequate availability of quality cottons at competitive prices. With the augmented supply of quality seed and larger production of hybrids and Bt. cottons, production of cotton in the coming season 2013-14 is forecast to be comfortable. However, prospects for cotton crop in the season 2014-15 are uncertain on account of delayed and weak monsoon.
- (c) Inadequate Duty Drawback rates run counter to the well-accepted Government Policy of not taxing exports. It may be stated that Duty Drawback is not incentive but only refund of indirect taxes suffered by export products. Further, remission of duties suffered by exported products is totally WTO-compliant. One can only hope that Government will revise upward Duty Drawback rates to reflect the actual incidence of duties and taxes borne by exported textile products. Texprocil has been pursuing this matter with Government by providing adequate justification in a logical manner. It is expected that new Government will deal with this problem dispassionately.

### RISKS AND CONCERNS

1. Raw Cotton, an agricultural product, is the key raw material used for the manufacture of cotton yarn. Almost 65 per cent of area under cotton cultivation is rain-fed and hence is dependent on vagaries of monsoon, which this year has shown uncertain signs so far. Adequate availability of raw cotton at right prices is crucial for the Company. Any disruption in the supply and/or violent changes in the cost structure would affect the profitability of the Company.
2. The RBI's Monetary Policies are largely dictated towards controlling the inflation. However, of late RBI has been emphasizing the need to control inflation and has therefore kept the interest rates unchanged rates for the last two years.

## **MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)**

3. Your company follows an efficient inventory management system and a well-crafted strategy of procuring raw materials through a mix of spot and long-term contracts. The company's conscious efforts on maintaining a judicious mix of markets for its sales and thrust on specialty products like Organic, Fair Trade, Better Cotton Initiative (BCI), Supima yarns, Giza yarns have also proved to be beneficial
4. Volatility in foreign currency exchange rates vis-a-vis Indian Rupee is another area of concern since a sizeable production of cotton yarn is exported by your Company. The Company has in place various Management Information Systems, which enable the management to take decisions on exposures relating to exports, imports, foreign currency loans, etc. The Company continues to strengthen these systems to minimize the risk involved due to adverse movement of exchange rates.
5. Your company has a system of assessing the risks on an ongoing basis. This includes an effective internal control and management reporting system. Further, the framework also captures the existing practices to manage commodity price risk, interest risk, and foreign exchange risk etc. An important aspect of this framework is to promote a balanced approach that considers risk and return.
6. Apart from the intensification of international competition, the areas of concern are poor infrastructure resulting in higher transaction cost, very high power cuts especially in Tamil Nadu and Andhra Pradesh and Government's reluctance to introduce labour reforms. It is hoped that the new Government with substantial majority will be able to push through and implement growth oriented economic policies and introduce the long awaited labour reforms.
7. Another area of concern is Government's periodical announcements for liberalized tariff concessions offered to Least Developed countries like Bangladesh, Nepal, Bhutan and other countries under SAFTA. In fact, Government of India has unilaterally extended tariff concessions to Pakistan by reducing the number of products in the Sensitive List of India for non LDCs under SAFTA. The industry has requested the Ministry of Commerce and Industry that 146 products covered in the Sensitive List may be retained and no such tariff concession be offered to non-LDCs under SAFTA. The industry has also requested that at least a nominal import tariff of 5 per cent may be retained for all products that may be removed from the Sensitive List and specific duty rates, where applicable, may be retained.

Bilateral discussions for the Free Trade Agreement with European Union are progressing well and on conclusion of the Agreement India will have a level playing field to compete with our competitors, especially Pakistan.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has a proper and adequate internal control system to ensue that all assets are safeguarded and protected against loss from unauthorised use or disposition and that all transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

### **DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Please refer to Directors' Report on performance review.

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

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

The plant at Kanjikode Unit re-opened only on 18.5.2013 due to the illegal strike by the workmen. Barring that, Industrial Relations were cordial and satisfactory.

As on 31st March, 2014, the Company has about 1297 employees in its various offices and factory.

### **CAUTIONARY STATEMENT**

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF PATSPIN INDIA LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statement of **Patspin India Limited** ('the Company') which comprises the Balance sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of the significant accounting policy and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Companies Act, 1956, we report that:
  - (a) We have 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, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For M. S. JAGANNATHAN & VISVANATHAN**  
CHARTERED ACCOUNTANTS  
FRN 001209S

Place : Kochi  
Date : 15/05/2014

**R. MUGUNTHAN**  
PARTNER (MEMBERSHIP NO.21397)



## ANNEXURE TO THE AUDITOR'S REPORT

**The Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date to the members of PATSPIN INDIA LIMITED for the year ended 31st March 2014. We report that:**

- i)
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets are physically verified in a phased periodical manner, which, in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets and no material discrepancies were noted on such verification.
  - c) During the year, the Company has not disposed off a substantial part of its fixed assets, which affect the going concern status of the Company.
- ii)
  - a) The Inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
  - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The company has maintained proper records of inventory. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.
- iii)
  - a) The Company has not granted any loans or advances, secured or unsecured to firms, companies or other parties covered in the Register maintained under section 301 of the Companies Act, 1956 and hence sub clauses b, c & d are not applicable.
  - b) During the year, the Company has not taken any loans or advances, secured or unsecured from firms, companies or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. However, there is a deposit received amounting to Rs. 9 lakhs from a party covered under the above mentioned section during earlier years and same remains as outstanding at the year end and maximum amount outstanding during the year.
  - c) In our opinion and according to the information and explanations given to us, other terms and conditions on which such deposit have been taken are prima facie not prejudicial to the interest of the company;
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- v)
  - a) According to the information and explanations given to us, we are of the opinion that the transactions that made in pursuance of contracts or arrangements, that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in (v)(a) above and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us the company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules 1975 with regard to the deposits accepted from the public. No order has been passed by the National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and Section 128 read with Section 2(13) of the Companies Act, 2013 in respect of manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out a detailed examination of the same.

**Annexure to the Auditor's Report (Contd.)**

- ix) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Investor Education Protection Fund, Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and Cess were in arrears, at the year end for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are following dues of which have not been deposited on account of dispute and the same is being contested by the Company.

<b>Srl. No.</b>	<b>Name of the Statute</b>	<b>Nature of the Dues</b>	<b>Amount (Rupees in lakhs)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
1.	Income tax Act,1961	Income tax	254	A.Y.2001-02 to A.Y.2005-06	Hon'ble Supreme Court of India

- x) The Company has accumulated losses of Rs. 3480.53 lakhs as at 31st March 2014 which is more than fifty percent (50%) of the networth. The Company has not incurred any cash loss during the financial year covered by our audit and had incurred cash loss of Rs. 291.69 lakhs during immediately preceding financial year.
- xi) Based on our audit procedures and according to the information, the company has not defaulted in repayment of dues to Bank(s) or Financial Institution(s).
- xii) In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a Nidhi/Mutual benefit fund/ Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- xv) During the year, the Company has not given guarantees for loans taken by others from bank(s) or financial institution(s).
- xvi) In our opinion and according to the information and explanations given to us, the Term Loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance sheet of the company, we report that no funds raised on short time basis have been used for long term investments.
- xviii) During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- xix) The company has not issued any debentures during the year.
- xx) The company has not made any Public Issues during the year.
- xxi) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

**For M. S. JAGANNATHAN & VISVANATHAN**  
CHARTERED ACCOUNTANTS  
FRN 001209S

Place : Kochi  
Date : 15/05/2014

**R. MUGUNTHAN**  
PARTNER (MEMBERSHIP NO. 21397)

# PATSPIN INDIA LIMITED

## BALANCE SHEET

	Note	As at 31.03.2014 (Rs. in lacs)	As at 31.03.2013 (Rs. in lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	5143.00	4873.00
(b) Reserves and surplus	3	<u>(2012.25)</u>	<u>(2437.58)</u>
<b>Sub-Total</b>		<u>3130.75</u>	<u>2435.42</u>
<b>2 Share application money pending allotment for preference Share Capital</b>		—	135.00
<b>3 Non-current liabilities</b>			
Long-term borrowings	4	<u>18364.27</u>	<u>21281.44</u>
<b>Sub-Total</b>		<u>18364.27</u>	<u>21281.44</u>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	5	8902.41	6414.90
(b) Trade payables	6	4217.73	4528.51
(c) Other current liabilities	7	4466.72	3747.11
(d) Short-term provisions	8	<u>87.62</u>	<u>72.11</u>
<b>Sub-Total</b>		<u>17674.48</u>	<u>14762.63</u>
<b>TOTAL</b>		<u>39169.50</u>	<u>38614.49</u>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	9		
(i) Tangible assets		19575.47	20726.83
(ii) Intangible assets		19.71	25.64
(iii) Capital work-in-progress		0.27	525.34
(b) Non-current investments	10	184.66	31.27
(c) Deferred tax Asset (Net)	11	65.66	197.68
(d) Long-term loans and advances	12	967.80	955.51
(e) Other Non-current assets	13	<u>840.78</u>	<u>960.89</u>
<b>Sub-Total</b>		<u>21654.35</u>	<u>23423.16</u>
<b>2 Current assets</b>			
(a) Inventories	14	11207.90	8089.31
(b) Trade receivables	15	3137.71	4684.98
(c) Cash and Bank Balances	16	1216.35	788.07
(d) Short-term loans and advances	17	1821.01	1486.94
(e) Other current assets	18	<u>132.18</u>	<u>142.03</u>
<b>Sub-Total</b>		<u>17515.15</u>	<u>15191.33</u>
<b>TOTAL</b>		<u>39169.50</u>	<u>38614.49</u>

Significant Accounting Policies 1  
The accompanying Notes 1 to 41 are an integral part of the financial statements

As per our report of even date attached  
For **M.S. JAGANNATHAN & VISVANATHAN**  
Chartered Accountants (ICAI FRN 001209S)

For and on behalf of the Board

**B. K. PATODIA**  
Chairman

**N. K. BAFNA**  
Director

**R. MUGUNTHAN**  
Partner  
M. No. 21397  
Place : Kochi  
Date : 15th May, 2014

**UMANG PATODIA**  
Managing Director  
  
**ABHILASH N.A**  
Company Secretary

# PATSPIN INDIA LIMITED

## STATEMENT OF PROFIT AND LOSS

	Note	Year Ended 31.03.2014 (Rs. in lacs)	Year Ended 31.03.2013 (Rs. in lacs)
<b>Revenue</b>			
Income from Operations	19	60960.92	46196.94
Other Income	20	<u>103.82</u>	<u>99.69</u>
<b>Total Revenue</b>		<u><b>61064.74</b></u>	<u><b>46296.63</b></u>
<b>Expenses:</b>			
Cost of Materials Consumed	21	35131.01	28006.33
Purchases of Stock-in-Trade		11098.81	6376.93
Changes in inventories of Finished goods, Goods-in-process and Waste	22	(1675.16)	1053.26
Employee Benefits Expense	23	2630.32	1829.69
Finance Costs	24	3463.93	2904.14
Depreciation and Amortization Expense		1898.77	2032.24
Other Expenses	25	<u>7959.71</u>	<u>6417.97</u>
<b>Total Expenses</b>		<u><b>60507.39</b></u>	<u><b>48620.56</b></u>
<b>Profit/(Loss) before tax</b>		<b>557.35</b>	(2323.93)
Tax Expense:			
Current Tax		—	—
Deferred tax charge/(credit)		<u>132.02</u>	<u>(741.82)</u>
<b>Profit / (Loss) for the year</b>		<u><b>425.33</b></u>	<u><b>(1582.11)</b></u>
<b>Earnings Per Share:(Nominal Value per share:Rs 10)</b>			
Basic and Diluted - in Rs.		<b>1.26</b>	(5.12)

Significant Accounting Policies 1

The accompanying Notes 1 to 41 are an integral part of the financial statements

As per our report of even date attached  
For **M.S. JAGANNATHAN & VISVANATHAN**  
Chartered Accountants (ICAI FRN 001209S)

**R. MUGUNTHAN**  
Partner  
M. No. 21397  
Place : Kochi  
Date : 15th May, 2014

For and on behalf of the Board

**B. K. PATODIA**  
Chairman

**N. K. BAFNA**  
Director

**UMANG PATODIA**  
Managing Director

**ABHILASH N.A**  
Company Secretary

# PATSPIN INDIA LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	2013-14 (Rs in lacs)	2012-13 (Rs in lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax and extra ordinary items	557.35	(2323.93)
Adjustments for:		
Depreciation	1892.84	2021.90
Amortisation	5.93	10.34
Loss on disposal of tangible assets (net)	40.08	17.45
Unrealised Foreign Currency Gain /(Loss)	24.30	75.10
Interest income	(78.67)	(80.70)
Interest Expenditure	3117.59	2619.67
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	5559.42	2339.83
Changes in Working Capital:		
Increase / (Decrease) in trade payables	(340.24)	1798.52
Increase / (Decrease) in provisions	15.51	16.06
Increase / (Decrease) in other current liabilities	353.72	28.85
(Increase) / Decrease in trade receivables	1538.56	(2114.47)
(Increase) / Decrease in inventories	(3118.59)	1344.89
(Increase) / Decrease in Short Term loans and advances	(334.07)	26.62
(Increase) / Decrease in other current assets	9.85	(133.13)
(Increase) / Decrease in other Bank balances	(137.66)	(159.06)
(Increase)/ Decrease in Long term Loans and advances	(1.52)	(30.77)
<b>CASH GENERATED FROM OPERATIONS</b>	3544.98	3117.34
Direct Taxes paid	(10.77)	(10.34)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	3534.21	3107.00
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of tangible/intangible assets	(364.52)	(298.40)
Sale of tangible/intangible assets	108.03	60.25
Interest received	78.67	80.70
(Increase)/Decrease in Non Current Assets	(153.39)	(30.96)
(Increase)/Decrease in Other Non Current Assets	120.11	(960.89)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	(211.10)	(1149.30)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Advance for Preference Share Capital	—	135.00
Issue of Preference Share Capital	135.00	1,081.00
Repayment of Fixed Deposits	—	(50.00)
Interest paid	(3120.48)	(2589.71)
Proceeds from Long Term borrowings	—	2571.42
Repayment of Long Term borrowings	(2462.94)	(473.92)
Proceeds / (Repayment) from Short Term Borrowings	2422.48	(2788.70)
Proceeds /(Repayment) of Finance Lease Obligations ( Net)	(6.55)	(5.97)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(3032.49)	(2120.88)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	290.62	(163.18)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	192.86	356.04
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	483.48	192.86

**Note:**

1. The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3-Cash Flow statement.
2. Previous year's figures have been regrouped wherever necessary.

As per our report of even date attached  
For **M.S. JAGANNATHAN & VISVANATHAN**  
Chartered Accountants (ICAI FRN 001209S)

For and on behalf of the Board

**B. K. PATODIA**  
Chairman

**N. K. BAFNA**  
Director

**R. MUGUNTHAN**  
Partner  
M. No. 21397  
Place : Kochi  
Date : 15th May, 2014

**UMANG PATODIA**  
Managing Director  
  
**ABHILASH N.A**  
Company Secretary

# PATSPIN INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH 2014

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A) BASIS OF PRESENTATION

The financial statements are prepared to comply with the mandatory Accounting Standards prescribed in the Companies (Accounting Standards) Rules 2006,(as amended) issued by the National Advisory Committee on Accounting Standards and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention, on the basis of a going concern and on accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act,1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 (twelve) months for the purpose of current and non current classification of assets and liabilities

#### B) USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses of that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively.

#### C) FIXED ASSETS

(i) Tangible Assets/Intangible Assets are stated at acquisition cost less net of accumulated depreciation. Expenditure during construction period in respect of new project/expansion is allocated to the respective fixed assets on their being ready for commercial use. Fixed assets are eliminated from financial statements ,either on disposal or when retired from active use. Also refer Policy G and H below. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

(ii) Impairment of Assets : The company assesses at each Balance Sheet date whether there is any indication that any asset (both tangible and intangible) may be impaired, if any such indication exists, the carrying value of such assets 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.

#### D) INVESTMENTS

Long term investments are stated at cost less provision, if any, for other than temporary diminution in the value of investments.

#### E) INVENTORIES

Inventories are stated at lower of cost and net realisable value. Cost of raw material is computed by using "Specific identification" method and for other inventories "Weighted Average " method. The cost includes cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

#### F) REVENUE RECOGNITION

Sales are recognised as and when risks and rewards of ownership are passed on to the buyer and ultimate realisation of price is reasonably certain. Export Sales are inclusive of deemed exports while domestic sales are net of Value Added Tax.

#### G) BORROWING COST

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

#### H) DEPRECIATION

Depreciation has been provided at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Plant and Equipment have been, on technical assessment, considered as continuous process plants and depreciation has been provided under straight line method as specified in the said Schedule.

Depreciation on Wind Turbine Machinery has been provided on Straight Line Method at general rates as specified in the said Schedule.

Intangible Assets are amortised at the rate of 16.21% based on their estimated useful lives.

#### I) 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

### Defined Contribution Plans:

Retirement benefits in the form of Provident fund, Family Pension Funds, Superannuation Fund (wherever opted) and ESIC are defined contribution scheme and the contributions are charged to the statement of profit and loss of the period when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective trusts.

### Defined Benefit plans:

The company provides for Gratuity, a defined benefit retirement plan, covering eligible employees. The scheme is funded with Life Insurance Corporation of India. Liabilities under gratuity plan is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial Period.

### Termination Benefits:

Payments under Voluntary Retirement Scheme, if any are recognized in the Statement of Profit and Loss Account of the year in which such payments are effected.

## J) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at the rate of exchange in force on the date of transactions.

Foreign currency assets and liabilities both monetary and non monetary are stated at the rate of exchange prevailing at the year-end and resultant gains /losses are recognised in the Statement of profit and loss. Premium /Discount in respect of forward foreign exchange contracts are recognised over the life of the contracts.

## K) TAXATION

Income Tax expenses comprises Current Tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year, unabsorbed depreciation or carry forward loss under taxation laws).

Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted on the Balance Sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. At each balance sheet date the company re-assesses the deferred tax assets.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period and is reviewed at each balance sheet date.

## L) PROVISIONS AND CONTINGENT LIABILITIES

Provisions: Provisions are recognised when there is a present 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.

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

## M) CASH AND CASH EQUIVALENTS

In the cash flow statement, cash and cash equivalents includes Cash in Hand, Demand Deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

## N) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit /loss for the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

### 2 SHARE CAPITAL

	As at 31.03.2014 (Rs in lacs)	As at 31.03.2013 (Rs in lacs)
<b>(a) Authorised:</b>		
400,00,000 Equity shares (Previous Year 400,00,000) of Rs. 10 each	4000.00	4000.00
25,00,000 Redeemable preference shares (Previous Year 25,00,000) of Rs. 100 each	2500.00	2500.00
<b>(b) Issued ,Subscribed and fully paid up shares</b>		
309,20,000 Equity shares (Previous year 309,20,000) of Rs.10 each	3092.00	3092.00
7,00,000 5% Non Cumulative Redeemable preference shares (Previous Year 7,00,000) of Rs.100 each	700.00	700.00
13,51,000 0.01% Non Cumulative Redeemable preference shares (Previous Year 10,81,000) of Rs. 100 each issued to lenders /promoters and their associates as per the CDR Package(Refer Note No.35)	1351.00	1081.00
<b>Total</b>	<u>5143.00</u>	<u>4873.00</u>

#### (c) Reconciliation of number of shares

	As at 31.03.2014		As at 31.03.2013	
	No of Shares	Amount Rs lacs	No of Shares	Amount Rs lacs
<b>1 Equity Shares:</b>				
Balance as at the beginning of the year	309,20,000	3092.00	309,20,000	3092.00
Add: Shares issued during the Year	Nil	Nil	Nil	Nil
Balance as at the end of the year	309,20,000	3092.00	309,20,000	3092.00
<b>2 5% Non Cumulative Redeemable Preference Shares of Rs 100 each</b>				
Balance as at the beginning of the year	7,00,000	700.00	7,00,000	700.00
Add: Shares issued during the Year	Nil	Nil	Nil	Nil
Balance as at the end of the year	7,00,000	700.00	7,00,000	700.00
<b>3 0.01% Non Cumulative Redeemable Preference Shares of Rs 100 each</b>				
Balance as at the beginning of the year	10,81,000	1,081.00	—	—
Add: Shares issued during the Year	2,70,000	270.00	10,81,000	1081.00
Balance as at the end of the year	13,51,000	1,351.00	10,81,000	1081.00

#### (d) Rights, preferences and restrictions attached to shares

Preference Shares:

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

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

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

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

- iii 270000, 0.01 % Non Cumulative preference shares of Rs 100 each were issued to Promoters and their associates as per the CDR Package. The issue details are as follows.

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

### (e) Shares held by holding/Ultimate holding company/or their subsidiaries/associates

		As at 31.03.2014		As at 31.03.2013	
		No of Shares	% of holding in the Class	No of Shares	% of holding in the Class
1	Equity Shares: GTN Textiles Limited (Promoter / Associate )	14257068	46.21%	14257068	46.21%
2	Preference Shares:	Nil	Nil	Nil	Nil

### (f) Details of shareholders holding more than 5% of shares in the Company

		As at 31.03.2014		As at 31.03.2013	
		No of Shares	% of holding in the Class	No of Shares	% of holding in the Class
1	Equity Shares:				
	Name of shareholder				
i	GTN Textiles Limited (Promoter / Associate )	14257068	46.21%	14257068	46.21%
ii	KSIDC Ltd (Promoter)	2490000	8.05%	2490000	8.05%
iii	Itochu Textiles Materials (Asia) Ltd (Promoter)	Nil	Nil	3000000	9.70%
	Name of shareholder				
2	5% Non Cumulative Redeemable Preference Shares of Rs. 100 each				
i	Smt Deepa Bagla	600000	85.71%	600000	85.71%
ii	Shri B. K. Patodia	75000	10.71%	75000	10.71%
3	0.01% Non Cumulative Redeemable Preference Shares of Rs. 100 each issued as per the CDR Package				
i	Central Bank of India	199000	14.73%	199000	18.41%
ii	State Bank of India	199000	14.73%	199000	18.41%
iii	Oriental Bank of Commerce	153000	11.32%	153000	14.15%
iv	Karur Vysya Bank	82000	6.07%	82000	7.59%
v	Bank of Maharashtra	112000	8.29%	112000	10.36%
vi	Export Import Bank of India	121000	8.96%	121000	11.19%
vii	State Bank of Travancore	100000	7.40%	100000	9.25%
viii	Canara Bank	115000	8.51%	115000	10.64%
ix	Smt Deepa Bagla	270000	19.99%	—	—
4	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				

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

### 3 RESERVES AND SURPLUS

	As at 31.03.2014 (Rs in lacs)	As at 31.03.2013 (Rs in lacs)
<b>Capital Redemption Reserve</b>		
Balance as at the beginning and the end of the year	1000.00	1000.00
<b>Securities Premium Account</b>		
Balance as at the beginning and the end of the year	468.28	468.28
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(3905.86)	(2323.75)
Less: Profit/(Loss) for the year from the Statement of Profit and Loss	425.33	(1582.11)
Balance as at the end of the year	<u>(3480.53)</u>	<u>(3905.86)</u>
<b>Total</b>	<u>(2012.25)</u>	<u>(2437.58)</u>

### 4 LONG TERM BORROWINGS

	As at 31.03.2014 (Rs in lacs)		As at 31.03.2013 (Rs in lacs)	
	Non Current	Current	Non Current	Current
<b>Secured Loans</b>				
<b>(a) Term Loans :</b>				
(i) From a Financial Institution	1094.43	369.24	1463.73	203.46
(ii) From Banks	17266.25	2506.78	19766.94	2265.51
<b>(b) Finance Lease obligations :</b>				
From Banks	3.59	7.18	10.77	6.55
<b>Un Secured Loans</b>				
Public Deposits (Refer Note No 5)	—	—	40.00	—
<b>Total</b>	<u>18364.27</u>	<u>2883.20</u>	<u>21281.44</u>	<u>2475.52</u>

#### I Term Loan are secured by :

- (i) Term loans from banks and financial institution, excluding corporate term loan from a bank of Rs. 1500 lacs (security for which is explained in Para 1(ii) below) and Term Loan from a financial institution of Rs. 2000 lacs (security for which is explained in Para 1(iii) below), are secured by first charge by way of equitable mortgage on all the immovable assets of the company, both present and future, and by way of hypothecation on all moveable assets (excluding vehicle purchased on Finance lease basis) of the company, and further secured by second charge on current assets of the company, subject to prior charges in favour of banks for working capital ranking pari passu, inter se (as mentioned in Note No 5, Para (i) and (ii) and further secured by personal guarantee of two Directors of the Company.
- (ii) Corporate term loan from a bank of Rs. 1500 lacs mentioned in para 1 (i) above is secured by way of hypothecation of moveable assets (excluding vehicle purchased on Finance lease basis) of the company, both present and future, has been secured by second charge by way of equitable mortgage on the immovable assets of the company, both present and future, and further secured by personal guarantee of two directors of the Company.
- (iii) Term Loan from a financial institution of Rs. 2000 lacs is secured by first charge by way of equitable mortgage on all the immovable assets of the company, both present and future, and by way of hypothecation on all moveable assets (excluding vehicle purchased on Finance lease basis) of the company, and further secured by second charge on current assets of the company, subject to prior charges in favour of banks for working capital ranking pari passu, inter se (as mentioned in Note No 5, Para (i) and (ii) below), and further secured by Corporate Guarantee from GTN Textiles Limited (Rs 300 lacs) and GTN Enterprises Limited (Rs. 1700 lacs).
- (iv) Finance lease obligations are relating to vehicles and are secured by hypothecation of respective vehicles costing Rs 40.53 lacs (Previous year Rs 40.53 lacs).

#### II The Maturity Profile of Secured Loans are as set out below:

	Maturity Pattern (Rs Lacs)		
	Within One Year	1-5 Years	Beyond 5 Years
a Term Loans	2876	9948	8413
b Finance Lease obligations	7	4	Nil

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

### 5 SHORT TERM BORROWINGS

	As at 31.03.2014 (Rs in lacs)	As at 31.03.2013 (Rs in lacs)
<b>(a) SECURED LOANS</b>		
<b>Working Capital Loans</b>		
From Banks	8853.41	6405.90
<b>(b) UNSECURED LOANS</b>		
1. Fixed Deposits		
- Public (Refer Note No 4)	49.00	9.00
<b>Total</b>	<u>8902.41</u>	<u>6414.90</u>

i Working Capital limits from Banks are secured by:

Working Capital loans from banks are secured / to be secured by first charge by way of hypothecation on current assets of the company and further secured by way of second charge over the immovable assets of the company both present and future and further secured by personal guarantee of two directors of the Company.

ii Non Fund based limits from Banks are secured by:

Non-fund based limits sanctioned by the bankers are secured / to be secured by extension of first charge on the current assets of the Company and further secured by second charge on the immovable properties of the company and personal guarantee of two directors of the company; Total amount outstanding at the end of the year is Rs 6121.73 lacs (Previous year Rs 5026.08 lacs).

### 6 TRADE PAYABLES

	As at 31.03.2014 (Rs in lacs)	As at 31.03.2013 (Rs in lacs)
Due to Micro, Small and Medium Enterprises (MSME's) (Refer Note No 36)	2.17	1.65
Other than MSME's	4215.56	4526.86
<b>Total</b>	<u>4217.73</u>	<u>4528.51</u>

### 7 OTHER CURRENT LIABILITIES

Current maturities of long-term debt (Refer Note 4)	2876.02	2468.97
Current maturities of Finance lease obligations (Refer Note 4)	7.18	6.55
Interest accrued but not due on borrowings	46.62	43.73
Unclaimed dividends *	5.44	11.92
Creditors for Capital Expenditure	435.35	377.40
Advances from customers	451.69	491.88
Statutory and Other dues payable	53.14	36.15
Expenses Payable	591.28	310.51
<b>Total</b>	<u>4466.72</u>	<u>3747.11</u>

\*Due to Investors Education and Protection Fund Under Section 205C of the Companies Act,1956 will be determined and deposited on the respective due dates.

### 8 SHORT TERM PROVISIONS

Provision for Employee benefits	87.62	72.11
<b>Total</b>	<u>87.62</u>	<u>72.11</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

### 9 FIXED ASSETS

(Rs in lacs)

Description of Assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2013	Addition	Deductions / Adjustments	As at 31.03.2014	Up to 31.03.2013	For the Year	Deductions / Adjustments	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>A. TANGIBLE ASSETS</b>										
<b>a. Own Assets</b>										
Land -Freehold	278.62	0.75	—	<b>279.37</b>	—	—	—	—	<b>279.37</b>	278.62
	(273.16)	(5.46)	—	<b>(278.62)</b>	—	—	—	—	<b>(278.62)</b>	(273.16)
Building	4,811.71	131.54	—	<b>4,943.25</b>	1,555.50	136.91	—	<b>1,692.41</b>	<b>3,250.84</b>	3,256.21
	(4,798.12)	(13.59)	—	<b>(4,811.71)</b>	(1,418.97)	(136.53)	—	<b>(1,555.50)</b>	<b>(3,256.21)</b>	(3,379.15)
Plant and Equipment	28,860.64	747.00	410.97	<b>29,196.67</b>	13,017.58	1,380.22	262.86	<b>14,134.94</b>	<b>15,061.73</b>	15,843.06
	(28,686.88)	(306.32)	(132.56)	<b>(28,860.64)</b>	(11,566.33)	(1,506.11)	(54.86)	<b>(13,017.58)</b>	<b>(15,843.06)</b>	(17,120.55)
-do- Wind Mill	3,453.95	—	—	<b>3,453.95</b>	2,227.37	357.14	—	<b>2,584.51</b>	<b>869.44</b>	1,226.58
	(3,453.95)	—	—	<b>(3,453.95)</b>	(1,870.23)	(357.14)	—	<b>(2,227.37)</b>	<b>(1,226.58)</b>	(1,583.72)
Furniture	165.18	10.31	—	<b>175.49</b>	100.91	6.62	—	<b>107.53</b>	<b>67.96</b>	64.28
	(164.17)	(1.01)	—	<b>(165.18)</b>	(94.15)	(6.76)	—	<b>(100.91)</b>	<b>(64.28)</b>	(70.02)
Office Equipments	129.68	—	—	<b>129.68</b>	117.37	3.75	—	<b>121.12</b>	<b>8.56</b>	12.31
	(127.26)	(2.42)	—	<b>(129.68)</b>	(113.99)	(3.38)	—	<b>(117.37)</b>	<b>(12.31)</b>	(13.27)
Vehicles	101.87	—	—	<b>101.87</b>	87.18	5.61	—	<b>92.79</b>	<b>9.08</b>	14.69
	(101.87)	—	—	<b>(101.87)</b>	(79.05)	(8.13)	—	<b>(87.18)</b>	<b>(14.69)</b>	(22.82)
<b>Total</b>	<b>37,801.65</b>	<b>889.60</b>	<b>410.97</b>	<b>38,280.28</b>	<b>17,105.91</b>	<b>1,890.26</b>	<b>262.86</b>	<b>18,733.31</b>	<b>19,546.97</b>	<b>20,695.75</b>
	<b>(37,605.41)</b>	<b>(328.80)</b>	<b>(132.56)</b>	<b>(37,801.65)</b>	<b>(15,142.72)</b>	<b>(2,018.05)</b>	<b>(54.86)</b>	<b>(17,105.91)</b>	<b>(20,695.75)</b>	<b>(22,462.69)</b>
<b>b. Assets taken on Finance Lease:</b>										
Vehicles	40.53	—	—	<b>40.53</b>	9.45	2.59	—	<b>12.04</b>	<b>28.49</b>	31.08
	(40.53)	—	—	<b>(40.53)</b>	(5.60)	(3.85)	—	<b>(9.45)</b>	<b>(31.08)</b>	(34.93)
<b>Total A (a+b)</b>	<b>37,842.18</b>	<b>889.60</b>	<b>410.97</b>	<b>38,320.81</b>	<b>17,115.36</b>	<b>1,892.84</b>	<b>262.86</b>	<b>18,745.34</b>	<b>19,575.47</b>	<b>20,726.83</b>
	<b>(37,645.94)</b>	<b>(328.80)</b>	<b>(132.56)</b>	<b>(37,842.18)</b>	<b>(15,148.32)</b>	<b>(2,021.90)</b>	<b>(54.86)</b>	<b>(17,115.36)</b>	<b>(20,726.83)</b>	<b>(22,497.62)</b>
<b>B. INTANGIBLE ASSETS</b>										
Computer Software	231.35	—	—	<b>231.35</b>	205.71	5.93	—	<b>211.64</b>	<b>19.71</b>	25.64
	(231.35)	—	—	<b>(231.35)</b>	(195.37)	(10.34)	—	<b>(205.71)</b>	<b>(25.64)</b>	(35.98)
<b>Total B</b>	<b>231.35</b>	<b>—</b>	<b>—</b>	<b>231.35</b>	<b>205.71</b>	<b>5.93</b>	<b>—</b>	<b>211.64</b>	<b>19.71</b>	<b>25.64</b>
	<b>(231.35)</b>	<b>—</b>	<b>—</b>	<b>(231.35)</b>	<b>(195.37)</b>	<b>(10.34)</b>	<b>—</b>	<b>(205.71)</b>	<b>(25.64)</b>	<b>(35.98)</b>
<b>Total A + B</b>	<b>38,073.53</b>	<b>889.60</b>	<b>410.97</b>	<b>38,552.16</b>	<b>17,321.07</b>	<b>1,898.77</b>	<b>262.86</b>	<b>18,956.98</b>	<b>19,595.18</b>	<b>20,752.47</b>
	<b>(37,877.29)</b>	<b>(328.80)</b>	<b>(132.56)</b>	<b>(38,073.53)</b>	<b>(15,343.69)</b>	<b>(2,032.24)</b>	<b>(54.86)</b>	<b>(17,321.07)</b>	<b>(20,752.47)</b>	<b>(22,533.60)</b>
Capital Work-in-Progress									<b>0.27</b>	525.34
									<b>(525.34)</b>	(552.31)

\*Figures in brackets represent previous year's figures

#### Capital Work-in-Progress (at cost) comprises :

	As at 31.03.2014	As at 31.03.2013
Building	—	68.68
Plant and Equipment	<b>0.27</b>	456.66
<b>Total</b>	<b><u>0.27</u></b>	<b><u>525.34</u></b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

### 10 NON CURRENT INVESTMENTS

	As at 31.03.2014 (Rs in lacs)	As at 31.03.2013 (Rs in lacs)
<b>Long Term Investment - At cost</b>		
<b>In Equity instruments - Non-Trade (unquoted)</b>		
1,450 Equity Shares (Previous Year 1,450) of Rs. 100 each in Matspin India Private Limited	1.45	1.45
5,53,718 Equity Shares (Previous Year 50,000) of Rs. 10 each at a premium of Rs. 9/share in Gamma Green Power Private Limited	105.21	9.50
7,70,000 Equity Shares (Previous Year 2,00,000 ) of Rs. 10 each in Clarion Wind Farm Private Limited	77.00	20.00
500 Equity Shares (Previous Year-Nil) of Rs. 10 each at a premium of Rs. 126/ share in Suryadev Alloys and Power Pvt Ltd	0.68	—
<b>In Government Securities - Non-Trade (unquoted)</b>		
National Savings Certificates (Lodged with statutory authorities)	0.32	0.32
<b>Total</b>	<u><u>184.66</u></u>	<u><u>31.27</u></u>

### 11 DEFERRED TAX ASSET (Net)

<b>a Deferred Tax Asset</b>		
Unabsorbed Depreciation	3266.97	3,412.90
Other Disallowances	122.49	110.17
<b>b Deferred Tax Liability</b>		
Related to Fixed Assets	(3323.80)	(3,325.39)
<b>Net Deferred Tax Asset</b>	<u><u>65.66</u></u>	<u><u>197.68</u></u>

The company has recognized deferred tax asset on the basis of export orders and expected profits. Thus management is virtually certain that sufficient future taxable income would be available against which brought forward business losses and unabsorbed business depreciation would be set off.

### 12 LONG TERM LOANS AND ADVANCES

Unsecured and considered good unless otherwise stated

Capital Advances	79.93	90.48
Security Deposits	52.00	39.93
Income Tax (Net of Provision Rs. 562.77 lacs ; Previous year Rs. 562.77 lacs)	403.56	392.79
Minimum Alternate Tax Credit entitlement	432.31	432.31
<b>Total</b>	<u><u>967.80</u></u>	<u><u>955.51</u></u>

### 13 OTHER NON CURRENT ASSETS

Unamortised borrowing costs (arising as per CDR scheme) (Refer Note No 35)	840.78	960.89
<b>Total</b>	<u><u>840.78</u></u>	<u><u>960.89</u></u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

### 14 INVENTORIES

	As at 31.03.2014 (Rs in lacs)	As at 31.03.2013 (Rs in lacs)
Method of valuation - Refer Note No.1(E) of Significant Accounting Policy		
Stores, Spares and Packing Materials	65.71	84.45
Raw Materials	7563.44	6101.27
Goods-in-Process	589.40	531.15
Finished Goods	2913.99	1359.24
Waste Stock	75.36	13.20
<b>Total</b>	<u><u>11207.90</u></u>	<u><u>8089.31</u></u>

### 15 TRADE RECEIVABLES

Unsecured, considered good unless otherwise stated		
Doubtful		
Outstanding exceeding six months from the due date	23.11	23.11
Less: Provision for Doubtful Debts	23.11	23.11
	—	—
Considered Good		
Outstanding exceeding six months from the due date	—	2198.48
Outstanding Less than six months from the due date	3137.71	2486.50
<b>Total</b>	<u><u>3137.71</u></u>	<u><u>4684.98</u></u>

### 16 CASH AND BANK BALANCES

#### a Cash and Cash Equivalents :

Cash in Hand	2.81	3.89
Balances with Scheduled Banks in Current Accounts	480.67	188.97
	<u>483.48</u>	<u>192.86</u>

#### b Other Bank Balances :

Unpaid Dividend Accounts	5.44	11.92
Margin Money Deposit Accounts	707.15	565.75
Deposit Accounts under lien	20.28	17.54
	<u>732.87</u>	<u>595.21</u>
<b>Total (a) + (b)</b>	<u><u>1216.35</u></u>	<u><u>788.07</u></u>

### 17 SHORT TERM LOANS AND ADVANCES

Unsecured considered good, unless otherwise stated:

Considered doubtful	2.13	2.13
Less: Provision for Doubtful advances	2.13	2.13
	—	—
TUF Subsidy	872.96	795.34
Export Incentives	608.37	288.94
Security Deposits	106.12	120.16
Prepaid Expenses	113.84	122.70
Balances with Statutory Authorities	77.81	48.76
Other Advances	41.91	111.04
<b>Total</b>	<u><u>1821.01</u></u>	<u><u>1486.94</u></u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)**

**18 OTHER CURRENT ASSETS**

	Year ended 31.03.2014 (Rs in lacs)	Year ended 31.03.2013 (Rs in lacs)
Unamortised borrowing costs (arising as per CDR scheme)	120.11	120.11
(Refer Note No.35) Interest accrued on Deposits	12.07	21.92
<b>Total</b>	<u><u>132.18</u></u>	<u><u>142.03</u></u>

**19 INCOME FROM OPERATIONS**

**A Sale of Products**

**Finished Goods :**

Exports	23400.62	20629.33
Local	21701.33	15651.52

**Traded Goods**

Exports	11646.00	6735.00
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**Waste Sales**

Exports	1412.75	730.37
Local	1569.65	1481.52

**Gross Sales**

59730.35	45227.74
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**Less:Excise Duty**

—	—
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**Net Sales**

<u>59730.35</u>	<u>45227.74</u>
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**B Other Operating Revenues**

Export Incentives	1067.49	856.90
Job Work Charges	163.08	112.30

<u>1230.57</u>	<u>969.20</u>
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<b>Total (A) + (B)</b>	<u><u>60960.92</u></u>	<u><u>46196.94</u></u>
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**20 OTHER INCOME**

Interest Income	78.67	80.70
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Agricultural Income	0.65	0.17
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Sale of Scrap	24.50	18.82
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<b>Total</b>	<u>103.82</u>	<u>99.69</u>
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**21 COST OF MATERIALS CONSUMED**

	Year ended 31.03.2014 (Rs in lacs)	Year ended 31.03.2013 (Rs in lacs)
<b>a Raw materials Consumed</b>		
Opening Inventory	6101.27	6398.03
Add:Purchases during the Year	38324.92	32121.14
Less:Sale of Cotton	<u>2222.71</u>	<u>4799.26</u>
Less: Closing Stock	<u>7563.44</u>	6101.27
	<u><u>34640.04</u></u>	<u><u>27618.65</u></u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

	Year ended 31.03.2014 (Rs in lacs)	Year ended 31.03.2013 (Rs in lacs)
<b>b Packing Material Consumed</b>		
Opening Inventory	32.14	31.47
Add:Purchases during the Year	480.06	388.35
Less: Closing Stock	21.23	32.14
	<u>490.97</u>	<u>387.68</u>
<b>Total (a) + (b)</b>	<u><u>35131.01</u></u>	<u><u>28006.33</u></u>

### 22 CHANGES IN INVENTORY OF FINISHED GOODS, GOODS IN PROCESS AND WASTE

	Year ended 31.03.2014 (Rs in lacs)	Year ended 31.03.2013 (Rs in lacs)
<b>a Stock at the beginning of the year:</b>		
Finished Goods	1359.24	2100.50
Goods-in-process	531.15	834.45
Waste	13.20	21.90
<b>Total</b>	<u>1903.59</u>	<u>2956.85</u>
<b>b Less : Stock at the end of the year:</b>		
Finished Goods	2913.99	1359.24
Goods-in-process	589.40	531.15
Waste	75.36	13.20
<b>Total</b>	<u>3578.75</u>	<u>1903.59</u>
<b>(Increase)/Decrease in Stocks (a-b)</b>	<u><u>(1675.16)</u></u>	<u><u>1053.26</u></u>

### 23 EMPLOYEES BENEFITS EXPENSE

Salaries, Wages and Bonus	2181.51	1435.84
Contribution to Provident and Other Funds	164.34	167.00
Welfare Expenses	284.47	226.85
<b>Total</b>	<u>2630.32</u>	<u>1829.69</u>

### 24 FINANCE COSTS

Interest Expenses	3117.59	2619.67
Other Borrowing Costs	373.80	352.90
Applicable loss on foreign currency transaction and translation	(27.46)	(68.43)
<b>Total</b>	<u>3463.93</u>	<u>2904.14</u>

### 25 OTHER EXPENSES

Power and Fuel (Net of Wind Energy)	3933.92	2841.51
Repairs to Building	13.44	12.29
Repairs to Machinery	576.91	371.84
Stores and Spares	123.20	81.28
Processing Charges	341.20	368.68
Rent	11.49	11.71
Insurance	113.98	99.74
Rates and Taxes	103.62	70.74



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

	Year ended 31.03.2014 (Rs in lacs)	Year ended 31.03.2013 (Rs in lacs)
Commission and Brokerage	583.69	525.82
Freight, Forwarding and Other expenses	1161.46	1124.94
Payment to Auditors		
Audit Fee	2.25	1.40
Cost Audit Fee	1.12	1.12
Tax Audit Fee	0.84	0.56
Certification Charges	0.43	0.58
Out of Pocket Expenses	1.12	0.88
Donation	1.25	0.05
Directors Sitting Fee	3.30	3.10
Loss on disposal of Fixed Assets (Net)	40.08	17.45
Net loss on foreign currency transaction and translation	365.77	484.14
Miscellaneous Expenses	580.64	400.14
<b>Total</b>	<b>7959.71</b>	<b>6417.97</b>

### 26 EARNING PER SHARE

	2013-14 (Rs in lacs)	2012-13 (Rs in lacs)
Net profit /(Loss) as per statement of profit and loss	425.33	(1582.11)
Less: Dividend on Preference Shares - Notional	35.12	—
Net profit available to Equity Share holders	390.21	(1582.11)
Weighted average no of Equity Shares (Face value of Rs.10 each)	30920000	30920000
Basic and diluted Earning Per Share	Rs. 1.26	(5.12)

### 27 GRATUITY

	Gratuity (Funded) 2013-14 (Rs. in lacs)	Gratuity (Funded) 2012-13 (Rs. in lacs)
<b>A Expense recognised during the year</b>		
1 Current Service Cost	13.67	13.25
2 Interest cost	14.17	13.57
3 Expected return on plan assets	(18.86)	(17.74)
4 Actuarial Loss/(Gain) during the year	59.87	(16.91)
5 Expenses recognised in Profit & Loss account	68.85	(7.83)
<b>B Actual return on Plan assets</b>		
1 Expected return on plan assets	18.86	17.74
2 Actuarial Gain/(Loss) on Plan assets	—	—
3 Actual return on plan assets	18.86	17.74
<b>C Net Asset/(Liability) recognised in the Balance Sheet</b>		
1 Present value of the obligation at the year end	250.93	177.07
2 Fair Value of plan assets at the year end	249.98	222.57
3 Funded status - surplus/(deficit)	(0.95)	45.51
4 Unrecognised past service cost	—	—
5 Net Asset/(Liability) recognised in the Balance Sheet	(0.95)	45.51

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)**

		<b>Gratuity (Funded) 2013-14 (Rs. in lacs)</b>	Gratuity (Funded) 2012-13 (Rs. in lacs)
<b>D</b>	<b>Change in Present value of the Obligation during the year</b>		
1	Present value of the obligation as at the beginning of year	<b>177.07</b>	169.63
2	Current service cost	<b>13.67</b>	13.25
3	Interest cost	<b>14.17</b>	13.57
4	Benefits paid	<b>(13.84)</b>	(2.47)
5	Actuarial loss/(gain) on obligation	<b>59.86</b>	(16.91)
6	Present value of obligation at the year end	<b>250.93</b>	177.07
<b>E</b>	<b>Change in Assets during the year</b>		
	Fair Value of plan assets at the beginning of the year	<b>222.57</b>	193.08
	Expected return on plan assets	<b>18.86</b>	17.74
	Contributions made	<b>22.39</b>	14.22
	Benefits paid	<b>(13.84)</b>	(2.47)
	Actuarial Loss/(gain) on plan assets	—	—
	Fair value of plan assets at the year end	<b>249.98</b>	222.57
<b>F</b>	<b>Actuarial Assumptions</b>		
	Discount rate	<b>8.00%</b>	8.00%
	Salary escalation	<b>3.00%</b>	4.00%

**28. Related Party Disclosures**

**DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO ACCOUNTING STANDARD -18**

**(a) List of Related Parties**

(As identified by the Management)

Related parties with whom company entered in to transactions during the year.

**i. Associates**

1. GTN Textiles Limited
2. GTN Enterprises Limited

**ii Key Management Personnel:**

Shri Umang Patodia - Managing Director

**iii. Enterprises/Entities having “Common Key Management Personnel” :**

- 1 Perfect Cotton Co.
- 2 Patcot Co
- 3 Purav Trading limited
- 4 Standard Cotton Corporation

**iv. Relatives of Key Management Personnel:**

- 1 Shri Binod Kumar Patodia - Father of Shri. Umang Patodia
- 2 Shri Ankur Patodia - Brother of Shri. Umang Patodia
- 3 Smt. Prabha Patodia - Mother of Shri. Umang Patodia
- 4 Smt.Swati Patodia - Sister-in-law of Shri. Umang Patodia

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (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		Key Management Personnel		Enterprises/Relatives of Key management Personnel	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
	Rs in lacs	Rs in lacs	Rs in lacs	Rs in lacs	Rs in lacs	Rs in lacs
Sales, Service and other income	5141.89	6727.75	—	—	—	—
Purchase of Goods and Services	1941.12	906.35	—	—	3951.95	3419.34
Purchase of fixed assets	5.78	—	—	—	—	—
Sale of fixed assets	—	15.64	—	—	—	—
Remuneration paid	—	—	58.61	61.10	—	—
Sitting Fees	—	—	—	—	0.30	0.30
Interest Paid	—	—	—	—	0.95	0.94
Deposits	—	—	—	—	—	9.00
Commission Paid	—	—	—	—	—	2.07
Balances as at year end:	—	—	—	—	—	—
Amount Receivable	737.95	3206.05	—	—	—	—
Amount Payable	—	—	—	—	1946.67	—
Guarantee Received	1,198.00	1237.00	—	—	—	—
Guarantee Provided for	1,713.00	1960.00	—	—	—	—

(c) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties

	Transactions	
	2013-14	2012-13
	Rs in lacs	Rs in lacs
<b>(i) Sale of goods</b>		
<b>a) Cotton</b>		
i) GTN Textiles Ltd.	549.72	1209.07
ii) GTN Enterprises Ltd.	1070.04	3087.22
<b>b) Cotton Yarn</b>		
i) GTN Textiles Ltd.	792.59	542.75
ii) GTN Enterprises Ltd.	2414.01	1476.62
<b>c) Store Items</b>		
i) GTN Textiles Ltd.	0.28	6.86
ii) GTN Enterprises Ltd.	1.16	2.91
<b>d) Sale of waste</b>		
i) GTN Enterprises Ltd.	155.31	286.13
<b>(ii) Purchase of goods</b>		
<b>a) Cotton</b>		
i) GTN Textiles Ltd.	685.74	56.74
ii) GTN Enterprises Ltd.	494.59	65.64
iii) Standard Cotton Corporation	935.51	925.69
iv) Patcot Co.	2846.91	657.50
v) Perfect Cotton Co	169.52	1705.18
vi) Purav Trading Ltd.	—	130.97

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)**

	Transactions	
	2013-14	2012-13
	Rs in lacs	Rs in lacs
<b>b) Cotton Yarn</b>		
i) GTN Textiles Ltd.	139.48	203.42
ii) GTN Enterprises Ltd.	346.69	232.34
<b>c) Store Items</b>		
i) GTN Textiles Ltd.	0.51	0.23
ii) GTN Enterprises Ltd.	0.90	4.92
<b>(iii) Purchase of Machinery</b>		
GTN Enterprises Ltd.	5.78	Nil
<b>(iv) Sale of Machinery</b>		
i) GTN Textiles Ltd.	—	8.93
ii) GTN Enterprises Ltd.	—	6.71
<b>(v) Rendering of services</b>		
<b>a) Rent</b>		
i) GTN Textiles Ltd.	1.08	1.08
<b>b) Processing Charges</b>		
i) GTN Textiles Ltd.	93.57	71.79
ii) GTN Enterprises Ltd.	64.13	43.33
<b>(vi) Receiving of services</b>		
<b>a) Rent</b>		
i) GTN Textiles Ltd.	1.32	1.32
<b>b) Processing Charges</b>		
i) GTN Textiles Ltd.	19.06	61.95
ii) GTN Enterprises Ltd.	252.83	279.79
<b>c) Commission Paid</b>		
Purav Trading Co	—	2.07
<b>(vii) Remuneration paid</b>		
Sri. Umang Patodia (Managing Director)	58.61	61.10
<b>(viii) Sitting Fees</b>		
SRI. B.K. Patodia	0.30	0.30
<b>(ix) Fixed Deposit</b>		
1) Smt. Swati Patodia	—	9.00
<b>(x) Interest On Fixed Deposit</b>		
1) Smt. Swati Patodia	0.95	0.94
Notes:		
i) The related parties have been identified by the Management and relied up on by the auditors.		
ii) No amount has been provided for/written off/written back ,pertaining to related parties.		

**29 Finance Lease: Disclosure as required in AS-19 Leases**

Due	Total minimum payments outstanding (Rs. In Lacs)	Future interest on outstanding (Rs. In Lacs)	Present Value of minimum payments (Rs. In Lacs)
1. Due Within one year	7.87	0.69	7.18
	(7.88)	(1.33)	(6.55)
2. Between one year to five years	3.70	0.10	3.60
	(11.56)	(0.79)	(10.77)
Total	11.56	0.79	10.77
	(19.44)	(2.12)	(17.32)

\* Figures in brackets represent previous year's figures.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

### 30 CONTINGENT LIABILITY AND COMMITMENTS:

#### A COMMITMENTS

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Nil (Previous year Rs. Nil).
2. Outstanding Export Forward Contracts (not in the nature of derivatives ) as on 31 st March '14 which were entered into for hedging exchange risk arising from foreign currency fluctuations related to highly probable future transactions amount to US\$ 19.89 lacs and Euro 5.89 lacs ( Previous Year US\$ 33.53 lacs and Euro 3.49 lacs ) at average Exchange Rate of Rs 62.54 /US\$ and Rs 88.78/Euro (Previous year Rs. 55.86/US\$ and Rs. 73.41/Euro). The period covered under these contracts spreads over April 2014 to September 2014 (Previous Year April 2013 to September 2013). The average Exchange Rate applicable for the above period based on exchange rate on 31.03.2014 works out to Rs. 61.47 /US\$ and Rs. 84.46/Euro (Previous year Rs. 55.32/US\$ and Rs. 70.62/Euro ), resulting in notional gain of Rs. 46.75 lacs (Previous year notional gain of Rs. 28.00 lacs).
3. Outstanding Import Forward Contracts ( not in the nature of derivatives) as on 31st March 2014 which were entered into for hedging exchange risk arising from foreign currency fluctuations related to highly probable future transactions amounting to US\$ 9.76 Lacs (Previous year US\$ 12.86 Lacs) at average exchange rate of Rs. 63.34/US\$ (Previous year Rs. 54.74/US\$). The period covered under these contracts spreads over April 2014 to June 2014 (Previous year April 2013 to June 2013). The average exchange rate applicable for above period based on exchange rate on 31.03.2014 works out to Rs.60.95/US\$ (Previous year Rs. 54.88/US\$), resulting a notional loss of Rs. 23.39 lacs (Previous year notional gain of Rs.1.85 Lacs).

#### B CONTINGENT LIABILITIES

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

- a) Excise duty : Rs. 254.14 lacs (Previous year Rs. 257.88 lacs)
- b) Sales Tax (VAT) : Rs 150.22 lacs (Previous year Rs. 61.07 lacs)
- c) Market Committee Cess: Rs. 41.90 lacs (Previous year Rs. 27.07 lacs)
- d) Disputed Income Tax demands Rs. 353.78 lacs (Previous year 364.92 lacs ) and interest there on Rs. 308.65 lacs (Previous Year Nil), matter having been decided by the Hon'ble High Court of Kerala against the Company. The Company has gone for appeal before the Supreme Court of India and is hopeful of outcome in its favour. Payment there against Rs. 408.58 lacs (Previous Year Rs. 348.58 lacs) is included in the loans and advances, with a further commitment to pay Rs. 172.40 lacs in fifteen equal monthly instalments effective from 01.04.2014.
- e) Disputed amount of fiscal penalty imposed by Joint Director General of Foreign Trade Charging violation of condition of EPCG authorization Rs. 288.89 lacs (Previous Year-Nil). The Company has appealed to the Appellate Authority and it is pending for hearing. Meanwhile, Hon'ble High Court of Kerala has ordered to maintain status quo till the matter is decided by the appellate authority. The company is hopeful of outcome in its favour.

##### 2. Corporate Guarantee :

- 2.1 The company has given Corporate Guarantee amounting to Rs. 2113 lacs (Previous year Rs. 2113 lacs) to a Financial Institution in respect of financial assistance provided by them to GTN Enterprises Ltd and the outstanding amount thereof is Rs.1538 lacs as on 31st March 2014 ( Previous Year – Rs. 1785 lacs).
- 2.2 The company has given Corporate Guarantee amounting to Rs.175 lacs (Previous year Rs.175 lacs) to a Financial Institution in respect of financial assistance provided by them to GTN Textiles Ltd and the outstanding amount thereof is Rs. 295 lacs as on 31st March 2014 (Previous Year – Rs. 225 lacs).

### 31. Particulars of unhedged Foreign Currency exposures as at 31 st March 2014 are as given below:

Particulars		As at 31.03.2014			As at 31.03.2013		
Accounts Payable	Currency	Amount in lacs	Exchange Rate Rs	Amount (Rs in lacs)	Amount in lacs	Exchange Rate Rs	Amount (Rs in lacs)
	USD	42.40	59.90	2539.76	74.44	54.29	4040.93
	EUR	5.26	82.30	432.90	5.33	69.52	370.54

### 32. Net loss / Gain on Foreign currency transaction and translation

The amount of net loss on foreign currency transaction and translation included in the other expenses amounts to Rs. 365.77 lacs (Previous year Rs. 484.14 lacs ).This includes gain on account of export Rs. 129.90 lacs (Previous Year Rs. 278.44 lacs loss), Loss on account of Import Rs. 457.86 lacs (Previous year Rs. 182.18 lacs ) and loss on account of cancellation of forward contracts Rs. 37.81 lacs (Previous Year Rs. 23.51 lacs)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

33. a) In the opinion of the management, assets other than fixed assets and non current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
- b) The accounts of certain Trade Receivables, Trade payables, Loans and advances and Banks are however, are subject to formal confirmations /reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current period's financial statements on such reconciliation/ adjustments.
34. In term of Accounting Standard -17, the company operates materially only in one business segment viz., Textile industry and have its production facilities and all other assets located within India. Sales to external customers comprise outside India sales of Rs.36459.37 Lacs ( Previous year Rs.28094.70 lacs) and within India sale of Rs. 23270.98 lacs ( Previous year Rs. 17133.05 Lacs)
35. The Company was sanctioned a Debt Restructuring Package under Corporate Debt Restructuring (CDR) Scheme on 12.10.2012 effective from 01.04.2012 for the loans availed from Banks/Financial Institutions, which was approved by CDR-EG and all the lenders.

The restructuring inter-alia envisages:

- Deferment / Rescheduling in payment of principal
- Refixation of interest rates on term loans
- Sanction of additional long term working capital term loan of Rs.22.16 crores
- In lieu of sacrifice by the lenders, Preference Shares of Rs.10.81 crores were allotted on 29.01.2013 to the banks/ financial institutions. The amount represents difference between the net present value (NPV) of the future cash flows towards repayment of principal and interest thereon as per the revised term and those payable as per the original terms. The said sacrifice will be amortized equally over a period of 9 years beginning from the FY 2013-14 and ending in the financial year 2021-22 being the last year of repayment of entire loans.
- The Promoters to bring in contribution of Rs.2.70 crores by way of Preference Shares. The said amount was brought into two phases of Rs 1.35 Crores each on 7th November, 2012 and 28th November, 2013 respectively in line with CDR Scheme.
- GTN Textiles Limited (GTN), the main Promoter to pledge 72,86,405 Equity Shares of Rs.10 each (51% of the shareholding in Patspin India Limited) in favour of Central Bank of India, the Monitoring Institution. GTN has since pledged the shares on 14.05.2013.
- The CDR lenders, with the approval of CDR EG, shall have the right to recompense the reliefs/sacrifices/waivers extended by respective CDR lenders as per CDR guidelines.

### 36. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES ACT, 2006

Particulars	2013-14	2012-13
	(Rs in lacs)	(Rs in lacs)
The principal amount due thereon remaining unpaid as on the Balance sheet date	Rs. Nil	Rs. Nil
Interest paid along with the amount of the payment during the year	Rs. Nil	Rs. Nil
Interest due and payable but without adding the interest specified in the abovementioned act.	Rs. Nil	Rs. Nil
Interest accrued and remaining unpaid at the end of the year.	Rs. Nil	Rs. 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.	Rs. Nil	Rs. Nil

### 37 VALUE OF IMPORTS ON CIF BASIS

Particulars	2013-14	2012-13
	(Rs in lacs)	(Rs in lacs)
a Raw Materials - Cotton	7910.02	5365.32
b Stores	25.30	134.92
c Capital Goods	225.98	—
<b>Total</b>	<b>8161.30</b>	5500.24

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

### 38 EXPENDITURE IN FOREIGN CURRENCY

Particulars	2013-14	2012-13
	(Rs in lacs)	(Rs in lacs)
Agents Commission	325.97	280.14
Others	24.01	57.43
<b>Total</b>	<b>349.98</b>	<b>337.57</b>

### 39 IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

Particulars	Percentage	2013-14	Percentage	2012-13
		(Rs in lacs)		(Rs in lacs)
<b>a Raw Materials</b>				
Cotton Imported	23.10%	8003.02	14.06%	3882.72
Cotton Indigenous	39.99%	13852.58	40.74%	11252.67
Yarn Indigenous -(Semi Finished)	36.91%	12784.44	45.20%	12483.26
	<u>100.00%</u>	<u>34640.04</u>	<u>100.00%</u>	<u>27618.65</u>
<b>b Packing Materials (Indigenous)</b>		490.97		387.68
<b>c Stores and Spares</b>				
Imported	1.91%	3.81	7.61%	7.40
Indigenous *	98.09%	196.15	92.39%	89.86
	<u>100.00%</u>	<u>199.96</u>	<u>100.00%</u>	<u>97.26</u>

\*Includes HSD Value Rs 76.75 lacs (Previous Year Rs 15.97 lacs) Charged to Power & Fuel

### 40 EARNINGS IN FOREIGN CURRENCY

Particulars	2013-14	2012-13
	(Rs in lacs)	(Rs in lacs)
FOB Value of Exports	35996.26	27505.35

### 41 PREVIOUS YEAR'S FIGURES

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

Signature to Note 1 to 41

As per our report of even date attached

For **M. S. JAGANNATHAN & VISVANATHAN**

Chartered Accountants (ICAI FRN 001209S)

**R. MUGUNTHAN**

Partner

M. No. 21397

Place: Kochi

Date: 15th May, 2014

For and on behalf of the Board

**B. K. PATODIA**

Chairman

**N. K. BAFNA**

Director

**UMANG PATODIA**

Managing Director

**ABHILASH N. A**

Company Secretary



**PATSPIN INDIA LIMITED**

CIN L18101KL1991PLC006194

**Registered Office:** 3<sup>rd</sup> Floor, Palal Towers, Ravipuram, M.G. Road, Kochi -682016.

**Website :** www.patspin.com; **E mail:** cs@patspin.com

**ATTENDANCE SLIP**

(To be presented at the entrance)

Folio No. / Client ID \_\_\_\_\_ DP ID \_\_\_\_\_

I/We hereby record my/our presence at the 23<sup>rd</sup> ANNUAL GENERAL MEETING of the Company at the 19<sup>th</sup> day of September, 2014 at 9:30 a.m. at Aangan Hall, BTH Hotel, Ernakulam 682016.

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

\_\_\_\_\_  
Signature of the Member/ Proxy

**Form No. MGT -11  
PROXY FORM**

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



**PATSPIN INDIA LIMITED**

CIN L18101KL1991PLC006194

**Registered Office:** 3<sup>rd</sup> Floor, Palal Towers, Ravipuram, M.G. Road, Kochi -682016.

**Website:** www.patspin.com; **E mail:** cs@patspin.com

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company, to be held on the 19<sup>th</sup> day of September, 2014 at 9:30 a.m. at Aangan Hall, BTH Hotel, Ernakulam 682016 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

- 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_ 4. \_\_\_\_\_ 5. \_\_\_\_\_
- 6. \_\_\_\_\_ 7. \_\_\_\_\_ 8. \_\_\_\_\_ 9. \_\_\_\_\_ 10. \_\_\_\_\_
- 11. \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of the Shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp  
of Re.1/-

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



BOOK POST



Registered Office: 3rd Floor, Palal Towers, Ravipuram,  
M G Road,Ernakulam, Kochi 682016  
Corporate Office: 43, Mittal Chambers, 4th Floor, 228,  
Nariman Point, Mumbai 400021

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An ISO 9001: 2008/14001:2004 Certified Company  
[www.patspin.com](http://www.patspin.com)