

CIN : L85110KA1991PLC012507



PASARI SPINNING MILLS LTD

#18, (Old #16), Anjaneya Temple Road,  
Yediyur 6th Block, Jayanagar,  
BANGALORE - 560 082

Phone : 91-80-2242 8962

Fax : 91-80-2660 5292

E-mail : pasari@bgl.vsnl.net.in

Phone/Fax - (91) 80 26760125

E-Mail -admin@pasariexports.com

Web -www.pasariexports.com

# Pasari Spinning Mills Limited

Date: 20<sup>th</sup> August, 2019

To,  
Mr. Jeevan Noronha,  
Manager,  
Department of Corporate Services,  
Bombay Stock Exchange, Floor 25, P J Towers,  
Dalal Street, Mumbai - 400 001

Dear Sir,

Subject: Annual Report and notice convening 28th Annual General Meeting ("AGM") of the Company.

Ref: BSE code: 521080 - Pasari Spinning Mills Limited

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed the Annual Report of the Company and Notice convening the 28th AGM for the financial year 2018-19.

The 28<sup>th</sup> Annual General Meeting (AGM) of the Company is scheduled to be held on Monday, 30<sup>th</sup> September, 2019 at 11.00 A.M at Sri Krishna Mini Hall, No 589, 15th Main, Maruthi Circle, Hanumantha Nagar, Bangalore 560050.

The Notice of AGM along with the Annual Report for the financial year 2018-19 is also being made available on the website of the Company at: <https://www.pasariexports.com> in investor relation section.

This is for your information and records please.

Thanking you  
for Pasari Spinning Mills Limited

Krishna Kumar Gupta  
Managing Director  
DIN: 00003880  
A-21 Silver palm, Bldg 3,  
Basavanagar Main, Vibhuthipura Extn,  
Marathalli, Bangalore- 560067

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**ANNUAL REPORT**  
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**PASARI SPINNING MILLS LIMITED**



# TWENTY EIGHTH ANNUAL REPORT OF PASARI SPINNING MILLS LIMITED

CIN: L85110KA1991PLC012537

2018-19

## Board of Directors

<b>Mr. K.K. Gupta</b>	- Managing Director
<b>Mrs. Poonam Gupta</b>	- Non Executive Director
<b>Mr. Shiva Hari Bist Prem Bist</b>	- Independent Director
<b>Mr. Kolagunda Kumar Siddappa</b>	- Independent Director
<b>Mr. T. K. Gupta</b>	- Chief Financial Officer
<b>Ms. Neelu Daslana</b>	- Company Secretary

Auditors:

**M/s. Murali & Venkat**

No 1605A, 28th Main Road,  
29th Cross, BSK II Stage,  
Bangalore - 560070

Bankers:

**Syndicate Bank**  
Bangalore

## Audit Committee

Mrs. Poonam Gupta	Chairman
Mr. K K Gupta	Member
Mr. Shiva Hari Bist Prem Bist	Member
Mr. Kolagunda Kumar Siddappa	Member

## Remuneration Committee

Mrs. Poonam Gupta	Chairman
Mr. K.K.Gupta	Member
Mr. Shiva Hari Bist Prem Bist	Member
Mr. Kolagunda Kumar Siddappa	Member

## Stakeholders Relationship Committee

Mrs. Poonam Gupta	Chairman
Mr. K.K.Gupta	Member
Mr. Shiva Hari Bist Prem Bist	Member
Mr. Kolagunda Kumar Siddappa	Member

## Registered Office

#18, (Old # 16) III Floor  
Anjaneya Temple Street,  
Yediyur, Jayanagar 6<sup>th</sup> Block  
Bangalore - 560082

## Factory Premises:

# 54 & 55, KIADB INDL AREA  
1<sup>st</sup> Main III Cross,  
Nanjangud - 571301

# PASARI SPINNING MILLS LIMITED

CIN: L85110KA1991PLC012537

## NOTICE

Notice is hereby given that the TWENTY EIGHTH Annual General Meeting of the Members of Pasari Spinning Mills Limited will be held on Monday, 30th September, 2019 at 11.00 A.M at Sri Krishna Mini Hall, No 589, 15th Main, Maruthi Circle, Hanumantha Nagar, Bangalore 560050, to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2019, the Profit & Loss Account and Cash Flow Statement together with the Board's report and Auditors Report thereon as circulated to the shareholders;
2. To appoint M/s. Rao & Emmar, Chartered Accountants, Bangalore as the Statutory Auditors of the Company 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 of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. Rao & Emmar, Chartered Accountants, Bangalore (Firm Registration No. 003084S) be and is hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of Thirty Third Annual General Meeting of the Company, at a remuneration as may be mutually agreed between the Board of Directors and the Auditors."

**"RESOLVED FURTHER THAT,** any one of the Director of the Company be and is hereby authorized to sign the requisite forms, documents and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

### SPECIAL BUSINESS:

1. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

#### REGULARISATION OF MR. KRISHNA KUMAR GUPTA AS MANAGING DIRECTOR OF THE COMPANY

**"RESOLVED THAT** pursuant to the provisions of Section, 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or reenactment thereof, for the time being in force), subject to the approval of the Central Government, if required, appointment of Mr. Krishna Kumar Gupta (DIN: 00003880), be and is hereby approved on the terms and conditions mentioned below:

- A. **Period of Appointment:** From 23rd April, 2019 to 22nd April, 2024
- B. **Key Managerial Position:** Managing Director

- C. **Details of Remuneration:** at a consolidated remuneration not exceeding Rs. 6 lakhs Per Annum

- D. **Overall Remuneration:**

The aggregate of the remuneration as aforesaid in any financial year shall not exceed the limit prescribed from time to time under section 196, 203 read with Schedule V and or other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re enactment thereof, for the time being in force) or otherwise as may be permissible by law.

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby severally authorised to sign such documents or papers as may be necessary, file such applications, forms and do all such acts, deeds and things as it may in its sole discretion, deem necessary, proper, desirable to give effect to the above resolution"

2. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary resolution:

#### REGULARISATION OF APPOINTMENT OF MRS. POONAM GUPTA AS DIRECTOR OF THE COMPANY

**"RESOLVED THAT,** Mrs. Poonam Gupta (DIN: 08447607), who was appointed as an Additional Director with effect from 9th May, 2019 on the Board of the Company in terms of Section 161(1) of the Companies Act, 2013 who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company as recommended by the Nomination and Remuneration Committee, pursuant to Section 149, 152, 160 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder.

**"RESOLVED FURTHER THAT,** any one of the Director of the Company be and is hereby authorized to sign the requisite forms, documents and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

3. To consider and if thought fit, to pass with or without modification, the following resolution as Special resolution:

#### APPOINTMENT OF MR. GAURI SHANKAR GUPTA AS A NON EXECUTIVE DIRECTOR.

**"RESOLVED THAT** pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and the applicable provisions of the Companies Act, 2013 and relevant Rules made there under, including any statutory modification(s) or re-enactment thereof, for the time being in force, consent of members of the Company be and is hereby accorded for appointment of Mr. Gauri Shankar Gupta (DIN: 00003860) who has attained the age of seventy five (75) years, as a Non Executive Director of the company by way of Special Resolutions."

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

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

REGULARIZATION OF APPOINTMENT OF MR. SHIVA HARI BIST PREM BIST AS AN INDEPENDENT NON EXECUTIVE DIRECTOR OF THE COMPANY

“**RESOLVED THAT** pursuant to the provisions of Sections 149,152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the members of the company be and is hereby accorded to the appointment of Mr. Shiva Hari Bist Prem Bist (DIN: 08305342), who was appointed by the Board of Directors as an Additional Director in the Category of Non Executive Independent Director of the Company with effect from November 24, 2018 pursuant to the provisions of section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the company, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the independent directorship as provided in section 149(6) of the Act and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Non Executive Director of the Company, who shall hold office for a period of five years from the date of appointment and whose office shall not, henceforth, be liable to retire by rotation.

“**RESOLVED FURTHER THAT** to give effect to this resolution the Board of Directors be and are hereby authorised to do all the acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

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

REGULARIZATION OF APPOINTMENT OF MR. KOLAGUNDA KUMAR SIDDAPPA AS AN INDEPENDENT NON EXECUTIVE DIRECTOR OF THE COMPANY

“**RESOLVED THAT** pursuant to the provisions of Sections 149,152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the members of the company be and is hereby accorded to the appointment of Mr. Kolagunda Kumar Siddappa (DIN: 08305351), who was appointed by the Board of Directors as an Additional Director in the Category of Non Executive Independent Director of the Company with effect from November 24, 2018 pursuant to the provisions of section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the company, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the independent directorship as provided in section 149(6) of the Act and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Non Executive Director of the Company, who shall hold office for a period of five years from the date of appointment and whose office shall not, henceforth, be liable to retire by rotation.

“**RESOLVED FURTHER THAT** to give effect to this resolution the Board of Directors be and are hereby authorised to do all the acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

Date: 12th August, 2019  
Place: Bangalore

**Krishna Kumar Gupta**  
Managing Director  
DIN: 00003880  
Add: A-21 Silver palm,  
Bldg 3, Basavanagar Main,  
Vibhuthipura Extn, Marathalli,  
Bangalore- 560067

# PASARI SPINNING MILLS LIMITED

## Notes:

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend instead of himself and the proxy need not be a member. The proxy in order to be effective should be duly stamped, completed and signed and the same should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the aforesaid meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding, in aggregate, not more than ten percent of the total share capital of the Company carrying voting rights. A proxy should not speak but can vote on poll. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
2. Members are requested to inform the Company's Registrars and Share Transfer Agents viz., Karvy Fintech Private Limited, regarding changes, if any in their registered addresses along with the PIN code number.
3. Members are requested to bring their copies of the Annual Report to the Annual General Meeting.
4. Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
5. Members desirous of getting any information about the accounts of the Company are requested to send their queries to the Registered Office of the Company at least 7 days prior to the date of the meeting so that the requisite information can be readily made available.
6. The Register of members and the share transfer books of the Company will remain closed from 24th September, 2019 to 30th September 2019.
7. As per provisions of the Companies Act, 2013 the facility for making nominations is available to the shareholders. Nomination forms can be obtained from the Company's Registrars and share Transfer Agents, viz., Karvy Fintech Private Limited in physical form.
8. Brief profile and other required information about the Directors Proposed to be re-appointed, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Kindly note that all Non- Executive Directors have vacated the office due to the consequent upon their completing 75 years of age. On the Date of AGM, none of the director is liable to retire by rotation as no Executive/Non Executive Director is there in the structure of the Board as follows-

Name of the Director	Category
Mr. Krishna Kumar Gupta	Managing Director
Mrs. Poonam Gupta	Additional Director
Mr. Shiva Hari Bist Prem Bist	Independent Director
Mr. Kolagunda Kumar Siddappa	Independent Director

9. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Annual Report for the financial year 2018-19 and this Notice, inter alia indicating the process and manner of Remote E-voting along with attendance slip and proxy form are being sent by E- mail addresses which have been made available to the Company/Depository Participants unless the member has requested for a hard copy of the same. For members who have not registered their E-mail addresses, physical copies of the Annual Report for the financial year 2018-19 and this Notice inter-alia indicating the process and manner of Remote e-voting along with attendance slip and proxy form will be sent to them in the permitted mode.  
In support of the Green Initiative, the Company hereby request members who have not updated their Email IDs to update the same with their respective Depository Participant(s) or Karvy Fintech Private Limited for receiving communications from the Company electronically.
10. Members are requested to address all correspondences including those for Remat/Demat, nomination requests, share transfers, change of address/mandates for physical holdings etc., at least 10 days before Annual General Meeting to enable the management to keep the information ready at the meeting. The queries may be addressed to:  
The Share Transfer agents —  
Karvy Fintech Private Limited,  
Tower B, Plot No. 31 32, Karvy Selenium,  
Financialdistrict Nanakramguda, Gachibowli,  
Hyderabad, Telangana, 500032  
Email: rajeev.kr@karvy.com
11. (I) Pursuant to the provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management Administration) Rules, 2014 and in Compliance with Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide members facility to exercise their votes at the 28th Annual General Meeting by electronic means through E-voting service provided by Karvy Fintech Private Limited and the Business may be transacted through E-voting as per instruction below:

- a) Date and time of Commencement of voting through electronic means: 23rd September, 2019 at 09.00 A.M.
- b) Date and time of the end of voting through electronic means beyond which voting will not be allowed: 29th September, 2019 at 5.00 P.M.
- c) Details of website: <https://evoting.karvy.com>
- d) For any further clarification relating to E-voting contact our toll free No. 1-800-34-54-001 or email us at [evoting@karvy.com](mailto:evoting@karvy.com).
- e) Details of Scrutinizer: Mr. Vinay B L, Practicing Company Secretary, Bangalore.
- f) The Instructions for E-voting are as under:
  - i. Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'.

Enter the user ID.

- For members holding shares in Demat form:
  - i. For NSDL- 8 Character DP ID followed by 8 Digit Client ID.
  - ii. For CDSL— 16 Digit beneficiary ID.
- For Members holding shares in Physical Form: Event number followed by Folio Number registered with the Company
  - ii. After entering these details appropriately, click on "LOGIN".
  - iii. Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for E-voting through Karvy Fintech Private Limited E-voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - iv. You need to login again with the new credentials.
  - v. On successful login, system will prompt to select the 'Event i.e., 'Company Name'.
  - vi. If you are holding shares in Demat form and have logged on to "<https://evoting.karvy.com>" and casted your vote earlier for any company,

then your existing login id and password are to be used.

- vii. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in FOR and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'.
- viii. 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.
- ix. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- x. Corporate / Institutional Members (Corporate / F Is / FI Is / Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to [vinay@vinaybl.com](mailto:vinay@vinaybl.com) with copy to [evoting@karvy.com](mailto:evoting@karvy.com) and [admin@pasariexports.com](mailto:admin@pasariexports.com). The file scanned image of the Board Resolution should be in the naming format "Corporate Name. Event no.
- xi. The E-voting module shall be disabled for voting on 29th September, 2019 at 5.00 PM. Once the vote on a resolution is cast by the Shareholder, the Shareholder shall not be allowed to change subsequently. The voting rights of the Shareholders shall be in proportion of their shares in the paid-up equity share capital of the Company as on the book closure date.
- xii. In case of any queries, you may refer the 'Frequently Asked Questions' (FAQs) for members and E-voting user manual for members available at the downloads section of <https://evoting.karvy.com>.
- xiii. Mr. Vinay B L, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) days from the conclusion of the E-voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in



# PASARI SPINNING MILLS LIMITED

favor or against, if any, forthwith to the Chairman. The results shall be declared after the Annual General Meeting.

- xiv. The results declared along with the Scrutinizer's Report shall be placed on the Company's website (www.pasariexports.com) and on the website of the Karvy Fintech Private Limited (www.evoting.karvy.com) within two days of the Annual General Meeting of the Company and communicated to the BSE, where the shares of the Company are listed.
- (II) Facility for members not having access to electronic voting
- a) To enable those members who may not have access to electronic voting facility to exercise their vote, a physical ballot form is being sent along with the Notice of Annual General Meeting.
- b) The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through Physical Ballot to declare the results of the resolutions forming part of Notice of the Annual General Meeting.
- c) A member can opt for only one mode of voting, i.e either by physical ballot or by electronic voting. In case member casting votes in both modes, the votes made through electronic voting shall prevail.

**Statement setting out material facts to be annexed to the Notice pursuant to Section 102(1) of the Companies Act, 2013 (hereinafter referred to as "the Act").**

**Note no. 1 Regularization of Mr. Krishna Kumar Gupta as Managing Director of the Company**

Mr. Krishna Kumar Gupta was appointed as Managing Director w.e.f. 23rd April, 2019 by board of directors of the Company. He was appointed till the date of AGM to be held. Now, according to provisions of the Companies Act, 2013, approval of Members is required for the purpose of regularizing his appointment as Managing Director of the Company.

Therefore, The Directors commend the Resolution for acceptance by the Members.

Directors of the Company are interested in the resolution except Independent Director of the Company.

**Note 2. Regularization of Mrs. Poonam Gupta as Director of the Company**

Mrs. Poonam Gupta (DIN: 08447607) was appointed as Additional Director w.e.f. 9th May,

2019 by board of directors of the Company. She was appointed till the date of AGM to be held.

Now, according to provisions of the Companies Act, 2013, approval of Members is required for the purpose of regularizing her appointment as Director of the Company.

The Member of the Nomination and Remuneration Committee is of the view that the appointment of Mrs. Poonam Gupta (DIN: 08447607), on the Company's Board as Director is desirable and would be beneficial to the Company and hence it recommends the said Resolution for approval by the members of the Company.

Therefore, The Directors commend the Resolution for acceptance by the Members.

Directors of the Company are interested in the resolution except Independent Director of the Company.

Name	Poonam Gupta	
Date of Birth	18/11/1976	
Date of appointment	09-05-2019	
Qualifications	Graduation	
Expertise in specific functional area	None	
Name of listed entities (other than the Company) in which he holds the Directorship and the membership of Committees of the Board	Directorships in Listed Companies:	None
	Membership of Committees in Listed Companies	None
No of shares held in Company	20429 Individually	

**Note no. 3 Appointment of Mr. Gauri Shankar Gupta as a Non Executive Director**

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), with effect from April 1, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

A brief justification for continuation as Non-Executive Director on the Board of the Company is as under:

Mr. Gauri Shankar Gupta was the Chairman of Pasari Spinning Mills Limited since 1991. He

has more than 50 years of experience and having vast knowledge in textile industry and proven leader with experience as an entrepreneur, business executive and his guidance and support has helped the company in a firm understanding of business model.

Mr. Gauri Shankar Gupta holds 2,21,200 equity shares in the Company.

The appointment of Mr. Gauri Shankar Gupta as Non-Executive Director of the Company is recommended by the Nomination and Remuneration Committee and Board of Directors at their meeting held on 12<sup>th</sup> August, 2019.

The Board considered that his association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, the Board recommends the resolution for appointment of Mr. Gauri Shankar Gupta as an Non Executive Director for the approval by the shareholders in the Company by way of special resolution in this AGM.

**Note 4. Regularization of Appointment of Mr. Shiva Hari Bist Prem Bist as an Independent Non Executive Director of the Company**

Mr. Shiva Hari Bist Prem Bist (DIN-08305342) was appointed as an Additional Director in the Category of Non Executive Independent Director w.e.f. 24 November, 2018 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. Nomination and Remuneration Committee has recommended regularization of Mr. Shiva Hari Bist Prem Bist as an Independent Non Executive Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

**Note 5. Regularization of Appointment of Mr. Kolagunda Kumar Siddappa as an Independent Non Executive Director of the Company**

Mr. Kolagunda Kumar Siddappa (DIN-08305351) was appointed as an Additional Director in the Category of Non Executive Independent Director w.e.f. 24 November, 2018 in accordance with the provisions of

Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. Nomination and Remuneration Committee has recommended regularization of Mr. Kolagunda Kumar Siddappa as an Independent Non Executive Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

**Section 149 and Section 152 inter alia specifies that:**

- (a) Independent Directors shall hold office for a term of upto five consecutive years, and shall be eligible for re-appointment for a further period of five years, subject to passing of Special Resolution by the Shareholders in General Meeting; and
- (b) An Independent Director shall not be liable to retire by rotation at the AGM.

In the opinion of the Board Mr. Shiva Hari Bist Prem Bist and Mr. Kolagunda Kumar Siddappa, they both are person of integrity, possesses the relevant expertise and experience, fulfils the conditions specified in the said Act and the rules made there under and is independence of the management of the Company and He is not debarred from holding the office of director by virtue of any SEBI order or any other such authority. The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during Normal Business Hours on any working day. Members may note that the requisite declarations under Section 149(7) of the Companies Act, 2013 have been furnished by the Independent Non Executive Directors confirming compliance with the provisions of Section 149 (6) of the Companies Act, 2013. Upon the confirmation of the appointment of them as Independent Non Executive Director by the Members of the Company, the appointment shall be formalized by the issue of a letter of appointment by the Company to the said Independent Non Executive Director.

The Board accordingly recommends the Resolutions at Item No. 4 & 5 of this Notice for the approval of the Members as Ordinary Resolution.

# PASARI SPINNING MILLS LIMITED

None of the Directors of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 4 & 5 of this Notice.

By the Order of the Board  
Pasari Spinning Mills Limited

Date: 12th August, 2019  
Place: Bangalore

**Krishna Kumar Gupta**  
Managing Director  
DIN: 00003880  
Add: A-21 Silver palm,  
Bldg 3, Basavanagar Main,  
Vibhuthipura Extn, Marathalli,  
Bangalore- 560067

Route map for the Annual General Meeting

Venue for Annual General Meeting of the Company  
**Sri Krishna Mini Hall No 589, 15th Main, Maruthi Circle,  
Hanumanthanagar Bangalore-560050**



## BOARD'S REPORT

**CIN: L85110KA1991PLC012537**

To,  
The Members,  
Your Directors have pleasure in presenting their Twenty Eighth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2019.

### 1. Financial summary or highlights/Performance of the Company.

Particulars	2018-19	2017-18
Total Revenue	64,53,801	72,00,714
Profit before tax	25,34,501	29,84,594
Tax Expenses:		
a) Current tax	-	-
b) Tax Related to earlier years	90,386	-
c) MAT Credit entitlement	-	-
d) Deferred tax(Liability)/Asset	(2,08,384)	(2,02,801)
<b>Profit (Loss) for the year</b>	<b>26,52,500</b>	<b>31,87,395</b>

### 2. Performance of The Company

For the year ended 31st March, 2019, the Company has earned a profit of Rs. 26,52,500 (Rupees Twenty six lakh fifty two thousand five hundred only) as compared with the previous year's a profit of Rs. 31,87,395 (Rupees Thirty one lakh eighty seven thousand three hundred and ninety five only)

### 3. BIFR Status:

The Company has continued in its efforts to obtain the necessary reliefs/concessions from Government of Karnataka on matters relating to Sales Tax.

### 4. Dividend

During the year under review, the Company did not

declare any dividend to its members.

### 5. Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

### 6. Reserves

During the year under review the Company has earned a profit of Rs. 26,52,500 (Rupees Twenty six lakh fifty two thousand five hundred only) and the same has been transferred to the Reserves and Surplus Account.

### 7. State of Company's Affairs :

The Company has discontinued its production operations from the financial year 2010-11. The Company has no intention to continue the production operations henceforth and has decided to lease out the Factory premises. The Company has not made any sales during the current year.

### 8. Change in nature of business, if any

The Company has not changed its business objectives and nature of business during the year under review.

### 9. Material changes and commitment if any affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of the report:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

### 10. Details of significant and material orders passed by the regulators or courts or tribunals

**impacting the going concern status and company's operations in future.**

There were no significant and material orders passed by the Regulators or the Courts or Tribunals impacting the going concern status and Company's operation in the future.

**11. Statement in respect of adequacy of internal financial control with reference to the financial statements:**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its Business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of the reliable financial disclosures.

**12. Subsidiaries, joint Ventures and Associate Companies:**

The Company does not have any Subsidiary, Joint venture or associate Companies.

**13. Deposits**

During the year under review the Company has not accepted/renewed any deposits.

**14. Particulars of Employees:**

As required by Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, there were no employees employed during the year who were in receipt of remuneration which is not more than Rs.8,50,000/- (Eight lakhs fifty thousand only) per month or Rs. 1,02,00,000/- (One crore two lakhs only) per annum.

**15. Auditors:**

**Statutory Auditors**

M/s Murali & Venkat, Chartered Accountants (firm Registration No. 002162S) holds office till the conclusion of this Annual General Meeting. Hence the Board proposes to appoint M/s. Rao & Emmar, Chartered Accountants, Bangalore (Firm Registration No. 003084S), as Statutory Auditors of the Company for holding the office up to the conclusion of 33rd Annual General Meeting of the Company. The Board recommends the appointment of M/s Rao & Emmar, Chartered Accountants as the Statutory Auditors of the Company.

Statutory Auditors' comments on Company's accounts for year ended 31st March, 2019 are self-explanatory in nature and do not require any explanation as per provisions of Section 134(3)(f) of the Companies Act, 2013. There were no qualifications, reservation or adverse remark.

**Secretarial Auditor**

The Board has appointed Mr. CS Vinay B L, Company Secretary in Practice, Bangalore as the Secretarial Auditor, to conduct the Secretarial Audit of the company for the Financial Year 2018-19 as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for the FY 2018-

19 forms part of the Annual Report as Annexure-1 to the Board's Report.

**16. Extract of the Annual return**

Pursuant to the provisions of section 134(3)(a), the extract of Annual Return as provided under Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure 2 and is attached to this Report and the same forms part of this Board's Report.

**17. Conservation of energy, technology absorption, foreign exchange earnings and outgo:**

Significant measures are taken to reduce the energy consumption by using energy- efficient equipments. Conservation of energy is always on the "To Do" list at all levels of operations. Efforts are made in this direction on a continuous basis. The company has taken the following adequate measures to conserve the energy:

- Localized lighting in place of community lighting.
- Employees are habituated to switch off fans, lights during the lunch break and at close of office hours.
- The Company has started using LED lights which saves the energy considerably.

**Foreign exchange**

Particulars	Current Year	Previous Year
1. Earnings in Foreign Currency	Nil	NIL
2. Expenditure in Foreign Currency	Nil	NIL

**18. Corporate Social Responsibility (CSR)**

The Company did not have the prescribed thresholds as provided under Section 135(1) for constituting CSR committee and hence the same is not applicable.

**19. Directors:**

**A) Changes in Directors and Key Managerial Personnel:**

During the year under review there was no appointment of additional directors/alternate directors.

**Key Managerial Personnel:**

The Company has appointed Ms. Neelu Daslana as Company Secretary on 8th December, 2018.

**B) Declaration by Independent Director(s) and reappointment, if any**

The Company has appointed Mr. Shiva Hari Bist Prem Bist (DIN: 08305342) and Mr. Kolagunda Kumar Siddappa (DIN: 08305351) as an additional Director in the category of Independent Non Executive Director of the company on 24th November, 2018, and shall be eligible for re-appointment for a further period of five years, subject to passing of Special Resolution by the Shareholders in the ensuing General Meeting.

The Company has received necessary declarations of independence from the Independent Director under section 149(7) of the Companies Act, 2013, that he meets the criteria of independent director envisaged in section 149(6) of the Companies Act, 2013.

# PASARI SPINNING MILLS LIMITED

## C) Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination and Remuneration Committee.

### 20. Number of board meetings conducted during the year under review:

The Board of Directors duly met 6 (Six) times, during the year under review. The intervening gap between any two meetings was within prescribed period as per the Companies Act, 2013 and Securities and Exchange Board of India Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the same areas under:

Sl. No	Date of Meeting	No of directors on the Board	No. of Directors Present
1.	30th May, 2018	5	5
2.	16th July, 2018	5	5
3.	23rd Oct, 2018	5	5
4.	24th Nov, 2018	5	5
5.	08th Dec, 2018	7	7
6.	30th January, 2019	7	7

### 21. Committees of the Board and its Meetings

As per Annexure -2A

### 22. Policies of the Company:

#### Vigil Mechanism/Whistle Blower Policy for directors and employees:

The Company has formulated Vigil Mechanism / Whistle Blower policy and the same is implemented.

#### Research and Development

Since the Company does not have any production activities, the policy for the same is not applicable.

#### Internal Control System and Their Adequacy.

Detailed discussion is made under the head "Management Discussion and Analysis Report", which forms part of Annual report.

#### Anti- Sexual Harassment Policy

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention., prohibition and redressal of sexual harassment of women at workplace and to provide a platform for redressal of Complaints and grievances against sexual harassment. During the Financial Year 2018-19, Company has not received any complaint on sexual harassment.

### 23. Particulars of loans, guarantees or investments made under section 186 of the companies act, 2013:

Loans, Guarantees or Investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statements provided in the Annual

Report.

### 24. Particulars of contracts or arrangements with related parties:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto is disclosed in Form No. AOC -2 as per Annexure-3.

### 25. Managerial Remuneration:

Since the Company is not carrying on any profitable activities, the Directors of the Company have voluntarily waived off their remuneration. Hence no managerial remuneration is paid for the year under review.

### 26. Statement concerning development and implementation of risk management policy of the company:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on continues basis.

Detail discussion is made under the heading Management Discussion and Analysis.

### 27. Directors Responsibility Statement:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 your directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit/loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) That proper internal financial controls were in place and that the internal financial controls were adequate and were operating effectively.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ANNUAL REPORT 2018 - 2019

### 28. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the auditors and the practicing company secretary in their reports:

The Board noted the reports given by Statutory Auditors and Secretarial Auditor and made the following Explanations:

SI No	Qualification/observation/Adverse remarks/Disclaimer	Reply by the Board																																												
1	<p>There are disputed liabilities with regard to Sales Tax, as on 31.03.2019</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of the Statute</th> <th style="text-align: left;">Nature of the Dues</th> <th style="text-align: right;">Amount (Rs)</th> <th style="text-align: right;">For the year</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Central Sales Tax Act</td> <td rowspan="3">CST</td> <td style="text-align: right;">4,45,496</td> <td style="text-align: right;">1999-00</td> </tr> <tr> <td style="text-align: right;">5,80,226</td> <td style="text-align: right;">2000-01</td> </tr> <tr> <td style="text-align: right;">8,83,692</td> <td style="text-align: right;">2001-02</td> </tr> <tr> <td rowspan="5">Karnataka Entry Tax Act</td> <td rowspan="5">KVAT</td> <td style="text-align: right;">46,593</td> <td style="text-align: right;">1999-00</td> </tr> <tr> <td style="text-align: right;">98,290</td> <td style="text-align: right;">2000-01</td> </tr> <tr> <td style="text-align: right;">4,35,196</td> <td style="text-align: right;">1999-00</td> </tr> <tr> <td style="text-align: right;">46,57,137</td> <td style="text-align: right;">2000-01</td> </tr> <tr> <td style="text-align: right;">32,10,915</td> <td style="text-align: right;">2001-02</td> </tr> <tr> <td rowspan="3">KVAT &amp; CST</td> <td rowspan="3">Penalty</td> <td style="text-align: right;">5,000</td> <td style="text-align: right;">1999-00</td> </tr> <tr> <td style="text-align: right;">2,50,000</td> <td style="text-align: right;">2000-01</td> </tr> <tr> <td style="text-align: right;">18,35,296</td> <td style="text-align: right;">2001-02</td> </tr> <tr> <td rowspan="3">CST And KVAT</td> <td rowspan="3">Interest</td> <td style="text-align: right;">3,11,968</td> <td style="text-align: right;">1999-00</td> </tr> <tr> <td style="text-align: right;">33,37,878</td> <td style="text-align: right;">2000-01</td> </tr> <tr> <td style="text-align: right;">19,18,381</td> <td style="text-align: right;">2001-02</td> </tr> <tr> <td colspan="2"><b>Total</b></td> <td style="text-align: right;"><b>1,80,16,068</b></td> <td></td> </tr> </tbody> </table>	Name of the Statute	Nature of the Dues	Amount (Rs)	For the year	Central Sales Tax Act	CST	4,45,496	1999-00	5,80,226	2000-01	8,83,692	2001-02	Karnataka Entry Tax Act	KVAT	46,593	1999-00	98,290	2000-01	4,35,196	1999-00	46,57,137	2000-01	32,10,915	2001-02	KVAT & CST	Penalty	5,000	1999-00	2,50,000	2000-01	18,35,296	2001-02	CST And KVAT	Interest	3,11,968	1999-00	33,37,878	2000-01	19,18,381	2001-02	<b>Total</b>		<b>1,80,16,068</b>		<p>With respect to the disputed liabilities of sales tax, the Board would like to inform the members that the Company is entitled to reliefs and concessions from Government of Karnataka as per BIFR order. The company is still following up both with BIFR and the State Government.</p>
Name of the Statute	Nature of the Dues	Amount (Rs)	For the year																																											
Central Sales Tax Act	CST	4,45,496	1999-00																																											
		5,80,226	2000-01																																											
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2	<p>There is a Discrepancy is Issued &amp; Listed capital. The Company has not received the In Principle Approval, in respect of 18,00,000 Shares issued on preferential basis on 6 December, 2010. Company is still waiting for approval of the Bombay stock exchange. The delay is beyond the reasonable time.</p>	<p>The Company has made an application for obtaining the in principle approval of the Bombay Stock Exchange in the year 2012 and the fees as prescribed by the Stock Exchange is also paid by the Company. Company is following up with the stock exchange for obtaining the approval of the Bombay Stock Exchange.</p>																																												
3	<p>Company has not appointed the Chief Financial Officer as required by Section 203 of the Companies Act, 2013</p>	<p>Company has not appointed the Chief Financial Officer as required by Section 203 of the Companies Act, 2013 for the FY ending 2018-19. However the Company has appointed the CFO on 23/04/2019</p>																																												
4	<p>The Quarterly Results are not published in the news papers, as required by Regulation 47 of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015</p>	<p>The quarterly results are directly sent to the Stock Exchange and the shareholders of the Company and other stakeholders can directly access the same in the website of Bombay Stock Exchange, wherein the shares of the Company is listed. However the quarterly financial results are also being uploaded in the website of the Company.</p>																																												

# PASARI SPINNING MILLS LIMITED

## 29. FRAUD REPORTING:

Pursuant to the provisions of section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Board.

## 30. Voluntary revision of financial statements or

### Board's Report:

The Company has not made any application to the Authorities for revision of Financial Statements or Boards Report during the year under review.

## 31. SHARES:

### SHARE CAPITAL

#### A. Authorised Capital

The Authorized Capital of the Company is Rs. 14,00,00,000/- (Rupees fourteen crore only) divided into 1,40,00,000 (Once crore forty lakh only) equity shares of Rs. 10/- each.

#### B. Paid up Capital

The Paid up capital of the Company is Rs. 13,80,00,000/- (Rupees thirteen crore eighty lakh only) divided into 1,38,00,000 (Once crore thirty eight lakh only) equity shares of Rs. 10/- each.

#### C. Changes in Share Capital, If any

There is no change in both the Authorised and paid up capital of the Company during the year under review.

### Buy back of Securities

The Company has not bought back any of its securities during the year under review.

### Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

### Bonus Shares

No Bonus Shares were issued during the year under review.

### Employees Stock Option Plan

During the year under review the Company has not provided any Stock Option Scheme to the employees.

### Issue Of Equity Shares With Differential Rights:

No equity shares with differential rights were issued during the year under review.

### 32. Acknowledgements:

The Directors place on record their appreciation for cooperation and continued support extended by customers, shareholders, investors, partners, vendors, bankers, the Government, and statutory authorities for the Company's growth. We thank associates and consultants for their valuable contribution in our progress and look forward to their continued support.

#### Poonam Gupta

DIN: 08447607

Additional Director

Address: A-21 Silver Palm,  
TATA Sherwood, Basavanagar Main,  
Vibhuthipura Extn, Marathahalli Colony,  
Bangalore- 560037

#### Krishna Kumar Gupta

DIN: 00003880

Managing Director

Address: A-21 Silver Palm, Bldg 3,  
Basavanagar Main,  
Vibhuthipura Extn, Marathalli,  
Bangalore- 560067

Date: 12th August, 2019

Place: Bangalore

## ANNEXURE 1

### FORM NO. MR-3

### Secretarial Audit Report

for the financial year ended 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**PASARI SPINNING MILLS LIMITED.**  
NO. 18 IIIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR,  
JAYANAGAR 6TH BLOCK, BANGALORE-560082

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pasari Spinning Mills Limited (hereinafter called 'the Company') CIN-L85110KA1991PLC012537. Secretarial Audit was conducted in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (a statutory body constituted under the Company Secretaries Act, 1980) and in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books papers, minutes books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors Report on Financial Statements and their certificate on compliance with the conditions of relevant provisions of the SEBI (Listing Obligations and Disclosure Requirement) and also the information provided by the Company its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion and to the best of my information, knowledge and belief and according to the explanations given to me, the Company has during the audit period covering the financial year ended on 31.03.2019 complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Pasari Spinning Mills Limited for the financial year ended on 31.03.2019 according to the applicable provisions of:

1. The Companies Act, 2013(the Act) and the rules made thereunder;
2. The Securities Contract (Regulation )Act, 1956 and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011; (Not applicable to the company during the audit period )
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, (Not applicable to the Company during the audit period).
  - i. Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015
  - j. Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- i). Company has not appointed the Chief Financial Officer as required by Section 203 of the Companies Act, 2013. However the Company has appointed the CFO on 23/04/2019.
- ii). The Quarterly Results are not published in the news papers, as required by Regulation 47 of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015. However the quarterly financial results are being uploaded in the website of the Company

### Observations:

- i). There is a Discrepancy is Issued & Listed capital. The Company has not received the In Principle Approval, in respect of 18,00,000 Shares issued on preferential basis on 6 December, 2010. Company is still waiting for approval of the Bombay stock exchange. The delay is beyond the reasonable time.

I further report that:



## PASARI SPINNING MILLS LIMITED

1. Adequate notice is given to all directors for the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system are in place for seeking and obtaining further information and clarifications on the agenda items for meaningful participation at the meeting.
2. I further report that the Company has to develop adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company may have to pay penalties because of non compliances as reported above, if levied by the respective authorities.
3. Based on the information provided by the officials of the Company I report that during the period under review the company has not received any show cause notices and I further report there are no other Specific events, which requires reporting hereunder.

Place: Bangalore  
Date: 12th August, 2019

**Vinay B L**

CP No. 10760  
Membership No.F9159

### ***Annexure A***

The Members,  
Pasari Spinning Mills Limited,  
L85110KA1991PLC012537  
No. 18 IIIrd Floor, Anjaneya Temple Road,  
Yediyur, Jayanagar 6th Block,  
Bangalore-560082

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provides a reasonable basis for my opinion expressed in the Report.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Date : 12th August, 2019  
Place: Bangalore

**Vinay B L**  
Company Secretary in Practice  
Membership No.F9159 CP No. 10760

**ANNEXURE - 2**

**FORM NO. MGT.9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31<sup>st</sup> March, 2019

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

**I. REGISTRATION AND OTHER DETAILS:**

Sl.No.	Particulars	Details
1	CIN	L85110KA1991PLC012537
2	Registration Date	25/11/1991
3	Name of the Company	Pasari Spinning Mills Limited
4	Category / Sub-Category of the Company	Indian Non-Government Company
5	Address of the Registered office and contact details	No 18 Illrd Floor, Anjaneya Temple Road, Yediyur, Jayanagar 6th Block, Bangalore, 560082 admin@pasariexports.com
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>KARVY FINTECH PRIVATE LIMITED</b> Tower B, Plot No. 31 32, Karvy Selenium, Financialdistrict Nanakramguda, Gachibowli, Hyderabad, Telangana, 500032 Telephone- 080 26603410 Fax: 080 26600786

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the services company
1	Manufacturing of Cotton Yarn	1311	NIL

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	-	-	-	-	-
2	-	-	-	-	-

**IV. SHARE HOLDING PATTERN**  
(Equity Share Capital Breakup as percentage of Total Equity)  
i) Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2,61,800	21,800	283600	2.06	3,01,500	NIL	3,01,500	2.18	0.12
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

## PASARI SPINNING MILLS LIMITED

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	52,80,342	18,00,000	70,80,342	51.30	52,80,342	18,00,000	70,80,342	51.30	NIL
e) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other..	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (A) (1)</b>	<b>55,42,142</b>	<b>18,21,800</b>	<b>73,63,942</b>	<b>53.36</b>	<b>55,81,842</b>	<b>18,00,000</b>	<b>73,81,842</b>	<b>53.49</b>	<b>0.13</b>
(2) Foreign									
a) NRIs Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (A) (2):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A) (2)</b>	<b>55,42,142</b>	<b>18,21,800</b>	<b>73,63,942</b>	<b>53.36</b>	<b>55,81,842</b>	<b>18,00,000</b>	<b>73,81,842</b>	<b>53.49</b>	<b>0.13</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks/FI	100	NIL	100	NIL	100	NIL	100	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (B)(1):-</b>	<b>100</b>	<b>NIL</b>	<b>100</b>	<b>NIL</b>	<b>100</b>	<b>NIL</b>	<b>100</b>	<b>NIL</b>	<b>NIL</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	4,74,835	12,500	4,87,335	3.53	4,60,089	12,100	4,72,189	3.42	-0.11
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual									

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Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
shareholders holding nominal share capital upto Rs.1 lakh	21,95,283	9,03,549	30,98,832	22.46	22,32,418	9,00,329	31,32,747	22.70	0.25
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	26,35,086	15,800	26,50,886	19.21	25,96,590	15,800	26,12,390	18.93	-0.28
c) Others (specify)									
i) Directors and their relatives	47,368	61,900	10,926	0.79	47,368	61,900	1,09,268	0.79	NIL
ii) Non residents	43,177	45,400	88,577	0.64	43,077	44,100	87,177	0.63	-0.01
iii) Clearing Members	NIL	NIL	NIL	NIL	100	NIL	100	NIL	NIL
iv) NRI Non-Repatriation	1,260	NIL	1,260	0.01	4,187	NIL	4,187	0.03	0.02
Sub-total (B)(2):-	53,97,009	10,38,949	64,35,958	46.64	53,83,829	10,34,229	64,18,058	46.51	-0.13
Total Public Shareholding (B) = (B)(1) + (B)(2)	53,97,009	10,38,949	64,35,958	46.64	53,83,829	10,34,229	64,18,058	46.51	-0.13
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	1,09,39,251	28,60,749	1,38,00,000	100	1,09,65,771	28,34,229	1,38,00,000	100	NIL

### (ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Pasari Exports Limited	70,80,342	51.3	Nil	70,80,342	51.3	NIL	NIL
2.	Gauri Shankar Gupta	2,21,200	1.6	Nil	2,21,200	1.6	Nil	NIL
3.	Krishnakumar Gupta	40,600	0.29	Nil	40,600	0.29	Nil	NIL
4.	Tarun Kumar Gupta	39,700	0.29	Nil	39,700	0.29	Nil	Nil
	Total	73,81,842	53.49	Nil	73,81,842	53.49	Nil	Nil

# PASARI SPINNING MILLS LIMITED

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	73,81,842	53.49	73,81,842	53.49
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	73,81,842	53.49	73,81,842	53.49

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Subh Labh Traders Pvt Ltd	1,65,100	1.20	NIL	1,65,100	1.20	NIL	NIL
2	Najmuddin Gulamhusein Kheraj	1,41,659	1.03	NIL	1,41,659	1.03	NIL	NIL
3	Prafulla Ramesh Patel	1,15,000	0.83	NIL	1,15,000	0.83	NIL	NIL
4	Kirtikumar Mangal das Shah	1,11,949	0.81	NIL	NIL	NIL	NIL	-0.81
5	Tejbain Kaur	92,515	0.67	NIL	92,515	0.67	NIL	NIL
6	Dhiraj Valji Khaniya	1,33,014	0.52	NIL	1,33,014	0.52	NIL	NIL
7	Kiranben R Desai	68,207	0.49	NIL	68,207	0.49	NIL	NIL
8	Vimal Anantraï Mehta	65,488	0.47	NIL	65,488	0.47	NIL	NIL
9	Mukesh K Bhanushali	1,16,148	0.84	NIL	1,84,474	1.34	NIL	0.5
10	Lingutla Venkata Ramana	96,000	0.70	NIL	96,000	0.70	NIL	NIL
	Total	11,05,080	8.00	NIL	10,61,457	7.69	NIL	0.32

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Gauri Shankar Gupta	2,21,200	1.6	2,21,200	1.6
2	Krishna Kumar Gupta	40,600	0.29	40,600	0.29

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3	Kamala Devi Gupta	20,000	0.14	20,000	0.14
4	Gupta Tarun Kumar	39,700	0.29	39,700	0.29
5	Kailash Chandra Gupta	300	0.00	300	0.00
	<b>Total</b>	<b>3,21,800</b>	<b>2.32</b>	<b>3,21,800</b>	<b>2.32</b>

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/  
accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	1,30,31,289	2,88,59,669	NIL	4,18,90,958
<b>Total (i+ii+iii)</b>	<b>1,30,31,289</b>	<b>2,88,59,669</b>	<b>NIL</b>	<b>4,18,90,958</b>
Change in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction	19,78,913	12,06,504	NIL	31,85,417
<b>Net Change</b>	<b>19,78,913</b>	<b>12,06,504</b>	<b>NIL</b>	<b>31,85,417</b>
Indebtedness at the end of the financial year	1,10,52,376	2,76,53,165	NIL	3,87,05,541
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>1,10,52,376</b>	<b>2,76,53,165</b>	<b>NIL</b>	<b>3,87,05,541</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL\*

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL

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4.	Commission - as % of profit - others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total (A)	NIL	NIL

\* Since the company is in loss the directors have waived their salaries.

### B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
	3. Independent Directors	K.C. Gupta			
	<ul style="list-style-type: none"> <li>Fee for attending board committee meetings</li> <li>Commission</li> <li>Others, please specify</li> </ul>				
	Total (1)				
	4. Other Non-Executive Directors	G.S.Gupta	K.K.Gupta	K.D.Gupta**	
	<ul style="list-style-type: none"> <li>Fee for attending board committee meetings</li> <li>Commission</li> <li>Others, please specify</li> </ul>	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL
	Total (B) = (1 + 2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	NIL	NIL	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL	NIL
	- as % of profit				
	- others, specify...				
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL

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### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



## Committees of the Board Annexure 2A

### Audit committee:

The Company's Board has constituted an Audit Committee pursuant to the provisions of 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### Composition:

Mr. K. C. Gupta, Chairman, Non Executive Director,  
Mr. T.K. Gupta, Member, Non Executive Director,  
Mr. K.K. Gupta, Member, Non executive Director,  
Mr. Shiva Hari Bist Prem Bist, Independent Director  
Mr. Kolagunda Kumar Siddappa, Independent Director

**(a) Powers:** Powers of the Audit Committee include:

- (i) To investigate any activity within its responsibilities.
- (ii) To have independent back office support and other resources from the company.
- (iii) To have access to information contained in the records of the Company or from any employee.
- (iv) To obtain legal or professional advice from external sources.
- (v) To have the facility of separate discussions with both internal and external auditors as well as the management.
- (vi) To secure attendance of outsiders with relevant expertise, if it considers necessary.

### (b) Roles and Responsibilities:

- (i) Recommend the appointment, re-appointment and removal of external auditor and internal auditor, approve terms of engagement, including fixation of audit fee, and also approve the payment for any other services. The Committee shall review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process.
- (ii) Review the financial reporting process and the disclosure of financial information of the Company, as well as subsidiaries, to ensure that the financial statement is correct, sufficient and credible. Also, monitor the integrity of the financial statements of the Company.
- (iii) Review, with management, the quarterly and annual financial statements before submission to the Board, focusing primarily on:
  1. Any changes in accounting policies and practices and reasons for the same.
  2. Major accounting entries based on exercise of judgment by management.
  3. Qualifications in draft audit report.
  4. Significant adjustments arising out of audit.
  5. The going concern assumption.
  6. Compliance with accounting standards.
  7. Compliance with Stock Exchange and legal requirements concerning financial statements.
  8. Management Discussion and Analysis of financial conditions and results of operations.

9. Directors' Responsibility Statement.

- (iv) Review the adequacy of internal control systems and review internal audit reports, management letters relating to internal control weaknesses, if any.
  - (v) Review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - (vi) Discussion, review and follow up on the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, including management override of internal controls and financial irregularities involving management team members.
  - (vii) Discussions with external auditors before the audit commences about the nature and scope of the audit, and have post-audit discussions to ascertain any areas of concern.
  - (viii) Review the Company's financial and risk management policies and systems. Assist executive management to identify the risk impacting the Company's business and document the process of risk identification, risk minimization and risk optimization as a part of risk management policy.
  - (ix) Look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, and monitor utilization of funds raised through public and preferential issues.
  - (x) Review the functioning of the Whistle Blower mechanism established in the Company.
  - (xi) Monitor and approve all Related Party Transactions including any modification/amendment with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of Company at large.
  - (xii) Any other matter referred to the Audit committee by the Board of Directors of the Company
- (c) Meetings:** During the year Audit committee met 5 times on 30th May, 2018, 16th July, 2018, 23rd October, 2018 and 8th December, 2018 and 30th January, 2019.

### Attendance record in Audit Committee is as follows:

Sl. No.	Members	Category	No of meetings attended
1	Mr. K. C. Gupta	Chairman, Non Executive & Independent	5
2	Mr. T.K.Gupta,	Member, Executive Director	5
3	Mr. K.K.Gupta,	Member, Non executive Director	5
4.	Mr. Shiva Hari Bist Prem Bist	Member & Independent Director	2
5.	Mr. Kolagunda Kumar Siddappa	Member & Independent Director	2

As required under Regulation 18 of (Listing Obligations and Disclosure Requirements) Regulations with the Stock Exchanges, all necessary information was placed before the Board from time to time.

Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the year, which could have potential conflict of interest between the Company and its Promoters, Directors, Management and/or relatives.

**2. Nomination and Remuneration committee:**

**(a) Composition:**

1. Mr. K.C. Gupta, Chairman, Non executive and Independent Director
2. Mr. G.S. Gupta, Member, Non executive Director
3. Mr. K.K. Gupta, Member, Non executive Director
4. Mr. Shiva Hari Bist Prem Bist, Member & Independent Director
5. Mr. Kolagunda Kumar Siddappa, Member & Independent Director

**(b) Powers / Roles :** The terms of reference of the Nomination and Remuneration Committee include the following:

- (i) To decide on all matters relating to the Company's stock option/share purchase schemes including the grant of options/shares to the Directors and employees of the Company and/or of its subsidiaries.
- (ii) To determine and make suitable recommendations to the Board in all matters relating to qualification, appointment, evaluation and remuneration of the Independent Directors of the Board, Executive Directors of the Company and its managerial personnel under 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iii) To review performance and determine the remuneration payable to Executive Directors.
- (iv) Establishment and administration of employee compensation and benefit plans. (v) To decide and make suitable recommendations to the Board on any other matter that the Board may entrust the Committee with or as may be required by any statutes/regulations/guidelines/listing agreements, etc.

During the year, the Remuneration Committee met once on 30th Jan 2019. Composition, Category and attendance of the Remuneration Committee is as under:

**3. Stakeholders Relationship Committee:**

**a) Composition**

1. Mr. K.C. Gupta, Non Executive & Independent
2. Mr. K.K. Gupta, Non executive
3. Mrs. K.D. Gupta, Non executive
4. Mr. Shiva Hari Bist Prem Bist
5. Mr. Kolagunda Kumar Siddappa

**b) Powers/Roles:**

Powers/Roles: The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

**c) Meetings:**

The Committee met 1 time during the year on 30th January, 2019.

Sl. No.	Members	Category	No of Meetings Attended	
			Held	Attended
1	Mr. K.C. Gupta,	Non Executive & Independent Director	1	1
2	Mr. K.K. Gupta	Member & Non executive Director	1	1
3	Mrs. K.D. Gupta	Member & Non executive Director	1	1
4.	Mr. Shiva Hari Bist Prem Bist	Members & Independent Director	1	1
5.	Mr. Kolagunda Kumar Siddappa	Members & Independent Director	1	1

**Report of Investor Complaints received and disposed of during year ended March 31, 2019:**

Particulars	No. of cases outstanding as on April 01, 2018	No. of cases added during the year	No. of cases resolved during the year	No. of cases outstanding as on March 31, 2019
No. of Investor issues	NIL	1	1	NIL
No. of legal cases	NIL	NIL	NIL	NIL

**Details on General meetings:**

Location, date and time of the General Meetings held in the last 3 years are as under:

A G M	Date	Time	Venue
27th	28/09/2018	11.00 AM	Sri Krishna Mini hall, No 589, 15th Main, Maruthi Circle,
26th	30/09/2017	11.00 A M	Hanumanthanagar,
25th	30/09/2016	11.00 A M	Bangalore-560050

Sl.No	Members	Category	No of Meetings Attended
1	Mr. K.C. Gupta	Non Executive & Independent	1
2	Mr. G.S. Gupta	Non executive	1
3.	Mr. K.K. Gupta	Non executive	1
4	Mr. Shiva Hari Bist Prem Bist	Independent Director	1
5	Mr. Kolagunda Kumar Siddappa	Independent Director	1

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Details of Special Resolutions passed in the previous three AGMs

A G M Particulars of Special Resolutions passed thereat	
27th	Appointment of Mr. Tarun Kumar Gupta as Managing Director.
26th	No Special Resolution was passed at this AGM.
25th	No Special Resolution was passed at this AGM.

None of the businesses required to be transacted at the Twenty Eight Annual General Meeting, is proposed to be passed by postal ballot.

#### Disclosures:

Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, or the Management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of Company at large.

(Rs. in lakhs)

Name of the party	Nature of transaction	Amount
Pasari Exports Limited	Borrowings	2,26,75,794
T K R Textiles Private Ltd	Borrowings	6,17,935

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

#### Means of communication:

#### Quarterly/Annual Results:

The Quarterly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board in accordance with the Statutory requirement.

During the year the Company has not made any presentations to analysts.

#### General Shareholder information:

- Annual General Meeting 30th September, 2019
- Venue Sri Krishna Mini Hall, No 589, 15th Main, Maruthi Circle, Hanumanthanagar, Bangalore-560050

**Financial year:** 1st April 2018 to 31st March 2019.

**Date of book closure:** 30th September, 2019

**Listing:** The shares of the Company are listed on the following stock exchange  
Bombay stock exchange  
P J Towers, Dalal Street,  
Mumbai – 400 001

**STOCK CODE:** 521080

**ISIN: (Equity)** INE 604F01010

#### Market price data:

Month	High Price	Low Price
Apr-18	2.64	2.3
May-18	3.3	2.64
Jun-18	3.3	3.3
Jul-18	3.3	3.2
Aug-18	3.63	3.29
Sep-18	3.6	3.1
Oct-18	3.25	3.25
Nov-18	4.1	3.41
Dec-18	4.5	3.8
Jan-19	4.68	3.8
Feb-19	4.45	3.83
Mar-19	4.6	3.98

#### Sensex for the period:

Month	High	Low
Apr-18	35213.3	32972.56
May-18	35993.53	34302.89
Jun-18	35877.41	34784.68
Jul-18	37644.59	35106.57
Aug-18	38989.65	37128.99
Sep-18	38934.35	35985.63
Oct-18	36616.64	33291.58
Nov-18	36389.22	34303.38
Dec-18	36554.99	34426.29
Jan-19	36701.03	35375.51
Feb-19	37172.18	35287.16
Mar-19	38748.54	35926.94

#### Registrars and Share transfer Agents:

**KARVY FINTECH PRIVATE LIMITED**  
Tower B, Plot No. 31 32, Karvy Selenium,  
Financial district Nanakramguda,  
Gachibowli, Hyderabad,  
Telangana, 500032  
Tel: 040-44655000

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### Share transfer system:

All shares have been transferred and returned within 21 days from the date of lodgement, provided the necessary documents were in order.

### PASARI SPINNING MILLS LIMITED Distribution Schedule as on 31st March 2019 (Consolidated)

Category (Amount)	Phy Cases	Phy Cases %	Shares	Phy Amount	Phy Amount %	Cases	Ele Cases %	Shares	Ele Amount	Ele Amount %	Cases	Total Cases %	Shares	Total Amount	Total Amount %
20001-30000	16	0.1939	44100	441000	0.3196	89	1.0788	229492	2294920	1.663	105	12727	273592	2735920	1.9826
5001-10000	128	1.5515	107200	1072000	0.7768	399	4.8364	344490	3444900	2.4963	527	63879	451690	4516900	3.2731
40001-50000	3	0.0364	15000	150000	0.1087	37	0.4485	176422	1764220	1.2784	40	0.4848	191422	1914220	1.3871
50001-100000	7	0.0848	69300	693000	0.5022	77	0.9333	565209	5652090	4.0957	84	1.0182	634509	6345090	4.5979
100001 & Above	2	0.0242	1815800	18158000	13.158	104	1.2606	8643180	86431800	62.6317	106	1.2848	10458980	104589800	75.7897
10001-20000	43	0.5212	64400	644000	0.4667	199	2.4121	318842	3188420	2.3104	242	2.9333	383242	3832420	2.7771
30001-40000	3	0.0364	10900	109000	0.079	45	0.5455	163426	1634260	1.1842	48	0.5818	174326	1743260	1.2632
1-5000	4133	50.097	707529	7075290	5.127	2965	35.9394	524710	5247100	3.8022	7098	86.0364	1232239	12322390	8.9293
<b>Total</b>	<b>4335</b>	<b>52.5454</b>	<b>2834229</b>	<b>28342290</b>	<b>20.538</b>	<b>3915</b>	<b>47.4546</b>	<b>10965771</b>	<b>109657710</b>	<b>79.4619</b>	<b>8250</b>	<b>99.9999</b>	<b>13800000</b>	<b>138000000</b>	<b>100</b>

### Dematerialisation of shares & liquidity:

As of the end of 31st March 2019 shares comprising approximately 79.46 % of shares of the company's Equity share capital have been dematerialized. Shareholding pattern as at 31.03.2019.

SI No.	Category of Shareholder	No of shareholder	Total No of Shares	Total shareholding as a percentage of total number of shares
<b>(A)</b>	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>			
	Individuals/HUF	4	3,01,500	2.18
	Bodies Corporate	1	70,80,342	51.31
<b>(A)</b>	<b>Total Promoter's Holding</b>	<b>5</b>	<b>73,81,842</b>	<b>53.49</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>			
	<b>I. INSTITUTIONS</b>			
	Financial Institutions/Banks	1	100	0.00
	<b>II. NON INSTITUTIONS</b>			
	<b>Individuals:-</b>			
	Individuals Shareholders Holding Nominal shareholding up to Rs.2 lakhs	7,813	37,14,930	26.92
	Individuals holding nominal share holding excess of Rs.2 lakhs	44	21,39,475	15.50
	Others	209	5,63,653	4.08
<b>(B)</b>	<b>Total Public Shareholding</b>	<b>8,067</b>	<b>64,18,158</b>	<b>46.51</b>
	<b>(A)+(B)</b>	<b>8,072</b>	<b>13,80,000</b>	<b>100</b>

# PASARI SPINNING MILLS LIMITED

## Plant location:

Company's factory is located at:

# 54 & 55,  
KIADB Industrial Area,  
1<sup>st</sup> Main, 3<sup>rd</sup> Cross  
Nanjangud – 571 301.

Address of Registered Office of the Company:

**PASARI SPINNING MILLS LIMITED**  
#18, (old No 16), III Floor, Anjaneya Temple Road,  
Yedyur, 6<sup>th</sup> Block, Jayanagar,  
Bangalore – 560082

The above report was approved by the Board of Directors at their meeting held on 12th August, 2019

for and on behalf of the board

Date: 12th August, 2019  
Place: Bangalore

**Krishna Kumar Gupta**

Managing Director  
DIN: 00003880

Address: A-21 Silver palm, Bldg 3, Basavanagar Main,  
Vibhuthipura Extn, Marathalli, Bangalore- 560067

## ANNEXURE-3

### **PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH THE RELATED PARTIES (AOC-2)**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

#### **1. Details of contracts or arrangements or transactions not at arm's length basis.**

There were no contracts or arrangements or transactions entered during the year ended March 31, 2019, which were not at arm's length basis.

#### **2. Details of material contracts or arrangement or transactions at arm's length basis.**

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2019 are as follows:

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	(d) Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)	(g)
M/s Pasari Exports	Common Directorship	Unsecured Loan (Expenses paid on behalf of Pasari Spinning Mills)	NA	Unsecured Loan (Expenses paid on behalf of Pasari Spinning Mills)	NA	2,26,75,794.0
G.S. Gupta	Director	Unsecured Loan	NA	Unsecured Loan	NA	7,43,163.00
Kamala Devi Gupta	Director	Unsecured Loan	NA	Unsecured Loan	NA	5,79,345.00
T.K. Gupta	Director	Unsecured Loan	NA	Unsecured Loan	NA	12,29,282.00
Mrs. Poonam Gupta	Relative of Director	Unsecured Loan	NA	Unsecured Loan	NA	6,40,422.00
Mrs. Sneha Gupta	Relative of Director	Unsecured Loan	NA	Unsecured Loan	NA	6,48,220.00
Mr. K.K Gupta	Director	Unsecured Loan	NA	Unsecured Loan	NA	5,19,004.00
TKR Textiles	Common Director	Unsecured Loan	NA	Unsecured Loan	NA	6,17,935.00

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Industry structure and developments:**

The cotton textile industry in India had to contend with major challenges during the year. The impact of the severe economic downturn in the economies of the developed countries was acutely felt in India too. Issues relating to power shortage and shortage of skilled labour continue to affect the textile sector. Excess capacities and significant erosion in margins due to severe competition have also had a negative impact on the profitability of the industry.

**Opportunities and threats:**

The promoters of your company are planning for entering into retail industries, currently the retail market is lucrative when compared with manufacturing industries and thereby have the hope of recovering from the present financial crisis.

**Segment wise performance and Company outlook:**

Due to

- ❖ Increase in cost of raw material
- ❖ No substantial increase in the selling price of finished product (Cotton Yarn)
- ❖ Regular absenteeism of the workmen
- ❖ Frequent interruption in the power supply
- ❖ Increase in the cost of electricity
- ❖ Non favorable market conditions to the textile industry.

Company was unable to run the factory, and the production was stopped from the end of July 2011, and the promoters, requested the Hon'ble Labour Department to grant the permission for closure of the factory. The Hon'ble labour department has granted the permission to close the factory located at Nanjangud vide its order No Ka.Ee 114 LMW 2007 dated 29th November 2011.

PASARI SPINNING MILLS LIMITED was undertaking manufacture of Cotton Yarn at its Unit located at KIADB Industrial Area, Nanjangud, Mysore District with spindle capacity of 17,472.

**Risk and Concerns:**

**Risks :**

General Economic conditions:

Any slowdown in the global and/or Indian economy could adversely affect our business. Textile business in general is sensitive to fluctuations in the economy. The textile sector may be unfavorably affected by changes in global and domestic economies, changes in local market conditions, government policies and Regulations. Since demand for textiles is affected by world economic growth, a global recession could lead to a downturn in the Textile Industry.

**Socio-political risks:**

In addition to economic risks, the Company faces risks from the socio-political environment, internationally as well as within the country and is affected by events like political instability extreme weather conditions and natural calamities etc.,

**Concerns:**

The Promoters of your Company, taken the permission for closure of the Factory from the Hon'ble labour department, Government of Karnataka, which stopped the further losses of the Company

**Internal control systems and their adequacy:**

Company has reviewed internal controls and its effectiveness through the internal audit process. Internal audits were undertaken for every operational unit and all major corporate functions under the direction of the Audit committee.

**The focus of these reviews are as follows:**

- ❖ Identify weakness and areas of improvement
- ❖ Safeguarding of tangible and intangible assets
- ❖ Management of business and operational risks
- ❖ Compliance with applicable statutes
- ❖ Compliance with the Pasari "Code Of Conduct"

The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the compliance reports submitted to them.

**Discussion on financial performance with respect to operational performance:**

The Company could not achieve the targeted results because of Closure of the factory.

**Material developments in Human Resources / Industrial Relations front, including number of people employed:**

Your Company had not employed workers and staff including the factory and head office.

By order of the Board,  
for Pasari Spinning Mills Limited

Date: 12th August, 2019  
Place: Bangalore

**Krishna Kumar Gupta**  
Managing Director  
DIN: 00003880  
Address: A-21 Silver palm, Bldg 3,  
Basavanagar Main,  
Vibhuthipura Extn, Marathalli,  
Bangalore- 560067

## INDEPENDENT AUDITOR'S REPORT

To the Members of PASARI SPINNING MILLS LIMITED

### Report on the Financial Statements

We have audited the accompanying Financial Statements of **M/s PASARI SPINNING MILLS LIMITED**, ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year ended, and a Summary of Significant Accounting Policies and other explanatory information.

### Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("The Act") with respect to preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with 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 financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

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

### 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 March 31, 2019;
- (b) In the case of the Statement of Profit and Loss, its **PROFIT** and total Comprehensive Income for the year ended on that date;
- (c) In case of the Statement of Changes in Equity, the movement and the changes in equity for the period ended on that date; and,
- (d) In the case of the Cash Flow Statement, the Cash Flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central

Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, We give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the said Order to the extent applicable.

2. As required by section 143(3) of the Act, We report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity 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 including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of written representations received from the Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019, from being appointed as a Director in terms of section 164(2) of the Act.
- f) Since the Company has stopped its Manufacturing Activities and also has not carried on any Commercial Operations in the Business of the Company, disclosure to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls does not exist and hence no disclosure to the same is being made.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us:

i. The company has disclosed its pending litigations and its Impact on the Financial Statements. Refer Point Number (ii) and (iii) of (C) - Other Disclosures in Note Number 21 in the Financial Statement.

- ii. There are no material foreseeable losses assessed during the year and hence no provision is required to be made at the reporting date by the Company, as required under the applicable Law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. The company does not have any amounts to be transferred to Investor Education and Protection Fund.

**For MURALI & VENKAT**  
Chartered Accountants

**G. SATISHCHANDRA**  
Partner  
Membership Number: 027372  
Firm's Registration Number: 002162S

Place: Bangalore.  
Date: 12th August, 2019



# PASARI SPINNING MILLS LIMITED

## ANNEXURE-A TO THE COMPANIES AUDITOR'S REPORT ORDER, 2016

(Referred to in paragraph 1 of our report of even date)

- i. a) The Company has maintained proper records to show full particulars including quantitative details and situation of all Fixed Assets.
- b) The Fixed Assets of the Company have been physically verified by the Management during the year at reasonable intervals and no discrepancies between the book records and physical verification were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held by the Company in its name.
- ii. The company does not carry any inventory; hence no physical verification has been carried out. The Company has certain opening Stores and Spares for which no physical verification report is made available with respect to quantitative details. However, the closing Stores and Spares as on the end of the year is NIL.
- iii. In respect of the loans, secured or unsecured, granted by the company to companies, firms, limited liability partnerships or other parties, covered under Register maintained under section 189 of the Act, We report that:
- a) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties listed in the Register maintained under section 189 of the Act.
- b) Since the company has no loans granted, secured or unsecured, the reporting on terms and conditions for such Loans, repayment of Principal or Interest and any overdue thereon, does not arise.
- iv. In our opinion and according to information and explanations given to us, there are no Loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- v. The company has not accepted any deposit from the public, as per the provisions of section 73 to 76 or any other relevant provisions of the Act, and the rules framed there under.
- vi. According to information and explanations given to us, the Company has stopped its manufacturing operations from June 2010 and no other commercial activities have also been carried out by the Company. Hence reporting on the maintenance of cost records as per Clause (vi) of the order does not arise.
- vii. a) The Company is generally regular in depositing the **undisputed Statutory dues** with Appropriate Authorities and there are no undisputed and outstanding amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Sales tax, Duty of Customs, Duties of Excise, Value added tax, CGST, IGST, SGST and Cess and any other taxes, Duties or Levies applicable to the Company. The business has no remained outstanding dues of Statutory Payments as on 31st March 2019, for a period of more than six months from the date they became payable.
- b) There are disputed liabilities with regard to Sales Tax, as on 31.03.2019.

Name of the Statute	Nature of the Dues	Amount (Rs.)	For the Year
Central Sales Tax Act	CST	4,45,496	1999-00
		5,80,226	2000-01
		8,83,692	2001-02
Karnataka Entry Tax Act	KVAT	46,593	1999-00
		98,290	2000-01
		4,35,196	1999-00
		46,57,137	2000-01
		32,10,915	2001-02
KVAT & CST Act	Penalty	5,000	1999-00
		2,50,000	2000-01
		18,35,296	2001-02
KVAT & CST Act	Interest	3,11,968	1999-00
		33,37,878	2000-01
		19,18,381	2001-02
<b>Total</b>		<b>1,80,16,068</b>	

However, there are no Disputed Liabilities in respect of Income Tax, Service Tax, CGST, IGST, SGST, Central Excise and Customs Duty

viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment principal dues of loans borrowed from Syndicate Bank as on 31.03.2019. There are no Loans from Financial Institutions nor from Government, borrowed by the Company and there are no debenture holders with the Company.

ix. In our opinion, the Company has borrowed Term Loan from Syndicate Bank in 2012 for the purpose of settlement to labour. However, during the year company has not obtained any term loan and no money was raised by way of public offer or further public offer by the Company and hence our reporting on the disclosure of the application of funds, initial public offer or further public offer is not made.

**ANNEXURE-A TO THE COMPANIES AUDITOR'S REPORT ORDER, 2016**

- x. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to information and explanations given to us, the Company has not paid any remuneration to its Directors during the year by the Company. Hence, our reporting on the disclosure of Compliance with the provisions section 197 of the Act does not arise.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. A) According to the information and explanation given to us and based on our examination of the records of the Company, transactions by the Company with the related parties are compliance with 188 of the Act, and details of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, so as to adhere to the provisions of Section 42 of the Act.
- xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with Directors or persons connected with him and accordingly our reporting on the disclosure of Compliance with the provisions of section 192 of the Act, does not arise.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For MURALI & VENKAT**  
Chartered Accountants

**G. SATISHCHANDRA**  
Partner  
Membership Number: 027372  
Firm's Registration Number: 002162S

Place: Bangalore.  
Date: 12th August, 2019

# PASARI SPINNING MILLS LIMITED

## M/S. PASARI SPINNING MILLS LIMITED

Regd Office : NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560082.

### BALANCE SHEET AS AT

PARTICULARS	Note No.	31st March, 2019	31st March, 2018
		Rs.	Rs.
<b>A Assets</b>			
<b>1 Non-current assets</b>			
Property, plant and equipment	3	6,310	239,621
Investment properties	4	7,286,216	8,057,287
Financial assets			
(i) Loans	5(i)	-	-
(ii) Other financial assets	5(ii)	452,627	385,721
Deferred Tax Asset	6	39,979,384	39,771,000
Other non-current assets	7	8,799,523	8,223,400
<b>Total non-current assets</b>		<b>56,524,060</b>	<b>56,677,029</b>
<b>2 Current assets</b>			
Inventories	8	-	-
Financial assets			
(i) Investments	5(iii)	1,033,988	40,876
(ii) Trade receivables	5(iv)	-	-
(iii) Cash and cash equivalents	5(v)	458,052	49,928
Other current assets		-	-
<b>Total current assets</b>		<b>1,492,040</b>	<b>90,804</b>
<b>Total assets (1+2)</b>		<b>58,016,100</b>	<b>56,767,833</b>
<b>B Equity and Liabilities</b>			
<b>1 Equity</b>			
Equity share capital	9	138,000,000	138,000,000
Other equity			
(i) Reserves and surplus	10	(124,191,105)	(126,843,605)
(ii) Other reserves		-	-
<b>Total equity</b>		<b>13,808,895</b>	<b>11,156,395</b>
<b>2 Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	11(i)	33,728,170	37,113,587
(ii) Other financial liabilities		-	-
Other non-current liabilities	12	-	-
Provisions		-	-
<b>Total non-current liabilities</b>		<b>33,728,170</b>	<b>37,113,587</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Trade payables	13	-	-
(ii) Borrowings	11(ii)	4,977,371	4,777,371
(ii) Other financial liabilities	11(iii)	5,341,773	3,638,223
Provisions	14	-	-
Current tax liabilities		-	-
Other current liabilities	15	159,891	82,257
<b>Total current liabilities</b>		<b>10,479,035</b>	<b>8,497,851</b>
<b>Total liabilities</b>		<b>44,207,205</b>	<b>45,611,438</b>
<b>Total equity and liabilities (1+2)</b>		<b>58,016,100</b>	<b>56,767,833</b>

## ANNUAL REPORT 2018 - 2019

PARTICULARS	Note No.	31st March, 2019	31st March, 2018
		Rs.	Rs.
Significant Accounting Policies and Other Disclosures Notes on adoption of Ind AS	21 22		

The accompanying notes are an integral part of these financial statements.

**As per our report of even date**

For **MURALI & VENKAT**  
Chartered Accountants

For **PASARI SPINNING MILLS LIMITED**

**G. SATISHCHANDRA**  
Partner  
Membership No. 027372  
Firm Registration No. 002162S

**Tarun Kumar Gupta**  
Chief Financial officer

**Krishna Kumar Gupta**  
Managing Director

**Poonam Gupta**  
Director

Place: Bengaluru  
Date: 12th August, 2019

**Neelu Daslana**  
Company Secretary

# PASARI SPINNING MILLS LIMITED

## M/S. PASARI SPINNING MILLS LIMITED

Regd Office :NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560082

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

PARTICULARS	Note No.	31st MARCH, 2019	31st MARCH, 2018
		Rs.	Rs.
<b>Continuing operations</b>			
Revenue from operations		-	-
Other operating income	16	6,271,055	6,640,648
Other income	17	182,746	560,066
<b>Total income</b>		<b>6,453,801</b>	<b>7,200,714</b>
<b>Expenses :</b>			
Cost of materials consumed	18	-	-
Manufacturing and other Operating Expenses		-	-
Changes in inventories of finished goods & work-in-progress		-	-
Employee benefit expenses		-	-
Finance costs	19	1,714,203	2,029,936
Depreciation and amortisation expense	3	1,004,382	1,004,382
Other expenses	20	1,200,714	1,181,802
<b>Total expenses</b>		<b>3,919,300</b>	<b>4,216,120</b>
<b>Profit before tax from continuing operations</b>		<b>2,534,501</b>	<b>2,984,594</b>
Income tax expense :			
Income Tax			
(i) Current Tax for the year		-	-
(ii) Tax relating to earlier years		90,386	-
MAT Credit Entitlement for the year		-	-
Deferred tax charge/ (credit)		(208,384)	(202,801)
<b>Profit from continuing operations</b>		<b>2,652,500</b>	<b>3,187,395</b>
Profit/(Loss) from Discontinuing operations		-	-
<b>Profit for the year</b>		<b>2,652,500</b>	<b>3,187,395</b>
<b>Other Comprehensive Income (OCI)</b>			
Items that will not be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year (Net of tax)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>2,652,500</b>	<b>3,187,395</b>
Earning per equity share:			
(1) Basic		0.19	0.23
(2) Diluted		0.19	0.23
Significant Accounting Policies and Other Disclosures	21		

The accompanying notes are an integral part of these financial statements.

#### As per our report of even date

For **MURALI & VENKAT**  
Chartered Accountants

For **PASARI SPINNING MILLS LIMITED**

**G. SATISHCHANDRA**  
Partner  
Membership No. 027372  
Firm Registration No. 002162S

**Tarun Kumar Gupta**  
Chief Financial officer

**Krishna Kumar Gupta**  
Managing Director

**Poonam Gupta**  
Director

Place: Bengaluru  
Date: 12th August, 2019

**Neelu Daslana**  
Company Secretary

# ANNUAL REPORT 2018 - 2019

## M/S. PASARI SPINNING MILLS LIMITED

Regd Office : NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560082

### CASH FLOW STATEMENT FOR THE YEAR ENDED

PARTICULARS	31st MARCH, 2019	31st MARCH, 2018
	Rs.	Rs.
<b>A. Cash flow from operating activities</b>		
Profit before tax from continuing operations	2,534,501	2,984,594
Profit before tax from discontinued operation	-	-
Adjustments for :		
Depreciation and amortisation expense	1,004,382	1,004,382
Bad debts written off	114,734	-
Net (gain)/loss on financial assets measured at FVTPL	(2,410)	175,549
Dividend received	(85,583)	(1,265)
Interest received	-	(58,801)
Finance cost	1,714,203	2,029,936
Operating profit before working capital changes	5,279,828	6,134,395
Changes in working capital:		
(Increase)/Decrease in inventories	-	-
(Increase)/Decrease in trade receivables	-	3,879
(Increase)/Decrease in other financial assets	(66,906)	18,719
(Increase)/Decrease in other non-current assets	(576,122)	(307,566)
Increase/(Decrease) in trade payables	-	-
Increase/(Decrease) short term borrowings	200,000	-
Increase/(Decrease) other financial liabilities	1,703,550	(2,316,903)
Increase/(Decrease) other non-current liabilities	-	(2,500,000)
Increase/(Decrease) in other current liabilities	77,634	(799,635)
Increase/(Decrease) in short term provisions	-	-
Net Cash generated from operations	6,617,983	232,889
Income taxes paid (net of refunds)	-	-
Net cash from/ (used in) operating activities	6,617,983	232,889
<b>B. Cash flow from investing activities</b>		
Purchase of investments	(6,922,384)	(10,460)
Proceeds from sale of investments	5,726,563	9,914
Dividend received	85,583	1,265
Interest Received	-	58,801
Net cash from/ (used in) investing activities	(1,110,239)	59,520
<b>C. Cash flow from financing activities</b>		
Unsecured loan from related parties	(1,406,504)	2,688,648
Repayment of Secured loans	(1,978,913)	(989,823)
Interest paid	(1,714,203)	(2,029,936)
Net cash from/ (used in) financing activities	(5,099,621)	(331,111)
Net cash flows during the year (A+B+C)	408,124	(38,702)
<b>Cash and cash equivalents (Opening balance)</b>	49,928	88,630
<b>Cash and cash equivalents (Closing balance)</b>	458,052	49,928

**Note:**

1. Cash & Cash Equivalents represents Cash & Bank Balances and deposits with Banks as per **Note 6 (v)**
2. Above cash flow statement has been prepared under indirect method in accordance with the Indian Accounting (Ind AS) 7 on "Statement of Cash Flows".
3. The Figures in bracket represent the Cash Outflow and the figures having no bracket represents the Cash Inflow.

This is the Cash Flow Statement we have referred to, in our Report of even date

For **MURALI & VENKAT**  
Chartered Accountants

For **PASARI SPINNING MILLS LIMITED**

**G. SATISHCHANDRA**  
Partner  
Membership No. 027372  
Firm Registration No. 002162S  
Place: Bengaluru  
Date :12th August, 2019

**Tarun Kumar Gupta**  
Chief Financial officer

**Krishna Kumar Gupta**  
Managing Director

**Poonam Gupta**  
Director

**Neelu Daslana**  
Company Secretary

# PASARI SPINNING MILLS LIMITED

## M/S. PASARI SPINNING MILLS LIMITED

Regd Office: NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560 082

### STATEMENT OF CHANGES IN EQUITY

For the period ended 31.03.2019

#### A. Equity Share Capital - Note 9

	<u>Particulars</u>	<u>Amount</u>
Balance as at 01.04.2018		13,800,000
Changes in Equity Share Capital (2018-19)		-
Balance as at end 31.03.2019		<u>13,800,000</u>

#### B. Other Equity - Note 10

	Share Application Money pending Allotment	Equity Component of Compound Financial Instrument	Reserves & Surplus				Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash flow hedges	Revaluation Surplus	Exchange differences on translating the Financial Statement of a Foreign Operation	Other Items of other Comprehensive Income (Specify Nature)	Money Received against Share Warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (Specify Nature)	Retained Earnings								
Balance as at 01.04.2017	-	-	-	-	-	(130,031,000)	-	-	-	-	-	-	-	(130,031,000)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) for the year	-	-	-	-	-	3,187,395	-	-	-	-	-	-	-	3,187,395
Any other changes (To be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2018	-	-	-	-	-	(126,843,605)	-	-	-	-	-	-	-	(126,843,605)

#### B. Other Equity - Note 10 (Continued...)

	Share Application Money pending Allotment	Equity Component of Compound Financial Instrument	Reserves & Surplus				Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash flow hedges	Revaluation Surplus	Exchange differences on translating the Financial Statement of a Foreign Operation	Other Items of other Comprehensive Income (Specify Nature)	Money Received against Share Warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (Specify Nature)	Retained Earnings								
Balance as at 31.03.2018	-	-	-	-	-	(126,843,605)	-	-	-	-	-	-	-	(126,843,605)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) for the year	-	-	-	-	-	2,652,500	-	-	-	-	-	-	-	2,652,500
Any other changes (To be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of reporting period	-	-	-	-	-	(124,191,105)	-	-	-	-	-	-	-	(124,191,105)

**M/S. PASARI SPINNING MILLS LIMITED**  
 Regd Office: NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560082  
**DEPRECIATION UNDER SLM METHOD AS PER COMPANIES ACT, 2013**

**Note 3: Property, plant and equipment**

Fixed Assets	Depreciation Rate	Gross Block				Accumulated Depreciation			Net Block	
		As at 1st Apr 2018	Additions	Disposals	As at 31st Mar 2019	As at 1st Apr 2018	Depreciation for the year	Disposals	As at 31st Mar 2019	As at 31st Mar 2018
TANGIBLE ASSETS										
Furniture and Fixtures	9.50%	341,521			341,521				341,521	-
Vehicles	11.88%	1,963,894			1,724,274	233,311			1,957,585	239,620
Office equipment *	19.00%	275,631			275,630	-			275,630	1
Computer	31.67%	474,082			474,082				474,082	-
<b>Total</b>		3,055,128	-	-	3,055,128	233,311	-	-	3,048,818	239,621
Previous Year's Total		3,055,128	-	-	2,582,196	233,311	-	-	2,815,507	472,932



# PASARI SPINNING MILLS LIMITED

## M/S. PASARI SPINNING MILLS LIMITED

Regd Office: NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560082

### Notes to the Financial Statements for the year ended March 31, 2019

#### Note 4 : Investment properties

Particulars	As at March 31, 2019	As at March 31, 2018
Gross carrying amount		
Opening gross carrying amount/ Deemed cost(April 1, 2016)	26,881,472	26,881,472
Transfer from property, plant and equipments	-	-
Additions	-	-
Closing gross carrying amount	26,881,472	26,881,472
Accumulated depreciation		
Opening accumulated depreciation	18,824,185	18,053,114
Transfer from property, plant and equipments	-	-
Depreciation charge	771,071	771,071
Closing accumulated depreciation	19,595,256	18,824,185
Closing Capital work-in-progress		
	7,286,216	8,057,287

#### (i) Amounts recognised in statement of profit and loss for investment properties

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental income	6,271,055	5,476,215
Direct operating expenses from property that generated rental income	-	-
Profit from investment properties before depreciation	6,271,055	5,476,215
Depreciation charge	771,071	771,071
Profit from investment properties	7,042,126	6,247,286

#### (ii) Fair value of investment properties:

Particulars	As at March 31, 2019	As at March 31, 2018
Land	127,776,000	127,141,000
Building	50,077,000	49,828,000
	177,853,000	176,969,000

\*No Adjustment is carried to the Land & Building disclosed in the Financials about the Fair Value adopted as above in respect of Land & Building

#### Note 5 : Financial assets

##### (i) Loans

Particulars	As at March 31, 2019	As at March 31, 2018
	-	-

##### (ii) Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Rent receivable	452,627	385,721
	452,627	385,721

## ANNUAL REPORT 2018 - 2019

### (iii) Current investments

(valued at FVTPL)

Particulars	As at March 31, 2019	As at March 31, 2018
Quoted investment in equity instruments	1,033,988	40,177
Quoted investment in mutual funds	-	699
	1,033,988	40,876

### (iv) Trade receivables

(Unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables		
- Related parties	-	-
- Others	-	-
Less: Allowance for doubtful debts	-	-
	-	-

### (v) Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- in current accounts	364,419	49,841
- deposit accounts with original maturity of less than 3 months	-	-
- ICICI Securities	93,633	
Cash on hand	-	87
	458,052	49,928

### Note 6 : Deferred tax asset

Particulars	As at March 31, 2019	As at March 31, 2018
On account of Depreciation between books and Income tax written down value (WDV) of depreciable Property, Plant and equipment	39,979,384	39,771,000
Other timing differences	-	-
	39,979,384	39,771,000

### Movement in Deferred Tax Asset

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	39,771,000	39,568,199
(Charged)/ Credited to statement of profit and loss (DTA)	208,384	202,801
	39,979,384	39,771,000

## PASARI SPINNING MILLS LIMITED

### Note 7 : Other non-current assets

(Unsecured considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Income Tax Refund Receivable	992,174	-
TDS Receivable	956,593	1,257,910
Sales Tax 05-06 to 09-10	167,371	282,105
MAT Credit Entitlement	216,135	216,135
Indira Vikas Patra	750	750
Water Deposit	25,000	25,000
Excise Duty - Deposit	50,000	50,000
Sales Tax Deposit	1,500	1,500
K E B - Deposit	-	-
Telephone Deposit	-	-
Others Advances- (under Arbitration with CCI)	6,390,000	6,390,000
	8,799,523	8,223,400

### Note 8 : Inventories

(at lower of cost and net realisable value)

Particulars	As at March 31, 2019	As at March 31, 2018
Stores and spares	-	-
	-	-

### Note 9 : Equity share capital

Authorised equity share capital

Particulars	No of shares	Amount
As at April 1, 2018	14,000,000	140,000,000
Increase/ (decrease) during the year	-	-
As at March 31, 2019	14,000,000	140,000,000

(i) Movements in equity share capital (issued, subscribed and fully paid up)

Particulars	No of shares	Amount
As at April 1, 2018	13,800,000	138,000,000
Increase/ (decrease) during the year	-	-
As at March 31, 2019	13,800,000	138,000,000

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

## ANNUAL REPORT 2018 - 2019

(ii) Equity shares held by the Group Company

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No of shares	Amount	No of shares	Amount
Pasari Exports Ltd.	7,080,342	70,803,420	7,080,342	70,803,420

(iii) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No of shares	Shareholding (%)	No of shares	Shareholding (%)
Pasari Exports Ltd.	7,080,342	51.31%	7,080,342	51.31%

(iv) There are no shares reserved for issue under options and contracts/ commitments. Further, there are no shares that have been allotted during last 5 years pursuant to a contract without payment being received in cash, or by way of bonus shares.

**Note 10 : Reserves and surplus**

	As at March 31, 2019	As at March 31, 2018
<b>Retained earnings</b>		
Opening balance	(126,843,605)	(130,031,000)
Net profit /(Net loss) for the year	2,652,500	3,187,395
Closing balance	(124,191,105)	(126,843,605)

**Note 11 : Borrowings**

(i) Non-current borrowings

	As at March 31, 2019	As at March 31, 2018
Term loan from Syndicate Bank [Refer note (a)]	11,052,376	13,031,289
Loan from related parties [Refer note (b)]	22,675,794	24,082,298
	33,728,170	37,113,587

a. Term loan from Syndicate Bank is taken on personal guarantee of directors and other collateral securities to be repaid in 144 monthly instalments without any moratorium period

b. Loan from related party pertains to unsecured interest free loan from Pasari Exports Limited, the Group Company only

(ii) Current borrowings

	As at March 31, 2019	As at March 31, 2018
a. Loans from directors & their relatives		
Loan From Mr.GS Gupta	743,163	743,163
Loan From Mrs..Kamaladevi Gupta	579,345	579,345
Loan From Mr.TK Gupta	1,229,282	1,029,282
Loan From Mr. K K Gupta	519,004	519,004
Loan From Mrs. Poonam Gupta	640,422	640,422
Loan From Mrs. Sneha Gupta	648,220	648,220
b. Loans from associated enterprise		
Loan from T.K.R.Textile Pvt Ltd	617,935	617,935
	4,977,371	4,777,371

## PASARI SPINNING MILLS LIMITED

(iii) : Other financial liabilities

	As at March 31, 2019	As at March 31, 2018
Current maturities of long term debt	1,762,806	1,581,495
Remuneration payable	-	-
Hutch deposit	40,000	40,000
JTM deposit	50,000	50,000
Rental deposit	3,331,379	1,812,492
ICICI Securities	-	-
Audit fee payable	91,136	100,000
Expenses payable	66,452	54,236
	5,341,773	3,638,223

### Note 12 : Other non-current liabilities

	As at March 31, 2019	As at March 31, 2018
Advance Received for Land (Jaiveer Bio Gas Private Limited)	-	-
	-	-

### Note 13 : Trade payables

	As at March 31, 2019	As at March 31, 2018
Trade payables		
- Dues of Micro Enterprises and Small Enterprises	-	-
- Related parties	-	-
- Others	-	-
	-	-

### Note 14 : Provisions

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Director remuneration	-	-
Provision for Income Tax	-	-
	-	-

### Note 15 : Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Statutory liabilities		
GST	65,406	82,257
Income Tax -TDS	94,486	-
	159,891	82,257

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### Note 16 : Other operating income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental income	6,271,055	5,476,215
Provision/ liabilities no longer required written back	-	1,164,433
	6,271,055	6,640,648

### Note 17 : Other income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend income	85,583	1,265
Net gain on financial assets measured at FVTPL	34,767	-
Interest on fixed deposit	-	58,801
Miscellaneous Income	41	
Profit on sale of shares	51,671	
Profit on sale of Mutual Funds		
Speculation Income	10,685	
Forfeiture Money on cancellation of Sale of Land	-	500,000
	182,746	560,066

### Note 18 : Cost of materials consumed

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Stock of raw materials & Stores	-	-
Add : Purchases of Materials, stores & consumables (Returns)	-	-
	-	-
Less: Closing Stock of raw materials and Stores	-	-
	-	-

### Note 19 : Finance Cost

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on term loan	1,619,478	1,799,053
Interest on provident fund	94,725	230,883
Interest paid on electricity charges	-	-
	1,714,203	2,029,936

# PASARI SPINNING MILLS LIMITED

## Note 20 : Other expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Advertisement	6,720	6,720
Bad debts written off	114,734	-
Bank Charges	31,462	39,051
Courier, postage & telegram	60,960	12,850
Electricity Charges (related to previous years)		-
General expenses	8,850	-
Guest house maintenance		40,600
Listing fee	350,000	300,081
Loss on Sale of Shares	56,515	
Loss on Sale of Mutual Funds	20	
Meeting expenses		-
Net loss on financial assets measured at FVTPL	32,356	175,549
Printing & stationery	53,000	34,720
Professional & other consultancy charges	58,970	12,000
Rates and taxes, excluding, taxes on income	271,572	458,711
Share transfer agent expenses	77,054	42,032
Statutory audit fees	59,000	50,000
Telephone expenses		-
Travelling expenses		-
Vehicle insurance	9,488	9,488
Vehicle Maintenance	10,013	-
	1,200,714	1,181,802

**M/S. PASARI SPINNING MILLS LIMITED**

Regd. Office :NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR,  
JAYANAGAR 6TH BLOCK, Bangalore - 560082

**Note 21 : NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****A. General Information**

The Company was incorporated on 25th November 1991, vide CIN: L85110KA1991PLC012537, to carry on the business of Textile, Spinning, Weaving, Dying and Printing factories, conventional or modern using cotton, silk, wool, polyester fiber.

The Company has discontinued its production operations from the financial year 2010-11. The Company has no intention to continue the production operations henceforth and has decided to lease out the Factory premises. The Company has not carried out any commercial operations during the current year.

**B. Summary of Significant Accounting Policies**

This note provides a list of the Significant Accounting Policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**i. Basis of preparation:****(a) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendments Rules, 2016] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2017 which were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act, have been reinstated as per Ind AS and the Financial statements for the year ended 31-03-2018 and 31-03-2019 have been accordingly drawn.

**(b) Historical cost convention**

The financial statement has been prepared on a historical cost basis, except for:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value.

**(c) The 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 III to the Companies Act, 2013. 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 months for the purpose of current and non-current classification of assets and liabilities.

**ii. Revenue recognition:**

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as mentioned below:

- (a) Sale of products is recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer which is based on the agreed terms. Revenue is based on price agreed with the customers. Amounts disclosed as revenue are net of returns, trade discounts, cash discounts, sales incentives, sales tax, etc.
- (b) Rental income arising from operating lease of investment properties is accounted on accrual basis, based on contractual terms with the lessee and is disclosed under "Other Operating Revenue" in statement of profit and loss.

**iii. Investments and other financial assets:****(a) Classification**

The Company classifies its financial assets under the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL), those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.



# PASARI SPINNING MILLS LIMITED

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

## **(b) Initial recognition and measurement**

All financial assets are recognised initially at its fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

## **(c) Subsequent measurement**

Financial assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVOCI. All equity investments are measured at fair value through other comprehensive income, except for investments in subsidiary/ associate which is measured at cost. Changes in the fair value of financial assets are recognised in statement of other comprehensive income. In those cases, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on such financial assets that are subsequently measured at FVTPL and is recognised and presented net in the statement of profit and loss within other income in the period in which it arises.

## **(d) Impairment of financial assets**

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. The Company assesses the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 details how the company determines whether there has been a significant increase in credit risk. The losses arising from impairment are recognised in the profit or loss.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## **(e) Derecognition of financial assets**

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire or it transfers substantially all risk and rewards of ownership of the financial asset. A gain or loss on such financial assets that are subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised.

## **(f) Income recognition**

**Interest income**

Interest income from financial assets measured at amortised cost is recognised using the effective interest rate method and are disclosed in statement of profit and loss.

### **Dividends**

Dividends from equity instruments are recognised as other income in statement of profit and loss only when the right to receive payment is established.

## **iv. Property, plant and equipment:**

Freehold land is carried at historical cost and other items of property, plant and equipment including capital spares are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Company and it can be used for more than one year and the cost can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income or expense.

Depreciation on property, plant and equipments is provided using the straight line method. As required under Schedule II to the Companies Act 2013, the Company periodically assesses the estimated useful life of its tangible assets based on the technical evaluation considering anticipated technological changes and actual usage of the assets. The estimated useful life is either equal to or lower than those prescribed under Part C of Schedule II to the Companies Act, 2013.

The estimated useful life for various property, plant and equipments is given below:

<b>Assets</b>	<b>Useful life (Yrs)</b>	<b>Depreciation Rate</b>
Buildings	30	3.17%
Furniture and Fixtures	10	9.50%
Vehicles	8	11.88%
Office equipment	5	19.00%
Computer	3	31.67%

Low value assets not exceeding INR 5,000/- per unit are depreciated at 100%

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

**v. Investment properties:**

Property that is held for rental income and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including related transaction cost. It is carried at cost less accumulated depreciation. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Land is carried at historical cost, however, buildings are depreciated using the written down value method over their estimated useful lives as mentioned in 2(iv) above.

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

**vi. Inventories:**

Raw Materials, Consumable stores and spares are valued at lower of cost or market value after providing for obsolescence and depletion in value wherever applicable.

**vii. Retirement benefits:**

- (a) Contributions to PF/EPF are accounted on accrual basis.
- (b) Gratuity and leave encashment are accounted on cash basis.

**viii. Foreign currency transactions:**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency monetary Assets and Liabilities are translated at year end exchange rates. The exchange difference arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise, except in case of the liabilities for the acquisition of fixed assets, where such exchange difference is adjusted in the carrying cost of fixed assets. This is not applicable to the Company.

# PASARI SPINNING MILLS LIMITED

## ix. Leases:

### As a lessee

Leases in which the Company has substantial portion of the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are capitalised at the lower of the fair value of the leased assets at the inception of the lease term and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Cost of leasehold land (other than those which will be converted to freehold after a certain period upon satisfying prescribed conditions) is amortised over the lease term.

Leases in which the Company doesn't have substantial portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to statement of profit and loss on a straight line basis.

### As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return of the net investment outstanding in respect of the leases.

Lease income from operating leases where the Company is a lessor is recognised as income on a straight line basis. The respective leased assets are disclosed as investment properties.

## x. Taxes on income:

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax asset in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

## xi. Impairment of assets:

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent the carrying amount exceeds recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level of which that are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## xii. Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. They are recognised initially at their fair value and subsequently measured at amortised cost.

**xiii. Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using effective interest method.

**xiv. Provisions and Contingent Liabilities:**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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.

**xv. Cash and cash equivalents:**

Cash and cash equivalents includes cash and cheques on hand, current accounts and fixed deposit accounts with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**xvi. Earning per share (basic and diluted):**

Earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year.

**(C) Other Disclosures**

**I. Claims against the Company not acknowledged as debts :**

The Company purchased Cotton from the Cotton Corporation of India and paid an advance for the same but Cotton Corporation supplied poor quality of material due to which, the Company has raised a demand Rs 180 for the price difference which was litigated by Cotton Corporation and the matter is under arbitration.

II. The Loans and Advances to Cotton Corporation of Rs 63,90,000/- is in dispute pertaining to earlier years.

**III. Contingent Liability:**

The Commercial Tax Authorities have raised a demand including interest and penalty thereon for an amount of Rs 1,80,16,068/- payable in 5 instalments of six months each as per the payment schedule prescribed in the order. The Company has not paid any of the said instalments as demanded and went in appeal with Hon'ble BIFR for setting off the same. The matter is pertaining to earlier years, which is pending for 10 years.

As per our report of even date  
**For MURALI AND VENKAT**  
Chartered Accountants

for PASSARI SPINNING MILLS LIMITED

**G. SATISHCHANDRA**  
PARTNER  
M.NO: 027372

**Tarun Kumar Gupta**  
Chief Financial Officer

**Krishna Kumar Gupta**  
Managing Director

**Poonam Gupta**  
Director

PLACE: BANGALORE  
DATE: 12th August, 2019

**Neelu Daslana**  
Company Secretary

# PASARI SPINNING MILLS LIMITED

## M/S. PASARI SPINNING MILLS LIMITED

Regd Office: NO 18 IIIRD FLOOR, ANJANEYA TEMPLE ROAD, YEDIYUR, JAYANAGAR 6TH BLOCK, BANGALORE - 560082

### Notes to the Financial Statements for the year ended March 31, 2019

#### Note 22 : Adoption of Ind AS

The Company has prepared the financial statements in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and the preparation of an opening Ind AS balance sheet as at April 1, 2016 (the Company's date of transition), has been carried out in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

#### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS

##### A.1 Ind AS optional exemptions

###### A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment properties covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all its property, plant and equipment and investment properties at their previous GAAP carrying value.

##### A.2 Ind AS mandatory exceptions

###### A.2.1 Estimates

The Company's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVPL; and
- Impairment of financial assets based on expected credit loss method.

###### A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in equity instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

#### B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods.

The Company has carried out such reconciliation in the previous financial statements ending 31-03-2017 to comply with the requirements and there are no such reconciliation is required between 31-03-2018 and 31-03-2019.

As per our report of even date

**For MURALI AND VENKAT**

Chartered Accountants

for PASSARI SPINNING MILLS LIMITED

**G. SATISHCHANDRA**

PARTNER

M.NO: 027372

**Tarun Kumar Gupta**

Chief Financial Officer

**Krishna Kumar Gupta**

Managing Director

**Poonam Gupta**

Director

PLACE: BANGALORE

DATE: 12th August, 2019

**Neelu Daslana**

Company Secretary

**FORM NO. MGT.11**

**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L85110KA1991PLC012537

Name of the company: **Pasari Spinning Mills Limited**

Registered office: No 18 IIIrd Floor, Anjaneya Temple Road,  
Yedyur, Jayanagar 6th Block, Bangalore - 560082

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I/We, .....of ..... In the district of .....being the member/members of Pasari Spinning Mills Limited, hereby appoint Mr./Mrs. ....of ..... in the district of ..... or failing him/her, Mr./Mrs..... of .....in the district of.....as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the TWENTY EIGHTH Annual general meeting, to be held on the 30<sup>th</sup> September, 2019 At 11.00 AM at Sri Krishna Mini Hall, No 589, 15th Main, Maruthi Circle, Hanumantha Nagar, Bangalore 560050 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	(Please mention no. of shares)	For	Against
<b>ORDINARY BUSINESS</b>				
1.	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2019, the Profit & Loss Account and Cash Flow Statement together with the Board's Report and Auditor's Report thereon as circulated to the shareholders			
2.	To appointment of M/s. Rao & Emmar, Chartered Accountants, Bangalore as Statutory Auditors of the Company			
<b>SPECIAL BUSINESS:</b>				
1.	Regularisation of appointment of Mr. Krishna Kumar Gupta as Managing Director of the company for a period of 5 years			
2.	Regularisation of appointment of Ms. Poonam Gupta as director of the company.			
3.	Appointment of Mr. Gauri Shankar Gupta as a Non Executive Director.			
4.	Regularisation of Appointment of Mr. Shiva Hari Bist Prem Bist as an Independent Non Executive Director of the Company			
5.	Regularisation of Appointment of Mr. Kolagunda Kumar Siddappa as an Independent Non Executive Director of the Company			

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

Signature of shareholder.....

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

Affix Revenue Stamp
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**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



# ANNUAL REPORT 2018 - 2019

## PASARI SPINNING MILLS LIMITED

(CIN: L85110KA1991PLC012537)

Registered office: No 18 III Floor, Anjaneya Temple Road,  
Yedyur, Jayanagar 6th Block, Bangalore-560082

### FORM NO. MGT.12

#### Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the  
Companies (Management and Administration) Rules, 2014]

Reg. Folio/Client ID No :  
DP ID No. :  
Class of shares :  
No of shares :

I hereby exercise my vote in respect of Ordinary/Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Resolution No.	Resolution	No. of shares held by me	I dissent from the resolution	I assent to the resolution
<b>Ordinary Business:</b>				
1.	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2019, the Profit & Loss Account and Cash Flow Statement together with the Board's Report and Auditor's Report thereon as circulated to the shareholders.			
2.	To appointment of M/s. Rao & Emmar, Chartered Accountants, Bangalore as Statutory Auditors of the Company			
<b>Special Business:</b>				
1.	Regularization of Mr. Krishna Kumar Gupta (DIN: 00003880) as Managing Director of the company for a period of 5 years			
2.	Regularization of appointment of Ms. Poonam Gupta as director of the company.			
3.	Appointment of Mr. Gauri Shankar Gupta as a Non Executive Director.			
4.	Regularisation of Appointment of Mr. Shiva Hari Bist Prem Bist as an Independent Non Executive Director of the Company			
5.	Regularisation of Appointment of Mr. Kolagunda Kumar Siddappa as an Independent Non Executive Director of the Company			

Place:  
Date:

(Signature of the shareholder)





## ANNUAL REPORT 2018 - 2019

### FORMAT FOR FURNISHING THE PAN AND BANK DETAILS

To,  
**Karvy Fintech Private Limited**  
 Tower B, Plot No. 31 32, Karvy Selenium,  
 Financialdistrict Nanakramguda,  
 Gachibowli, Hyderabad,  
 Telangana, 500032

**Dear Sir,**

**Unit: PASARI SPINNING MILLS LIMITED**

I/ We furnish below our folio details along with PAN and Bank mandate details for updation and confirmation of doing the needful. I/we are enclosing the self-attested copies of PAN cards of all the holders, original cancelled cheque leaf, Bank pass book and address proof viz., Aadhaar card as required for updation of the details:

<b>Folio No.</b>	
<b>Address of the 1st named shareholder as per the share certificate</b>	
<b>Mobile No</b>	
<b>E-Mail id</b>	

**Bank Account Details : (for electronic credit of unpaid dividends and all future dividends)**

<b>Name of the Bank</b>									
<b>Name of the Branch</b>									
<b>Account Number (as appearing in your cheque book)</b>									
<b>Account Type (Saving / Current / Cash Credit)</b>	<u>10 – Saving</u>			<u>11 – Current</u>			<u>13 – Cash Credit</u>		
<b>9 Digit MICR Number (as appearing on the MICR cheque issued by the bank) Please enclose a photocopy of a cheque for verification</b>									
<b>11 Digit IFSC Code</b>									

	PAN No	Name	Signature
<b>First Holder :</b>			
<b>Joint Holder 1 :</b>			
<b>Joint Holder 2 :</b>			

**Date:**

**Place:**

**NB: The above details will not be updated if the supporting documents are not attached and not duly signed by all the shareholders.**

# PASARI SPINNING MILLS LIMITED

Pasari Spinning Mills Limited  
CIN: L85110KA1991PLC012537

Regd. Office: #18(old no. 16) III Floor, Anjaneya Temple Street, Yedyur, Jayanagar 6<sup>th</sup> Block,  
Bangalore-560082,

Phone + 91 80 2676 0125 | Mail - admin@pasariexports

## **IMPORTANT & URGENT FOR YOUR IMMEDIATE ACTION**

Dear Shareholder(s),

**Sub: (1) Mandatory updation of PAN and Bank details against your physical holding  
(2) No physical transfers pursuant to SEBI- LODR notification**

The Securities and Exchange Board of India has by its circular SEBI/HO/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April, 20-18 mandated that the companies through their Registrar and Transfer Agents ("RTA") take special efforts for collecting copies of PAN and bank account details for the security of the holders holding securities in physical form.

Those security holders whose folio(s) do not have complete details relating to their PAN and Bank Account, or where there is any change in the bank account details provided earlier, have to compulsorily furnish the details to RTA/ Company for registration /updation.

As per the records available with us, your folio needs to be updated with the PAN/Bank Account details. You are therefore requested to submit the following to update the records immediately on receipt of the letter to enable us to update the records

### **ACTION REQUIRED FROM YOU**

- Enclosed format duly filled in and signed by all the shareholders
- Self-attested copy of Pan Card of all the holders of the security
- Cancelled Cheque leaf with name ( if name is not printed, self-attested copy of the pass book showing the name of the account holder) of the first holder
- Address proof (self-attested Aadhaar-card) of the first holder
- Any change in the name of the holders

**Members may please be informed that, pursuant to SEBI LODR Amendment Regulations, effective 5<sup>th</sup> December, 2018, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in the dematerialized form with a depository. Hence investors are encouraged to demat their physical holding for any further transfer**

In case if you have any queries or need any assistance in this regard, please contact:

Pasari Spinning Mills Limited  
#18(old no. 16) III Floor, Anjaneya Temple Street,  
Yedyur, Jayanagar 6<sup>th</sup> Block, Bangalore-560082, India  
Phone + 91 80 2676 0125  
Mail - admin@pasariexports.com  
www.pasariexports.com

M/s Karvy Fintech Private Limited  
Tower B, Plot No. 31 32, Karvy Selenium,  
Financialdistrict Nanakramguda,  
Gachibowli, Hyderabad,  
Telangana, 500032  
Tel: 040-44655000  
Fax: 040-23420814  
Email Id: rajeev.kr@karvy.com

Thanking you,

Yours faithfully,

**For Pasari Spinning Mills Limited**

**Director**

**PASARI SPINNING MILLS LIMITED**

CIN : L85110KA1991PLC012537

Registered Office :#18, (Old # 16) III Floor Anjaneya Temple Street, Yediyur, Jayanagar 6<sup>th</sup> Block Bangalore - 560082

**ATTENDANCE SLIP**

Please complete this attendance slip in all respects and hand it over at the entrance of the meeting hall. Members Folio No:.....

Name of the Proxy (IN BLOCK LETTERS to be filled in if the proxy attends instead of the Member/s

.....No of shares held:.....

I hereby record my presence for the 28th Annual General Meeting on Monday, 30th September, 2019 at 11.00 A.M at Sri Krishna Mini Hall, # 589, 15th Main, Maruthi Circle, Hanumantha Nagar, Bangalore - 560050.

.....  
Shareholders email- id

.....  
(member/s Proxy signature)

**Note:** A Proxy attending on behalf of the Member(s) shall write the name of the Member(s) from whom he holds Proxy.

## BOOK -POST

If Undeliverd please return to :

**PASARI SPINNING MILLS LIMITED.**

#18, (Old #16) III Floor  
Anjaneya Temple Street  
Yedyur, Jayanagar 6<sup>th</sup> Block  
Bangalore – 560082