

Pasari Spinning Mills Limited

Reg Off | # 18 (Old No 16) Anjaneya Temple Road | Yediyur | Jayanagar | Bangalore 560 082 | INDIA | Phone / Fax # 91 80 2676 0125
Mail # admin@pasariexports.com | www.pasariexports.com | CIN L85110KA1991PLC012537

Date: 4th September, 2020

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

Dear Sir/Madam,

Subject: Annual Report and notice convening 29th 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 29th AGM for the financial year 2019-20.

The 29th Annual General Meeting (AGM) of the Company is scheduled to be held on Wednesday, 30th September, 2020 at 11.00 A.M through Video Conference / Other Audio Visual Means.

The Notice of AGM along with the Annual Report for the financial year 2019-20 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



ANNUAL REPORT

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PASARI SPINNING MILLS LIMITED

TWENTY- NINTH ANNUAL REPORT OF PASARI SPINNING MILLS LIMITED

CIN: L85110KA1991PLC012537

2019-20

Board of Directors

Mr. K.K. Gupta	- Executive Director, Managing Director
Mrs. Poonam Gupta	- Non-Executive - Non Independent Director,
Mr. Shiva Hari Bist Prem Bist	- Non-Executive - Independent Director
Mr. Kolagunda Kumar Siddappa	- Non-Executive - Independent Director
Mr. Gauri Shankar Gupta,	- Non-Executive - Non Independent Director
Mr. T. K. Gupta	- CFO
Ms. Neelu Daslana	- Company Secretary

Auditors:

M/s.Rao & Emmar

Chartered Accountants
P-6C, "Champaka", 3rd Floor,
1st Main, 1st Stage, Peenya Industrial Area,
Bengaluru - 560 058

Bankers:

Syndicate Bank
Bangalore

Audit Committee

Mrs. Poonam Gupta,
Non-Executive - Non Independent Director, Member
Mr. Shiva Hari Bist Prem Bist,
Non-Executive - Independent Director, Member
Mr. Kolagunda Kumar Siddappa,
Non-Executive - Independent Director, Chairman

Nomination & Remuneration Committee

Mrs. Poonam Gupta,
Non-Executive - Non Independent Director, Member
Mr. Shiva Hari Bist Prem Bist,
Non-Executive - Independent Director, Member
Mr. Kolagunda Kumar Siddappa,
Non-Executive - Independent Director, Chairman

Stakeholders Relationship Committee

Mrs. Poonam Gupta	Non-Executive - Non Independent Director, Chairman
Mr. Shiva Hari Bist Prem Bist	Non-Executive - Independent Director, Member
Mr. Kolagunda Kumar Siddappa	Non-Executive - Independent Director, Member

Registered Office

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

Factory Premises:

54 & 55, KIADB INDL AREA
1st Main III Cross,
Nanjangud - 571301

PASARI SPINNING MILLS LIMITED

NOTICE

Notice is hereby given that the TWENTY NINTH Annual General Meeting of the Members of Pasari Spinning Mills Limited will be held on Wednesday, 30th September, 2020 at 11.00 A.M through Video Conference / Other Audio Visual Means to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2020, 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 a Director in place of Mrs. Poonam Gupta (DIN: 08447607), who retires by rotation and being eligible, offers herself for re-appointment.

By order of the Board of Directors
for **PASARI SPINNING MILLS LIMITED**

Date: 20th August, 2020
Place: Bangalore

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

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and Pursuant to the General Circular numbers 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
2. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
3. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 29th AGM of the Company shall be conducted through VC / OAVM. National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 13 below and is also available on the website of the Company at www.pasariexports.com.

4. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting
5. Members are requested to inform the Company's Registrars and Share Transfer Agents viz., Kfin technologies Private Limited, regarding changes, if any in their registered addresses along with the PIN code number.
6. 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.
7. The Register of members and the share transfer books of the Company will remain closed from 24th September, 2020 to 30th September, 2020.
8. 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., Kfin technologies Private Limited in physical form.
9. Brief profile and other required information about the director is liable to retire by rotation, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under-

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	22329 Individually	

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

10. In accordance with, the General Circular No. 20/2020 dated 5th

May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

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 Kfin technologies Private Limited for receiving communications from the Company electronically.

11. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the RTA at einward.ris@kfintech.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to einward.ris@kfintech.com.

The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the Company at www.pasariexports.com, on the website of Stock Exchanges i.e. BSE Limited. Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com

12. 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 —

Kfin technologies Private Limited,

Tower B, Plot No. 31 32, Selenium Building,
Financial district, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi, Telangana, 500032.
Email: rajeev.kr@kfintech.com

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

13. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under Members login by using the remote e-voting credentials. The link for VC / OAVM will be available

in Members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

14. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM. Further Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis
15. Members who need assistance before or during the AGM with use of technology, can:-
 1. Send a request at evoting@nsdl.co.in or use Toll free no.: 1800-222-990;
 2. or - Contact Mr. Thejas N, Assistant Manager, NSDL at the designated email ID: evoting@nsdl.co.in or thejasN@nsdl.co.in or at telephone number +91-9742353308
16. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
17. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at admin@pasariexports.com. Questions / queries received by the Company till 5.00 p.m. on Monday, 28th September, 2020 shall only be considered and responded during the AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
18. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at admin@pasariexports.com. The same will be replied by the company suitably.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

19. (I) Pursuant to the provision of Section 108 of the Companies

PASARI SPINNING MILLS LIMITED

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 29th Annual General Meeting by electronic means through E-voting service provided by company through NSDL e-voting system at <https://www.evoting.nsdl.com> and the Business may be transacted through E-voting as per instruction below:

- a) Date and time of Commencement of voting through electronic means: 25th September, 2020 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, 2020 at 5.00 P.M.
- c) Details of website: www.evoting.nsdl.com
- d) For any further clarification relating to E-voting contact our toll free No. 1800-222-990 or email us at evoting@nsdl.co.in.
- e) Details of Scrutinizer: Mr. Vinay B L, Practicing Company Secretary, Bangalore.
- f) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 23rd September, 2020, i.e. being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only
- g) The Instructions for E-voting are as under:
Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com>
How to Log-in to NSDL e-voting website?
a. Visit the e-voting website of NSDL. Open web browser by typing the URL: <https://www.evoting.nsdl.com>.
b. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.
c. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
d. Your User ID details are given below :

Manner of holding shares	Your User ID is:
a. For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example: if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****
b. For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example: if your Beneficiary ID is 12***** then your User ID is 12*****
c. For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example: if folio number is 001*** and EVEN is 101456 then your User ID is 101456001***

- h) After entering these details appropriately, click on "LOGIN".
- i) Your password details are given below:
 - i. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - ii. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - iii. How to retrieve your 'initial password'?
If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - j) If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
 - (i) Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (ii) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (iii) If you are still unable to get the password by aforesaid two

options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

- (iv) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- (v) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) You need to login again with the new credentials.

Step 2: Cast your vote electronically on NSDL e-voting system.

- (vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box. Now, you will have to click on "Login" button
- (viii) After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
- (ix) After click on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
- (x) Select 'EVEN' of Company for which you wish to cast your vote.
- (xi) Now you are ready for e-voting as the voting page open
- (xii) Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
- (xiii) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (xiv) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (xv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) 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 with copy to evoting@nsdl.co.in and admin@pasariexports.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name. Event no.
- (xvii) The E-voting module shall be disabled for voting on 29th September, 2020 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.

(xviii) 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://www.evoting.nsdl.com>.

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

(xx) 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 NSDL (<https://www.evoting.nsdl.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.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

- 20. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, basis the request being sent on admin@pasariexports.com.

By the Order of the Board
Pasari Spinning Mills Limited

Date: 20th August, 2020
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

BOARD'S REPORT

CIN: L85110KA1991PLC012537

To

The Members,

Your Directors have pleasure in presenting their Twenty Ninth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2020.

1. FINANCIAL SUMMARY OR HIGHLIGHTS/ PERFORMANCE OF THE COMPANY. :

Amount in Rs.

Particulars	2019-20	2018-19
Total Revenue	68,44,842	64,53,801
Profit before tax	26,97,738	25,34,501
Tax Expenses:		
a) Current tax	-	-
b) Tax Related to earlier years	-	90386
c) MAT Credit entitlement	-	-
d) Deferred tax(Charge)/Credit	(1,32,389)	(2,08,384)
Profit (Loss) for the year	28,30,127	26,52,500

Global health pandemic from COVID-19

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020. The lockdowns and restrictions imposed on various activities due to COVID — 19 pandemic have posed challenges to the day to day working Operations of Pasari Spinning Mills Limited. The Company has discontinued its operations from the financial year 2010-11 therefore there were no impact on the manufacturing facilities and sales but our other operational income were impacted during the lockdown period. In keeping with Company's employee-safety first approach, the Company quickly instituted measures to trace all employees and be assured of their well-being. All our office staff have been able to connect and operate remotely.

2. PERFORMANCE OF THE COMPANY:

For the year ended 31st March, 2020, the Company has earned a profit of Rs. 28,30,127 (Rupees Twenty eight lakh thirty thousand one hundred twenty seven only) as compared with the previous year's a profit of Rs. 26,52,500 (Rupees Twenty six lakh fifty two thousand five hundred only)

3. THE WEB ADDRESS, IF ANY, WHERE EXTRACT OF ANNUAL RETURN HAS BEEN PLACED-

The Company is having website i.e www. pasariexports.com and annual return of Company has been published on such website.

4.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.

5. DIVIDEND:

During the year under review, the Company did not declare any dividend to its members.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

During the period under review there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

7. RESERVES:

During the year under review the Company has earned a profit of Rs. 28,30,127 (Rupees Twenty eight lakh thirty thousand one hundred twenty seven only) and the same has been transferred to the Reserves and Surplus Account.

8. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

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

9. CREDIT RATING: NOT APPLICABLE

10. CHANGE IN NATURE OF BUSINESS, IF ANY:

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

11. 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.

12. 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.

13. 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.

14. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture and Associate Companies.

15. DEPOSITS:

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

16. 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 less 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.

17. AUDITORS:

Statutory Auditors:

M/s. Rao & Emmar, Chartered Accountants, Bangalore (Firm Registration No. 03084S), Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 30th September, 2019, for the five consecutive years. The Auditors have confirmed that they are not disqualified from being appointed as Auditors of the Company.

Statutory Auditors' comments on Company's accounts for year ended 31st March, 2020 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. Vinay B L, Company Secretary in Practice, Bangalore as the Secretarial Auditor, to conduct the Secretarial Audit of the company for the Financial Year 2019-20 as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for the FY 2019-20 forms part of the Annual Report as Annexure-1 to the Board's Report.

18. EXTRACT OF 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.

19. 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

20. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company does not meet the prescribed thresholds as provided under Section 135 for constituting CSR committee and hence the same is not applicable.

21. DIRECTORS:

A) Changes in Directors and Key Managerial Personnel:

During the year under review there was an appointment and re-appointment of Non executive directors as follows-

PASARI SPINNING MILLS LIMITED

Name of the Director	Category	Date of Appointment
Mr. Gauri Shankar Gupta	Non executive director	30/09/2019
Mrs. Poonam Gupta	Non executive director	09/05/2019, Regularisation as Director of the Company on 30/09/2019

Key Managerial Personnel:

The Company has appointed Mr. Tarun Kumar Gupta as Chief Financial Officer (CFO) on 23rd April, 2019.

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. Further Mr. Shiva Hari Bist Prem Bist (DIN: 08305342) and Mr. Kolagunda Kumar Siddappa (DIN: 08305351) were re-appointed by the shareholders as an Independent Non Executive Director of the Company at the AGM held on 30th September, 2019.

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.

Programme For Familiarisation Of Independent Directors:

The details of programme for familiarization of independent directors of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at its link www.pasariexports.com

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.

22. 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.	23rd April, 2019	7	7
2.	16th May, 2019	4	4
3.	26 th July, 2019	4	4
4.	12th August, 2019	4	4
5.	23rd October, 2019	5	5
6.	5th February, 2020	5	5

23. Cost Record

The provision of Cost audit as per section 148 doesn't applicable on the Company.

24. Consolidated Financial Statements

Company doesn't have any subsidiaries so there is no need to prepare consolidated financial statement for the F. Y. 2019-20.

25. SEBI (LODR) Compliance

The Company has complied all the regulations of the SEBI (LODR) regulation, 2015 which are applicable to the company.

26. Compliance With Secretarial Standard

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

27. Listing with Stock Exchanges:

The Company confirms that it has paid the Annual Listing Fee for the year 2019-20 to BSE Limited with whom the equity shares of the Company have been listed.

28. Corporate Governance

Maintaining high standards of Corporate Governance has been fundamental to the business of your Company

since its inception. A separate report on Corporate Governance is provided (Annexure -2A).

29. 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 2019-20, Company has not received any complaint on sexual harassment.

30. 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.

31. 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.

32. 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.

33. 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.

34. 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.

35. 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:

PASARI SPINNING MILLS LIMITED

SI No	Qualification/observation/Adverse remarks/Disclaimer				Reply by the Board
1	There are disputed liabilities with regard to Sales Tax, as on 31.03.2020				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.
	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		
Total		1,80,16,068			
2	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.				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.
3	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				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. The quarterly financial results are also being uploaded in the website of the Company.

36. 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.

37. 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.

38. 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.

39. 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

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: 20th August, 2020
Place: Bangalore

ANNEXURE 1 FORM NO. MR-3

Secretarial Audit Report

for the financial year ended 31st March, 2020

[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 III 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

PASARI SPINNING MILLS LIMITED

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 31.03.2020 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 31.03.2020 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/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

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited

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). 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.

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I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. 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.
3. 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.
4. 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.

Date: 14th August, 2020
Place: Bangalore

Vinay B L
Company Secretary in Practice
M No.F9159 CP No. 10760
F009159B000582732

Annexure A

The Members,
Pasari Spinning Mills Limited,
L85110KA1991PLC012537
No. 18 III 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 : 14th August, 2020
Place: Bangalore

Vinay B L
Company Secretary in Practice
M No.F9159 CP No. 10760
UDIN: F009159B000582732

PASARI SPINNING MILLS LIMITED

ANNEXURE - 2

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

[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 III Floor, Anjaneya Temple Road, Yedyur, 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	KFIN TECHNOLOGIES PRIVATE LIMITED Tower B, Plot No. 31 32, Selenium Building, Financial district, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, 500032. Telephone- 040 67162222 Email Id: einward.ris@kfintech.com

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	Pasari Exports Ltd. Address: No 18 III Floor, Anjaneya Temple Road, Yedyur, Jayanagar 6th Block, Bangalore, 560082	U51909KA1983 PLC036561	Holding Companies	51.31	Sec 2(6)

*The shares of the Company, Pasari Spinning Mills Limited is held by Pasari Exports Limited as per the directions of the Hon'ble BIFR.

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	3,01,500	NIL	3,01,500	2.18	3,01,500	NIL	3,01,500	2.18	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	52,80,342	18,00,000	70,80,342	51.31	52,80,342	18,00,000	70,80,342	51.31	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
Sub-total (A) (1)	55,81,842	18,00,000	73,81,842	53.49	55,81,842	18,00,000	73,81,842	53.49	NIL
(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
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) =	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(A)(1)+(A) (2)	55,81,842	18,00,000	73,81,842	53.49	55,81,842	18,00,000	73,81,842	53.49	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks/FI	100	NIL	100	0	100	NIL	100	0	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) FIs	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
Sub-total (B)(1):-	100	NIL	100	0	100	NIL	100	0	NIL
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4,60,089	12,100	4,72,189	3.42	3,94,805	12,100	406905	2.95	0.47
ii) Overseas	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	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	22,32,418	9,00,329	31,32,747	22.70	2279146	893929	3173075	22.99	0.29
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	25,96,590	15,800	26,12,390	18.93	2617546	15,800	2633346	19.08	0.15
c) Others (specify)									
i) Directors and their relatives	47,368	61,900	1,09,268	0.79	50,368	61,900	1,12,268	0.81	0.02
ii) Non residents	43,077	44,100	87,177	0.63	43,077	44,100	87,177	0.63	NIL
iii) Clearing Members	100	NIL	100	0	NIL	NIL	NIL	NIL	NIL
iv) NRI Non-Repatriation	4,187	NIL	4,187	0.03	5,587	NIL	5,587	0.04	0.01
Sub-total (B)(2):-	53,83,829	10,34,229	64,18,058	46.51	53,90,529	10,27,529	64,18,058	46.51	NIL
Total Public Shareholding (B)									
= (B)(1) + (B)(2)	53,83,829	10,34,229	64,18,058	46.51	53,90,529	10,27,529	64,18,058	46.51	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	1,09,65,771	28,34,229	1,38,00,000	100	1,09,72,471	28,27,529	1,38,00,000	100	NIL

(ii) Shareholding of Promoters:

Sl. No.	Share-holder'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	Krishna Kumar 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

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(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	7,381,842	53.49	7,381,842	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	7,381,842	53.49	7,381,842	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	165100	1.20	NIL	165100	1.20	NIL	NIL
2	Najmuddin Gulamhusein Kheraj	141659	1.03	NIL	141659	1.03	NIL	NIL
3	Prafulla Ramesh Patel	115000	0.83	NIL	115000	0.83	NIL	NIL
4	Ramaswami Radhakrishnan	NIL	NIL	NIL	58375	0.42	NIL	-0.42
5	Tejbain Kaur	92515	0.67	NIL	92515	0.67	NIL	NIL
6	Dhiraj Valji Khaniya	133014	0.52	NIL	133014	0.52	NIL	NIL
7	Kiranben R Desai	68207	0.49	NIL	68207	0.49	NIL	NIL
8	Vimal Anantrai Mehta	65488	0.47	NIL	65488	0.47	NIL	NIL
9	Mukesh K Bhanushali	184474	1.34	NIL	121961	0.88	NIL	0.46
10	Lingutla Venkata Ramana	96000	0.70	NIL	96000	0.70	NIL	NIL
	Total	1061457	7.25	NIL	1057319	7.21	NIL	0.04

(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	221200	1.6	221200	1.6
2.	Krishna Kumar Gupta	40600	0.29	40600	0.29

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3	Gupta Tarun Kumar	39700	0.29	39700	0.29
4.	Poonam Gupta	22329	0.16	22329	0.16
	Total	323829	2.34	323829	2.34

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	1,10,52,376	2,76,53,165	NIL	3,87,05,541
Total (i+ii+iii)	1,10,52,376	2,76,53,165	NIL	3,87,05,541
Change in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction	14,09,985	13,29,861	NIL	27,39,846
Net Change	14,09,985	13,29,861	NIL	27,39,846
Indebtedness at the end of the financial year	96,42,391	2,63,23,304	NIL	3,59,65,695
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	96,42,391	2,63,23,304	NIL	3,59,65,695

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
		K.K.Gupta, Managing Director	
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	Shiva Hari Bist Prem Bist	Kolagunda Kumar Siddappa		
	• Fee for attending board committee meetings • Commission • Others, please specify	NIL	NIL		NIL
	Total (1)				
	4. Other Non-Executive Directors	G.S.Gupta	Poonam Gupta		
	• Fee for attending board committee meetings • Commission • Others, please specify	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 (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	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL

PASARI SPINNING MILLS LIMITED

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)
		A. COMPANY			
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
		B. DIRECTORS			
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Date: 20th August, 2020
Place: Bangalore

Poonam Gupta
DIN: 08447607
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

CORPORATE GOVERNANCE REPORT– Annexure –2A

The Company complies with Corporate Governance as per SEBI (LODR) and a report containing the details of the Corporate Governance and processes is as under:

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its transactions with its stakeholders, including its employees, customers, shareholders, suppliers, partners, supporting agencies, Government, and society at large.

The overall responsibility for guiding Corporate Governance within the Company rests with the Board of Directors ('the Board'), which has put in place appropriate policies, guidelines and processes. The day-to-day implementation and monitoring of these policies, guidelines and processes rest with the Management of the Company and are in consonance with the requirements of the Companies Act, 2013, as amended from time to time, and applicable SEBI Regulations, including SEBI (LODR). Keeping in view the Company's size, complexity, and corporate traditions, Company has adopted the following main principles and philosophies:

- I. Constitution of the Board of the Company and Committees of Directors of appropriate composition, size and expertise.
- II. Complete transparency in the operations of the Company
- III. Maintaining prescribed levels of disclosure and complete openness in communication.
- IV. Independent verification and safeguarding integrity of the Company's financial reporting.
- V. A sound system of risk management and internal control.
- VI. Timely and balanced disclosure of all material information concerning the Company to its stakeholders

THE BOARD OF DIRECTORS

Table 01: Composition of Board of Directors

I. Composition of Board of Directors								
Title (Mr. / Ms)	Name of the Director	PAN & DIN	Category (Chairperson/ Executive /Non-Executive /Independent/ Nominee)	Date of Appointment in the current term /cessation	Tenure*	No of Directors hip in listed entities including this listed entity (Refer Regulation 25(1) of Listing Regulations)	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity (Refer Regulation 26(1) of Listing Regulations)
Mr.	Krishna Kumar Gupta	00003880, ADSPG346 5G	Managing Director	23-04-2019	5 years from the date of appointment	1	-	-
Mrs.	Poonam Gupta	08447607 AFTPK2222 C	Non Executive Director	09-05-2019	-	1	1	1
Mr.	Shiva Hari Bist Prem Bist	08305342, BJFPP6412 E	Independent Director	24-11-2018	5 years from the date of appointment	1	1	-
Mr.	Kolagunda Kumar Siddappa	08305351, CFYPK655 4C	Independent Director	24-11-2018	5 years from the date of appointment	1	1	1
Mr.	Gauri Shankar Gupta	00003860, ADVPG309 1R	Non-Executive Director	30-09-2019	-	1	-	-

PASARI SPINNING MILLS LIMITED

Table 02: Directorship, Shareholding and Meetings of the Board of Directors:

Name of the Director	Date Of Birth	Equity Shareholding (as on March 31, 2020)	No. of Directorship		No. of Board Meetings during FY 2019-20		Whether attended last AGM held on 30 th September, 2019	Specific Core Skills, Expertise and Competencies
			Public	Private	Held	Attended		
Mr. Krishna Kumar Gupta	24-09-1970	40600 Shares	1	1	6	6	Yes	Finance, Corporate Governance, Management, Human Resource, Legal
Mrs. Poonam Gupta	18-11-1976	22329 Shares	-	-	6	5	Yes	Corporate Governance, Management, Human Resource
Mr. Shiva Hari Bist Prem Bist	01-02-1974	NIL	-	-	6	6	Yes	Corporate Governance, Finance, Management
Mr. Kolagunda Kumar Siddappa	22-05-1967	NIL	-	-	6	6	Yes	Corporate Governance, Finance, Sales and Marketing
Mr. Gauri Shankar Gupta	08-11-1942	221200 Shares	1	-	6	2	Yes	Corporate Governance, Legal

BOARD MEETINGS:

The Board meets once in a quarter and additionally as and when required. The calendar of the Board meetings is decided in consultation with the Board, and the schedule of meetings is communicated to all Directors in advance to enable them to plan their effective participation during the Board meetings. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Schedule II Part A of SEBI (LODR), the Board is also kept informed of major events/ items and approvals taken wherever necessary.

The Board met Six times in FY 2019-20: 23rd April, 2019, 16th May, 2019, 26th July, 2019, 12th August, 2019, 23rd October, 2019, 5th February, 2020.

REMUNERATION OF DIRECTORS:

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.

CONFIRMATION AND CERTIFICATION

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions

he / she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from M/s Vinay B L Practicing Company Secretary, under Regulation 34(3) and Schedule V Para C Clause (10)(i) of Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI and Ministry of Corporate Affairs or any such authority and the same forms part of this Report.

BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Act and Regulation 16 of Listing Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations / disclosures received from the Directors and on evaluation of the relationships disclosed, supported by a certificate from M/s. Vinay B L Practicing Company Secretary, as per the requirement of Regulation 25(8) of the Listing Regulations, the Board confirms, that the Independent Directors fulfill the conditions as specified under Schedule V of the Listing Regulations and are independent of the management.

INDEPENDENT DIRECTORS FAMILIARISATION PROGRAMME:

The details of programme for familiarization of

independent directors of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at its link www.pasariexports.com

GOVERNANCE BY COMMITTEES OF THE BOARD OF DIRECTORS

The Company has the following Committees of the Board of Directors:

- (I) Audit Committee
- (II) Nomination and Remuneration Committee
- (III) Stakeholders Relationship Committee
- (IV) Corporate Social Responsibility Committee & Risk Management Committee- NA

1. 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:

- 1. Mrs. Poonam Gupta, Member, Non executive Director,
- 2. Mr. Shiva Hari Bist Prem Bist, Member, Independent Director
- 3. Mr. Kolagunda Kumar Siddappa, Independent Director, Chairperson.

(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

PASARI SPINNING MILLS LIMITED

(c) Meetings: During the year Audit committee met 5 times on 16th May, 2019, 26th July, 2019, 12th August, 2019, 23rd October, 2019 and 05th February, 2020.

Attendance record in Audit Committee is as follows:

Sl. No	Members	Category	No of meetings attended
1	Mrs. Poonam Gupta	Member, Non Executive Director	5
2	Mr. Shiva Hari Bist Prem Bist	Member & Independent Director	5
3	Mr. Kolagunda Kumar Siddappa	Chairperson & Independent Director	5

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. Mrs. Poonam Gupta, Member & Non executive Director
2. Mr. Shiva Hari Bist Prem Bist, Member & Independent Director
3. Mr. Kolagunda Kumar Siddappa, Chairperson & 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 23rd October 2019. Composition, Category of the and attendance Remuneration Committee is as under:

Sl. No.	Members	Category	No of meetings attended
1	Mrs. Poonam Gupta	Member, Non executive Director	1
2.	Mr. Shiva Hari Bist Prem Bist	Member, Independent Director	1
3.	Mr. Kolagunda Kumar Siddappa	Chairperson, Independent Director	1

3. Stakeholders Relationship Committee:

a) Composition

1. Mrs. Poonam Gupta, Chairperson & Non executive Director
2. Mr. Shiva Hari Bist Prem Bist, Member & Independent Director
3. Mr. Kolagunda Kumar Siddappa, Member & Independent Director

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 05th February, 2020.

Attendance Record in Stakeholders Relationship Committee Meetings held during the year is as follows:

Sl. No.	Members	Category	No of meetings attended
1	Mrs. Poonam Gupta	Chairperson, Non executive Director	1
2.	Mr. Shiva Hari Bist Prem Bist	Member, Independent Director	1
3.	Mr. Kolagunda Kumar Siddappa	Member, Independent Director	1

GOVERNANCE BY MANAGEMENT

Related Party Transactions:

During FY 2019-20, there were no materially significant Related Party Transactions entered into by the Company with the Directors or Management or their relatives that may have a potential conflict with the interest of the Company at large. 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

DISCLOSURE ON WEBSITE

Following information has been disseminated on the website of the Company at <https://www.pasariexports.com>:

1. Details of business of the Company;
2. Terms and conditions of appointment of Independent Directors;
3. Composition of various Committees of Board of Directors;
4. Code of Conduct for Board of Directors and Senior Management Personnel;

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5. Details of establishment of vigil mechanism / Whistle Blower policy;
6. Grievance Redressal;
7. Policy on dealing with Related Party Transactions;
8. Policy for Determining Material Subsidiaries;
9. Details of Familiarisation Programmes imparted to Independent Directors;
10. Policy for Determination of Materiality of Events;
11. Policy for Sexual Harassment
12. Nomination & Remuneration Policy
13. Code of Business Conduct and Ethic

STATUTORY AUDITOR'S FEES:

The total fees paid by the Company to the Statutory Auditor and all its entities in the network firms/entities of the Statutory Auditor, for all the services provided to the Company is Rs. 50000/-

SEXUAL HARASSMENT COMPLAINTS:

Particulars	No. of cases outstanding as on April 01, 2019	No. of cases added during the year	No. of cases resolved during the year	No. of cases outstanding as on March 31, 2020
No. of Complaints	NIL	NIL	NIL	NIL

Report of Investor Complaints received and disposed of during year ended March 31, 2020:

Particulars	No. of cases outstanding as on April 01, 2019	No. of cases added during the year	No. of cases resolved during the year	No. of cases outstanding as on March 31, 2020
No. of Investor issues	NIL	5	5	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
28th	30/09/2019	11.00 AM	Sri Krishna Mini hall, No 589, 15th Main, Maruthi Circle, Hanumantha nagar, Bangalore-560050
27th	28/09/2018	11.00 AM	
26th	30/09/2017	11.00 A M	

Details of Special Resolutions passed in the previous three AGMs

A G M	Particulars of Special Resolutions passed thereat
28th	Appointment of Mr. Gauri Shankar Gupta as a Non Executive Director.
27th	Appointment of Mr. Tarun Kumar Gupta as Managing Director
26th	No Special Resolution was passed at this AGM.

None of the businesses required to be transacted at the Twenty Ninth 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.

(Amount in Rs)

Name of the party	Nature of transaction	Amount
Pasari Exports Limited	Borrowings	2,13,45,932
T K R Textiles Private Limited	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. These results are also made available on the website of the Company at www.pasariexports.com.

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

General Shareholder information:

- Annual General Meeting 30th September, 2020
- Venue through Video Conference / Other Audio Visual Means.

Financial year: 1st April 2019 to 31st March 2020.

Date of book closure: 24th September, 2020 to

PASARI SPINNING MILLS LIMITED

Listing:

30th September, 2020
(both days inclusive)

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

Sensex for the period:

Month	High	Low
Apr-19	40124.96	36956.1
May-19	40312.07	38870.96
Jun-19	40032.41	37128.26
Jul-19	37807.55	36102.35
Aug-19	39441.12	35987.8
Sep-19	40392.22	37415.83
Oct-19	41163.79	40014.23
Nov-19	41809.96	40135.37
Dec-19	42273.87	40476.55
Jan-20	41709.3	38219.97
Feb-20	39083.17	25638.9
Mar-20	33887.25	27500.79

Market price data:

Month	High Price	Low Price
Apr-19	4.52	3.43
May-19	4.5	3.32
Jun-19	3.3	2.85
Jul-19	2.8	2.53
Aug-19	2.53	2.53
Sep-19	2.53	2.41
Oct-19	2.41	2.41
Nov-19	2.41	1.44
Dec-19	1.44	0.93
Jan-20	0.93	0.92
Feb-20	0.91	0.79
Mar-20	0.84	0.74

Registrars and Share transfer Agents: Kfin technologies Private Limited,

Tower B, Plot No. 31 32, Selenium Building, Financial
district, Nanakramguda, Serilingampally, Hyderabad,
Rangareddi, Telangana, 500032.

Tel: 040 67162222

Email Id: einward.ris@kfintech.com

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.

Distribution of shareholding as on 31.03.2020:

PASARI SPINNING MILLS LIMITED

Distribution Schedule as on 31 March 2020 (Consolidated)

Category (Amount)	Phy Cases	Phy Cases %	Phy Shares	Phy Amount	Phy Amount %	Ele Cases	Ele Cases %	Ele Shares	Ele Amount	Ele Amount %	Total Cases	Total Cases %	Total Shares	Total Amount	Total Amount %
20001- 30000	16	0.1941	44100	441000	0.3196	87	1.0553	222952	2229520	1.6156	103	1.2494	267052	2670520	1.9352
5001- 10000	127	1.5405	106500	1065000	0.7717	406	4.9248	349773	3497730	2.5346	533	6.4653	456273	4562730	3.3063
40001- 50000	3	0.0364	15000	150000	0.1087	37	0.4488	175799	1757990	1.2739	40	0.4852	190799	1907990	1.3826
50001- 100000	7	0.0849	69300	693000	0.5022	77	0.934	570424	5704240	4.1335	84	1.0189	639724	6397240	4.6357
100001& Above	2	0.0243	1815800	18158000	13.158	104	1.2615	8626739	86267390	62.5126	106	1.2858	10442539	104425390	75.6706
10001- 20000	43	0.5216	64400	644000	0.4667	203	2.4624	324540	3245400	2.3517	246	2.984	388940	3889400	2.8184
30001- 40000	3	0.0364	10900	109000	0.079	49	0.5944	175546	1755460	1.2721	52	0.6308	186446	1864460	1.3511
1-5000	4100	49.7331	701529	7015290	5.0835	2980	36.1475	526698	5266980	3.8167	7080	85.8806	1228227	12282270	8.9002
Total	4301	52.1713	2827525	28275290	20.4894	3943	47.8287	10972471	109724710	79.5107	8244	100	13800000	138000000	100.0001

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Dematerialisation of shares & liquidity:

As of the end of 31st March 2020 shares comprising approximately 79.51 % of shares of the company's Equity share capital have been dematerialized.

Shareholding pattern as at 31.03.2020

Sl. No	Category of Shareholder	No of shareholder	Total No of Shares	Total shareholding as a percentage of total number of shares
(A)	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP			
	Individuals/HUF	3	3,01,500	2.18
	Bodies Corporate	1	70,80,342	51.31
(A)	Total Promoter's Holding	4	73,81,842	53.49
(B)	PUBLIC SHAREHOLDING			
	I. INSTITUTIONS			
	Financial Institutions/Banks	1	100	0.00
	II. NON INSTITUTIONS			
	Individuals:-			
	Individuals Shareholders Holding Nominal shareholding up to Rs.2 lakhs	7,828	37,07,667	26.87
	Individuals holding nominal shareholding excess of Rs.2 lakhs	48	22,11,022	16.02
	Others	200	4,99,369	3.62
(B)	Total Public Shareholding	8,077	64,18,158	46.51
	(A)+(B)	8,081	13,80,0000	100

Plant location:

Company's factory was located at:
#54 & 55,
KIADB Industrial Area,
1st Main, 3rd Cross
Nanjangud – 571301.

Address of Registered Office of the Company:

PASARI SPINNING MILLS LIMITED

#18, (old No 16)
III Floor, Anjaneya Temple Road,
Yediyur, 6th Block, Jayanagar,
Bangalore – 560082

The above report was approved by the Board of Directors at their meeting held on 20th August, 2020

for and on behalf of the board

Krishna Kumar Gupta

Managing Director

DIN: 00003880

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

Date: 20th August, 2020

Place: Bangalore

PASARI SPINNING MILLS LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Pasari Spinning Mills Limited,
No. 18, III Floor, Anjaneya Temple Road,
Yedyur, Jayanagar 6th Block,
Bangalore-560082

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Pasari Spinning Mills Limited having CIN L85110KA1991PLC012537 and having registered office at No. 18, III Floor, Anjaneya Temple Road, Yedyur, Jayanagar 6th Block, Bangalore-560082 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment	Date of Cessation
1.	Krishna Kumar Gupta	00003880	23-04-2019	NA
2.	Poonam Gupta	08447607	09-05-2019	NA
3.	Shiva Hari Bist Prem Bist	08305342	24-11-2018	NA
4.	Kolagunda Kumar Siddappa	08305351	24-11-2018	NA
5.	Gauri Shankar Gupta	00003860	30-09-2019	
6.	Kamala Devi Gupta	00004712	25-03-2015	23-04-2019
7.	Kailash Chandra Gupta	00004776	24-05-1995	23-04-2019
8.	Tarun Kumar Gupta	00003865	30-01-2019	23-04-2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the financial year ended 31st March, 2020.

Date: 14th August 2020
Place: Bangalore

Vinay B L
Company Secretary in Practice
CP No. 10760 Membership No.F9159
UDIN: F009159B000654859

Chief Executive Officer (CEO) & Chief Financial Officer (CFO) Certification

To,
The Board of Directors,
Pasari Spinning Mills Limited,

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Pasari Spinning Mills Limited ("the Company"), to the best of our knowledge and belief certify that:

(a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2020 and to the best of our knowledge and belief, we state that:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

(d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

(i) significant changes, if any, in the internal control over financial reporting during the year;

(ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Date: 20th August, 2020
Place: Bangalore

Tarun Kumar Gupta
Chief Financial Officer
Address: 28, Flat No 6, Panchavati Apts,
Wellington Street Cross, Richmond Town
Bangalore 560025

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

PASARI SPINNING MILLS LIMITED

Certificate of Compliance with the Corporate Governance

Practicing Company Secretary Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
Pasari Spinning Mills Limited,
No. 18, III Floor, Anjaneya Temple Road,
Yedyur, Jayanagar 6th Block,
Bangalore-560082

I, Vinay B L, Company Secretary, have examined all the relevant records of Pasari Spinning Mills Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the period from 1st April 2019 to 31st March 2020.

Further, I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification. The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate 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. In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the mandatory conditions of Corporate Governance as applicable under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Date: 14th August 2020

Place: Bangalore

Vinay B L
Company Secretary in Practice
CP No. 10760 Membership No.F9159
UDIN : F009159B000654881

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, 2020, 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, 2020 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	2,13,45,932
G.S. Gupta	Director	Unsecured Loan	NA	Unsecured Loan	NA	7,43,163.00
Kamala Devi Gupta	Relative of Director	Unsecured Loan	NA	Unsecured Loan	NA	5,79,345.00
T.K. Gupta	CFO	Unsecured Loan	NA	Unsecured Loan	NA	12,29,282.00
Mrs. Poonam Gupta	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.

Outlook:

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

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

Date: 20th August, 2020
Place: Bangalore

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Pasari Spinning Mills Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pasari Spinning Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss and Statement of Changes in Equity and Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We don't have any key audit matters to be addressed.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation 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 accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the Directors as on March 31, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - 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) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements in accordance with the generally accepted accounting practice
- Also refer Note 21 (i) & (ix) to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - c. There is no requirement of transferring the amounts, to the Investor Education and Protection Fund by the Company.

for Rao and Emmar

Chartered Accountants

Firm Registration No. 003084S

B J Praveen

Partner

Membership No: 215713

Date: June 25, 2020

Place: Bengaluru

PASARI SPINNING MILLS LIMITED

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of Pasari Spinning Mills Limited of even date)

1. In respect of the Company’s fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets of the Company were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company as at balance sheet date.
2. The Company does not carry any inventory, hence no physical verification has been carried out.
3. In respect of loans, secured or unsecured granted by Company:
 - a. As per the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, Limited Liability Partnerships or other parties covered in the register maintained under Section 185 of the Act during the year.
 - b. Since the Company has not granted any loans, secured or unsecured, the reporting terms and condition for such loan, repayment of principal or interest and any overdue thereon is not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
7. In respect of statutory dues:

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.
- b. According to the information and explanations given to us and the records of the company examined by us, Sales Tax have not been deposited as on march 31, 2020 on account of dispute.

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
Total		1,80,16,068	

However, there are no dispute amounts payable in respect of provident fund, employees’ state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as at march 31, 2020.

8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of principle of loan borrowed by Syndicate bank. There are no outstanding dues to any financial institutions or banks or any government or any debenture holders as at March 31, 2020.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

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

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us, the Company has not paid any remuneration to its Directors during the year and accordingly paragraph 3 (xi) of the order is not applicable.
12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations 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. Accordingly, paragraph 3(xiv) of the order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with Directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16. According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for Rao and Emmar
Chartered Accountants
Firm Registration No. 003084S

B J Praveen
Partner
Membership No. 215713

Date: June 25, 2020
Place: Bengaluru

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Pasari Spinning Mills Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Pasari Spinning Mills Limited ("the Company") as at March 31, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal

control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of

PASARI SPINNING MILLS LIMITED

Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and Directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a

material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for Rao and Emmar
Chartered Accountants
Firm Registration No. 003084S

B J Praveen
Partner
Membership No. 215713

Date: June 25, 2020
Place: Bengaluru

ANNUAL REPORT 2019 - 2020

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, 2020 Rs.	31st March, 2019 Rs.
A	ASSETS			
1	Non-Current Assets			
	Property, Plant and Equipment	3	-	6,310
	Capital Work-in-Progress		-	-
	Investment Properties	4	65,15,145	72,86,216
	Goodwill		-	-
	Other Intangible Assets		-	-
	Intangible Assets Under Development		-	-
	Biological Assets other than Bearer Plant		-	-
	Financial Assets			
	(i) Loans	5(i)	-	-
	(ii) Other Financial Assets	5(ii)	77,74,137	87,99,523
	Deferred Tax Asset (Net)	6	4,01,11,773	3,99,79,384
	Other Non-Current Assets	7	-	-
	Total Non-Current Assets		5,44,01,055	5,60,71,433
2	Current Assets			
	Inventories	8	-	-
	Financial Assets			
	(i) Investments	5(iii)	7,58,095	10,33,988
	(ii) Trade Receivables	5(iv)	4,61,290	4,52,627
	(iii) Cash and Cash Equivalents	5(v)	3,39,640	4,58,052
	(iv) Loans		-	-
	(v) Other Financial Assets		-	-
	Other Current Assets		-	-
	Total Current Assets		15,59,025	19,44,667
	Total Assets (1+2)		5,59,60,080	5,80,16,100
B	EQUITY AND LIABILITIES			
1	Equity			
	Equity Share Capital	9	13,80,00,000	13,80,00,000
	Other Equity		-	-
	(i) Reserves and Surplus	10	(12,13,60,979)	(12,41,91,105)
	(ii) Other Reserves		-	-
	Total Equity		1,66,39,021	1,38,08,895
2	Liabilities			
	Non-Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	11(i)	3,59,65,695	3,87,05,541
	(ii) Trade payables Due To:			
	Micro and Small Enterprise		-	-
	Other Than Micro and Small Enterprise		-	-
	(iii) Other Financial Liabilities		-	-
	Provisions		-	-
	Other Non-Current Liabilities	12	-	-
	Total Non-Current Liabilities		3,59,65,695	3,87,05,541
	Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	11(ii)	13,78,674	17,62,806
	(i) Trade payables Due To:			
	Micro and Small Enterprise	13	-	-
	Other Than Micro and Small Enterprise		-	-
	(ii) Other financial liabilities	11(iii)	18,19,736	34,87,831
	Provisions	14	45,000	91,136
	Current Tax Liabilities		-	-
	Other Current Liabilities	15	1,11,954	1,59,891
	Total Current Liabilities		33,55,364	55,01,664
	Total Liabilities		3,93,21,059	4,42,07,205
	Total Equity and Liabilities (1+2)		5,59,60,080	5,80,16,100

PASARI SPINNING MILLS LIMITED

PARTICULARS	Note No.	31st March, 2019	31st March, 2018
		Rs.	Rs.
Significant Accounting Policies and Other Disclosures	1-2, 21		

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

As per our report of even date

For **Rao and Emmar**

Chartered Accountants

Firm Registration No. 003084S

For **PASARI SPINNING MILLS LIMITED**

B J Praveen

Partner

Membership No. 215713

Krishna Kumar Gupta

Managing Director

Tarun Kumar Gupta

Chief Financial officer

Place: Bengaluru

Date: June 25, 2020

Poonam Gupta

Director

Neelu Daslana

Company Secretary

ANNUAL REPORT 2019 - 2020

M/S. PASARI SPINNING MILLS LIMITED

CIN: L85110KA1991PLC012537

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

PARTICULARS	Note No.	31st MARCH, 2020	31st MARCH, 2019
		Rs.	Rs.
Continuing Operations			
Revenue from Operations		-	-
Other Operating Income	16	63,22,632	62,71,055
Other Income	17	5,22,210	1,82,746
Total income		68,44,842	64,53,801
Expenses :			
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	14,14,704	17,14,203
Depreciation and Amortisation Expense	3	7,77,381	10,04,382
Other Expenses	20	19,55,019	12,00,714
Total Expenses		41,47,104	39,19,300
Profit Before Exceptional Items and Tax From Continuing Operations		26,97,738	25,34,501
Exceptional Items		-	-
Profit Before Tax from Continuing Operations		26,97,738	25,34,501
Income Tax expense :			
(i) Current Tax for the year		-	-
(ii) Tax relating to earlier years		-	90,386
MAT Credit Entitlement for the year		-	-
Deferred Tax charge/ (credit)		(1,32,389)	(2,08,384)
Profit from Continuing Operations		28,30,127	26,52,500
Profit/(Loss) from Discontinuing Operations		-	-
Profit for the Year		28,30,127	26,52,500
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss		-	-
Other comprehensive Income for the year (Net of tax)		-	-
Total comprehensive Income for the year		28,30,127	26,52,500
Earning per equity share:			
(1) Basic		0.21	0.19
(2) Diluted		0.21	0.19
1-2,			
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 **RaoandEmmar**
Chartered Accountants
Firm Registration No. 003084S

For **PASARI SPINNING MILLS LIMITED**

B J Praveen
Partner
Membership No. 215713

Krishna Kumar Gupta
Managing Director

Tarun Kumar Gupta
Chief Financial Officer

Place: Bengaluru
Date: June 25, 2020

Poonam Gupta
Director

Neelu Daslana
Company Secretary

PASARI SPINNING MILLS LIMITED

M/S. PASARI SPINNING MILLS LIMITED

CIN: L85110KA1991PLC012537

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

CASH FLOW STATEMENT FOR THE YEAR ENDED

PARTICULARS	31st MARCH, 2020	31st MARCH, 2019
	Rs.	Rs.
A. Cash flow from operating activities		
Profit before tax from continuing operations	26,97,738	25,34,501
Profit before tax from discontinued operation	-	-
Adjustments for :		
Depreciation and amortisation expense	7,77,381	10,04,382
Bad debts written off	1,40,136	1,14,734
Deposits written off	(90,000)	-
Net (gain)/loss on financial assets measured at FVTPL	2,95,467	(2,410)
Net (gain)/loss on sale of Shares	2,23,797	(5,822)
Dividend received	(1,26,338)	(85,583)
Interest received	-	-
Finance cost	14,14,704	17,14,203
Operating profit before working capital changes	53,32,885	52,74,006
Changes in working capital:		
(Increase)/Decrease in inventories	-	-
(Increase)/Decrease in trade receivables	(8,663)	(66,906)
(Increase)/Decrease in other financial assets	10,25,386	(5,76,123)
(Increase)/Decrease in other non-current assets	(1,40,136)	-
Increase/(Decrease) in trade payables	-	-
Increase/(Decrease) short term borrowings	(3,84,132)	1,81,311
Increase/(Decrease) other financial liabilities	(15,78,095)	15,31,103
Increase/(Decrease) other non-current liabilities	-	-
Increase/(Decrease) in other current liabilities	(47,937)	77,634
Increase/(Decrease) in short term provisions	(46,136)	(8,864)
Net Cash generated from operations	41,53,172	64,12,161
Income taxes paid (net of refunds)	-	-
Net cash from/ (used in) operatingactivities	41,53,172	64,12,161
B. Cash flow from investingactivities		
Purchase of investments	(31,50,315)	(69,16,562)
Proceeds from sale of investments	29,06,940	57,26,563
Dividend received	1,26,338	85,583
InterestReceived	-	-
Net cash from/ (used in) investing activities	(1,17,037)	(11,04,417)
C. Cash flow from financing activities		
Unsecured loan from related parties	(13,29,861)	(12,06,504)
Repayment of Secured loans	(14,09,983)	(19,78,912)
Interest paid	(14,14,704)	(17,14,203)
Net cash from/ (used in) financing activities	(41,54,548)	(48,99,620)
Net cash flows during the year (A+B+C)	(1,18,413)	4,08,124
Cash and cash equivalents (Opening balance)	4,58,052	49,928
Cash and cash equivalents (Closing balance)	3,39,640	4,58,052

Note:

- Cash & Cash Equivalents represents Cash & Bank Balances and deposits with Banks as per **Note 5(v)**
- Above cash flow statement has been prepared under indirect method in accordance with the Indian Accounting (Ind AS) 7 on "Statement of CashFlows".
- 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 **RaoandEmmar**
Chartered Accountants
Firm Registration No. 003084S

For **PASARI SPINNING MILLSLIMITED**

B J Praveen
Partner
Membership No. 215713

Krishna Kumar Gupta
Managing Director

Tarun KumarGupta
Chief Financialofficer

Place: Bengaluru
Date: June 25, 2020

Poonam Gupta
Director

Neelu Daslana
Company Secretary

M/S. PASARI SPINNING MILLS LIMITED

CIN: L85110KA1991PLC012537

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 31.03.2020

A. Equity Share Capital - Note 9

Particulars	Amount
Balance as at 01.04.2019	1,38,00,000
Changes in Equity Share Capital (2019-20)	-
Balance as at 31.03.2020	1,38,00,000

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	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 01.04.2018	-	-	-	-	-	(12,68,43,605)	-	-	-	-	-	-	-	(12,68,43,605)
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	-	-	-	-	-	26,52,500	-	-	-	-	-	-	-	26,52,500
Any other changes (To be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2019	-	-	-	-	-	(12,41,91,105)	-	-	-	-	-	-	-	(12,41,91,105)

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 01.04.2019	-	-	-	-	-	(12,41,91,105)	-	-	-	-	-	-	-	(12,41,91,105)
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	-	-	-	-	-	28,30,127	-	-	-	-	-	-	-	28,30,127
Any other changes (To be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2020	-	-	-	-	-	(12,13,60,979)	-	-	-	-	-	-	-	(12,13,60,979)

PASARI SPINNING MILLS LIMITED

M/S. PASARI SPINNING MILLS LIMITED
 CIN: L85110KA1991PLC012537
 Regd Office: NO 18 II RD 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

		Gross Block				Accumulated Depreciation			Net Block	
	Depreciation Rate	As at 1st Apr 2019	Additions	Disposals	As at 31st Mar 2020	As at 1st Apr 2019	Depreciation for the year	Disposals	As at 31st Mar 2020	As at 31st Mar 2019
Fixed Assets										
TANGIBLE ASSETS										
Furniture and Fixtures	9.50%	3,41,521	-	-	3,41,521	3,41,521	-	-	3,41,521	-
Vehicles	11.88%	19,63,894	-	-	19,63,894	19,57,585	6,309	-	19,63,894	6,309
Office equipment	19.00%	2,75,631	-	-	2,75,631	2,75,630	1	-	2,75,631	1
Computer	31.67%	4,74,082	-	-	4,74,082	4,74,082	-	-	4,74,082	-
Total		30,55,128	-	-	30,55,128	30,48,818	6,310	-	30,55,128	6,310
		30,55,128	-	-	30,55,128	28,15,507	2,33,311	-	30,48,818	2,39,621
Previous Year's Total										

M/S. PASARI SPINNING MILLS LIMITED

CIN: L85110KA1991PLC012537

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, 2020**Note 1: General Information**

The Company was incorporated on 25th November 1991, vide CIN: L85110KA1991 PLC012537, 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 made any sales during the current year.

Note 2: Summary of Significant Accounting Policies**(i) Basis of preparation:****(a) Compliance with IndAS**

The financial statements up to year ended March 31, 2020 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..

The financial statements up to year ended March 31, 2020 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.

(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), and

- Those measured at a mortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in statement of profit and 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.

PASARI SPINNING MILLS LIMITED

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 statement of profit and 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 a mortised 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 in the statement of profit and loss.

(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. The losses arising from impairment are recognised in the profit or loss.

For trade receivables only, the Company applies the simplified approach permitted by IndAS109 Financial Instruments, which requires expected life time 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 statement of profit and loss when the asset is derecognised.

(f) Income recognition Interest income

Interest income from financial assets measured at a mortised 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.

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:

Assets	Useful life (Yrs)	Depreciation Rate
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%

(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.

(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.

(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. Payment 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 lessee under finance leases are recorded as receivable 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.

PASARI SPINNING MILLS LIMITED

(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 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 in flows 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 a mortised cost.

(xiii) **Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at a mortised 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):**

Earning 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.

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M/S. PASARI SPINNING MILLS LIMITED

CIN: L85110KA1991PLC012537

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, 2020

Note 4: Investment properties

Particulars	As at March 31, 2020	As at March 31, 2019
Gross carrying amount		
Opening gross carrying amount/ Deemed cost(April 1, 2016)	2,68,81,472	2,68,81,472
Transfer from property, plant and equipment's	-	-
Additions	-	-
Closing gross carrying amount	2,68,81,472	2,68,81,472
Accumulated depreciation		
Opening accumulated depreciation	1,95,95,256	1,88,24,185
Transfer from property, plant and equipment's	-	-
Depreciation charge	7,71,071	7,71,071
Closing accumulated depreciation	2,03,66,327	1,95,95,256
Closing Capital work-in-progress	-	-
	65,15,145	72,86,216

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rental income	63,22,632	62,71,055
Direct operating expenses from property that generated rental income	-	-
Profit from investment properties before depreciation	63,22,632	62,71,055
Depreciation charge	7,71,071	7,71,071
Profit from investment properties	70,93,703	70,42,126

(ii) Fair value of investment properties:

Particulars	As at March 31, 2020	As at March 31, 2019
Land [refer note (a)]	13,03,31,520	12,77,76,000
Building [refer note (b)]	5,00,77,000	5,00,77,000
	18,04,08,520	17,78,53,000

(a) As per Ind As 40, Investment Properties, the Company has estimated the fair value of land at Rs. 13,03,31,520 (increase of 2% in comparison with previous year)

(b) No adjustment is carried to the value of Building during theyear.

Details of Land:

Plot No. 54, 55 of Nanjangud Industrial Area, situated in Sy. Nos. 120, 133, 149 and 150 of Kallahally Village, Kasaba Hobli, Nanjangud Taluk, Mysore District

Note 5: Financial assets

(i) Loans

Particulars	As at March 31, 2020	As at March 31, 2019
	-	-
	-	-

PASARI SPINNING MILLS LIMITED

(ii) Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax Refund Receivable	9,23,381	19,48,767
Sales Tax 05-06 to 09-10	1,67,371	1,67,371
MAT Credit Entitlement	2,16,135	2,16,135
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
Others Advances [refer other other disclosures (ii)]	63,90,000	63,90,000
	77,74,137	87,99,523

(iii) Current investments

(Valued at FVTPL)

Particulars	As at March 31, 2020	As at March 31, 2019
Quoted investment in equity instruments	7,58,095	10,33,988
Quoted investment in mutual funds	-	-
	7,58,095	10,33,988

(iv) Trade receivables

(Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	-	-
- Related parties	-	-
- Others	4,61,290	4,52,627
Less: Allowance for doubtful debts	-	-
	4,61,290	4,52,627

(v) Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- in current accounts	3,35,760	3,64,419
- deposit accounts with original maturity of less than 3 months	-	-
- ICICI Securities	-	93,633
Cash on hand	3,880	-
	3,39,640	4,58,052

Note 6: Deferred Tax Asset

Particulars	As at March 31, 2020	As at March 31, 2019
On account of Depreciation between books and Income tax written down value (WDV) of depreciable Property, Plant and equipment	4,01,11,773	3,99,79,384
Other timing differences	-	-
	4,01,11,773	3,99,79,384

Movement in Deferred Tax Asset

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	3,99,79,384	3,97,71,000
(Charged)/ Credited to statement of profit and loss (DTA)	1,32,389	2,08,384
	4,01,11,773	3,99,79,384

(I) The Company has recognised Deferred Tax as it has estimated that there is a reasonable certainty that sufficient future taxable income will be available to realise these assets.

Note 7: Other Non-Current Assets

(Unsecured considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
	-	-
	-	-

Note 8: Inventories

(at lower of cost and net realisable value)

Particulars	As at March 31, 2020	As at March 31, 2019
Stores and spares	-	-
	-	-

Note 9: Equity share capital

Authorised equity share capital

Particulars	No of shares	Amount
As at April 1, 2019	1,40,00,000	14,00,00,000
Increase/ (decrease) during the year	-	-
As at March 31, 2020	1,40,00,000	14,00,00,000

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

Particulars	No of shares	Amount
As at April 1, 2019	1,38,00,000	13,80,00,000
Increase/ (decrease) during the year	-	-
As at March 31, 2020	1,38,00,000	13,80,00,000

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.

(ii) Equity shares held by the GroupCompany

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No of shares	Amount	No of shares	Amount
Pasari Exports Ltd.	70,80,342	7,08,03,420	70,80,342	7,08,03,420

(I) 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, 2020		As at March 31, 2019	
	No of shares	Shareholding (%)	No of shares	Shareholding (%)
Pasari Exports Ltd.	70,80,342	51.31%	70,80,342	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

Retained earnings	As at March 31, 2020	As at March 31, 2019
Opening balance	(12,41,91,105)	(12,68,43,605)
Net profit /(Net loss) for the year	28,30,127	26,52,500
Closing balance	(12,13,60,979)	(12,41,91,105)

PASARI SPINNING MILLS LIMITED

Note 11: Borrowings

(i) Non-current borrowings

	As at March 31, 2020	As at March 31, 2019
Secured Loans		
Term loan from Syndicate Bank [Refer note (a)]	96,42,391	1,10,52,376
Unsecured Loans		
Loan from related parties [Refer note 2(c)(iii) in notes to financial statements]	2,63,23,304	2,76,53,165
	3,59,65,695	3,87,05,541

a. The Company has availed a project term loan of Rs. 2,00,00,000 from Syndicate Bank which is repayable in 144 monthly instalments carrying floating interest rate, which is at present 12%p.a. This loan has been secured by way of mortgage on Land situated in Sy. Nos. 120, 133, 149 and 150 of Kallahally Village, Nanjangud Industrial Area, Kasaba Hobli, Nanjangud Taluk, Mysore District. First and exclusive charge on the receivable of the projects under project documents entered with tenants/lessee by the borrower, all insurance proceeds both present and future. On the mortgage and charge/assignment by way of security of all rights, title, interest, claims, benefits, demands under the project documents both present and future. On the Escrow account and the DSR account and all monies credited/ deposited therein and all investments in respect thereof and personal guarantee of all the Directors.

(ii) Current Borrowings

	As at March 31, 2020	As at March 31, 2019
Current maturities of long term debt	13,78,674	17,62,806
	13,78,674	17,62,806

(iii) : Other Financial Liabilities

	As at March 31, 2020	As at March 31, 2019
Hutch deposit	-	40,000
JTM deposit	-	50,000
Rental deposit	17,71,381	33,31,379
Expenses payable	48,355	66,452
	18,19,736	34,87,831

Note 12: Other Non-Current Liabilities

	As at March 31, 2020	As at March 31, 2019
	-	-
	-	-

Note 13: Trade Payables

	As at March 31, 2020	As at March 31, 2019
	-	-
	-	-

Note 14: Provisions

	As at March 31, 2020	As at March 31, 2019
Audit fee payable	45,000	91,136
Provision for Income Tax	-	-
	45,000	91,136

Note 15: Other Current Liabilities

	As at March 31, 2020	As at March 31, 2019
Statutory liabilities		
GST	1,06,954	65,406
Income Tax - TDS	5,000	94,486
	1,11,954	1,59,891

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M/S. PASARI SPINNING MILLS LIMITED

CIN: L85110KA1991PLC012537

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

Notes to the Financial Statements for the year ended March 31, 2020

Note 16: Other Operating Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rental income [refer note (a)]	63,22,632	62,71,055
Provision/ liabilities no longer required written back	-	-
	63,22,632	62,71,055

Note 17: Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Dividend income	1,26,338	85,583
Net gain on financial assets measured at FVTPL	8,424	34,767
Miscellaneous Income	2,599	41
Profit on sale of shares	1,73,494	51,671
Speculation Income	33,875	10,685
Interest on Income Tax Refund	87,479	-
Deposits Written Off	90,000	-
	5,22,210	1,82,746

Note 18: Cost of materials consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
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, 2020	For the year ended March 31, 2019
Interest on term loan	14,14,704	16,19,478
Interest on provident fund	-	94,725
	14,14,704	17,14,203

PASARI SPINNING MILLS LIMITED

Note 20: Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement	9,280	6,720
Bad debts written off	1,40,136	1,14,734
Bank Charges	20,983	31,462
Courier, postage & telegram	16,853	60,960
Security Charges	78,000	-
General expenses	3,000	8,850
Garden Maintenance	81,000	-
Listing fee	3,18,600	3,50,000
Loss on Sale of Shares	4,11,810	56,515
Loss on Sale of Mutual Funds	-	20
Speculation Loss	19,355	-
Meeting expenses	40,009	-
Net loss on financial assets measured at FVTPL	3,03,891	32,356
Printing & stationery	40,280	53,000
Professional & other consultancy charges	-	58,970
Rates and taxes, excluding, taxes on income	2,67,403	2,71,572
Share transfer agent expenses	54,213	77,054
Remuneration to Auditor [refer note (a)]	50,000	59,000
Travelling expenses	77,000	-
Vehicle insurance	9,370	9,488
Vehicle Maintenance	13,835	10,013
	19,55,019	12,00,714

a. Remuneration to Auditors includes

Particulars	2019-20	2018-19
Statutory Audit	50,000	59,000
	50,000	59,000

Note 21: Other Disclosure

- The Company had purchased cotton from Cotton Corporation of India and paid in advance for the same but Cotton Corporation supplied poor quality of material due to which the Company had raised a demand Rs. 180 for the price Difference which was litigated by Cotton Corporation and the matter is in arbitration. The Loans and Advance to Cotton Corporation of Rs. 63,90,000/- is in dispute pertaining to earlier years. No provision has been made for the same in the current year.
- The Company's Registrar and Transfer Agent for all matters related to share transfers, dematerialization, dividends etc. is Karvy Fintech Private Limited.
- Loan Agreement with M Jeyakumar has been expired on November 16, 2016. As per the mutual consent of both the parties it has been agreed to increase the rent by 5 percent every year.
- Loan from related party pertains to unsecured interest free loan from Pasari Exports Limited, the Parent Company, T.K.R Textiles Ltd, the Associate Company and from Directors and their relatives. Company has not executed agreement for the unsecured loan obtained.
- Vodafone Essae South Limited and JT Mobiles Limited had made a rental deposit to the Company amounting to Rs. 40,000 and Rs. 50,000. Both the parties had not turned back after the agreement has expired, hence the Company has treated it as other income during the year.
- The Company derecognises the refund from Income Tax amounting to Rs. 1,40,136 on the expiry of contractual right to the cash flows of the asset.

(vii) The Company has written off TDS receivable on Godown Rent amounting to Rs. 84,818 since it is not receivable.

(viii) Disclosure for Related Party Transactions

List of Related Parties

Name of the Related Party	Nature of Relationship
Gauri Shankar Gupta	Non Independent Director
Tarun Kumar Gupta	Chief Financial Officer
Krishna Kumar Gupta	Managing Director
Poonam Gupta	Non-Executive Director
Sneha Gupta	Relative of Director
Kamaladevi Gupta	Relative of Director
T.K.R Textiles Pvt Ltd	Associate Company
Pasari Exports Ltd	Parent Company

Balance Payable/Receivable from above Related Parties as on Balance Sheet date:

Name of Related Party	Payable/Receivable	2019-20	2018-19
Loan From Mr.GS Gupta	Payable	7,43,163	7,43,163
Loan From Mrs.Kamaladevi Gupta	Payable	5,79,345	5,79,345
Loan From Mr.TK Gupta	Payable	12,29,282	12,29,282
Loan From Mr. K K Gupta	Payable	5,19,004	5,19,004
Loan From Mrs. Poonam Gupta	Payable	6,40,422	6,40,422
Loan From Mrs. Sneha Gupta	Payable	6,48,220	6,48,220
Loans from T.K.R.Textile Pvt Ltd	Payable	6,17,935	6,17,935
Loan from Pasari Exports Ltd	Payable	2,13,45,932	2,26,75,794
		2,63,23,304	2,76,53,165

Payable to Related Parties as at 31st March 2020:

1 Pasari Exports Limited

Opening Balance as on April 1, 2019	2,26,75,794
Add: Amount Paid	1,04,358
Less: Amount Received	14,34,220
Closing balance as on March 31, 2020	2,13,45,932

Amount paid by Pasari exports limited on behalf of Pasari Spinning mills Limited

Date	Nature of Transaction	Amount
21-12-2019	GST Payment	14,220
01-10-2019	TDS Payment	2,420
01-10-2019	PT Renewal Charges	2,500
01-10-2019	Postage Charges	2,818
01-10-2019	ROC filing fees	2,400

PASARI SPINNING MILLS LIMITED

2 Gauri Shankar Gupta

Opening Balance as on April 1, 2019	7,43,163
Add: Amount Paid	-
Less: Amount Received	-
Closing balance as on March 31, 2020	7,43,163

3 Kamaladevi Gupta

Opening Balance as on April 1, 2019	5,79,345
Add: Amount Paid	-
Less: Amount Received	-
Closing balance as on March 31, 2020	5,79,345

4 Tarun Kumar Gupta

Opening Balance as on April 1, 2019	12,29,282
Add: Amount Paid	-
Less: Amount Received	-
Closing balance as on March 31, 2020	12,29,282

5 Krishna Kumar Gupta

Opening Balance as on April 1, 2019	5,19,004
Add: Amount Paid	-
Less: Amount Received	-
Closing balance as on March 31, 2020	5,19,004

6 Poonam Gupta

Opening Balance as on April 1, 2019	6,40,422
Add: Amount Paid	-
Less: Amount Received	-
Closing balance as on March 31, 2020	6,40,422

7 Sneha Gupta

Opening Balance as on April 1, 2019	6,48,220
Add: Amount Paid	-
Less: Amount Received	-
Closing balance as on March 31, 2020	6,48,220

8 TKR Textile Private Limited

Opening Balance as on April 1, 2019	6,17,935
Add: Amount Paid	-
Less: Amount Received	-
Closing balance as on March 31, 2020	6,17,935

(ix) Contingent Liabilities and Commitments:

a Contingent Liabilities	2019-20	2018-19
Claims against Company not acknowledged as Debt	1,80,16,068	1,80,16,068
Guarantees	-	-
Other money for which the Company is contingently liable	-	-
	1,80,16,068	1,80,16,068

The Commercial Tax Authorities have raised a demand including interest and penalty thereon for an amount of Rs.1,80,16,068 payable in five instalments once in 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 Honorable BIFR for settling of same. The matter is pertaining to earlier years which is pending from 10 years. No provisions has been made in the books of accounts in this regard. Details are asbelow:

ANNUAL REPORT 2019 - 2020

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

b	Commitments	2019-20	2018-19
	Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	-	-
	Other Commitments	-	-

(x) The Previous year figures have been reworked, regrouped, rearranged /reclassified wherever necessary to correspond with current year classification/disclosure.

As per our report of even date

For **RaoandEmmar**
Chartered Accountants
Firm Registration No. 003084S

For **PASARI SPINNING MILLS LIMITED**

B J Praveen
Partner
Membership No. 215713

Krishna Kumar Gupta
Managing Director

Tarun Kumar Gupta
Chief Financial Officer

Place: Bengaluru
Date: June 25, 2020

Poonam Gupta
Director

Neelu Daslana
Company Secretary

PASARI SPINNING MILLS LIMITED

PASARI SPINNING MILLS LIMITED

(CIN: L85110KA1991PLC012537)

Registered office: No 18, III Floor, Anjaneya Temple Road,
Yediyur, 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
Ordinary Business:				
1.	To receive, consider and adopt the Audited Balance Sheet as at 31 st March, 2020, 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 appoint a Director in place of Mrs. Poonam Gupta (DIN: 08447607), who retires by rotation and being eligible, offers herself for re-appointment.			
Special business: NIL				

Place:

Date:

(Signature of the shareholder)

FORMAT FOR FURNISHING THE PAN AND BANK DETAILS

To,

Kfin technologies Private Limited,
Tower B, Plot No. 31 32, Selenium Building,
Financial district, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi, 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:**

Folio No.	
Address of the 1st named Shareholder as per the share certificate	
Mobile No	
E-Mail ID	

Bank Account Details : (for electronic credit of unpaid dividends and all future dividends)							
Name of the Bank							
Name of the Branch							
Account Number(as appearing in your cheque book)							
Account Type (Saving / Current / Cash Credit)		10 — Saving		11 - Current		13 — Cash Credit	
9 Digit MICR Number (as appearing on the MICR cheque issued by the bank) Please enclose a photocopy of a cheque for verification							
11 Digit IFSC Code							

	PAN No	Name	Signature
First Holder :			
Joint Holder 1 :			
Joint Holder 2 :			

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, Yediyur,
Jayanagar 6" 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 20th 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 5th 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, Yediyur, Jayanagar 6 th Block, Bangalore-560082, India Phone + 91 80 2676 0125 Mail - admin@pasariexports.com www.pasariexports.com	Kfin technologies Private Limited, Tower B, Plot No. 31 32, Selenium Building, Financial district, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, 500032 Tel: 040 67162222 Email Id: rajeev.kr@karvy.com
--	--

Thanking you,

Yours faithfully,

For **Pasari Spinning Mills Limited**

Director

[illegible]

[illegible]

BOOK -POST

If Undeliverd please return to :

PASARI SPINNING MILLS LIMITED.

#18, (Old #16) III Floor

Anjaneya Temple Street

Yedyur, Jayanagar 6th Block

Bangalore – 560082