



Pasari Spinning Mills Limited

Date: 07th July, 2022

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 31st 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 31st AGM for the financial year 2021-22.

The 31st Annual General Meeting (AGM) of the Company is scheduled to be held on Tuesday, 02nd August, 2022 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 2021-22 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

Tarun Kumar Gupta
Chief Financial Officer
#28, Flat No 6, Panchavati Aprts,
Wellington Street, Richmond Town,
Bangalore North, Museum Road,
Bangalore 560025



No 18 III Floor, Anjaneya Temple Road, Yediyur, Jayanagar 6th Block, Bangalore – 560082

CIN: L85110KA1991PLC012537
Web: <http://www.pasariexports.com/>

Phone No: 91-80-2676-0125
Email: admin@pasariexports.com

THIRTY FIRST ANNUAL REPORT OF PASARI SPINNING MILLS LIMITED

CIN: L85110KA1991PLC012537

2021-22

Board of Directors

Mr. Kolagunda Kumar Siddappa

– Non-Executive – Non-Independent Director,
Chairperson

**Mr. Krishna Kumar Gupta,
Mrs. Poonam Gupta,
Mr. Badarahalli Lakshmaiah Pundareeka,
Ms. Sheela Arvind,**

– Executive Director, Managing Director
– Non-Executive – Non-Independent Director,
– Non-Executive - Independent Director
– Non-Executive - Independent Director

**Mr. Gauri Shankar Gupta,
Mr. Tarun Kumar Gupta,
Ms. Neelu Daslana,**

– Non-Executive - Non Independent Director
– CFO
– Company Secretary & Compliance Officer

AUDITORS:

Rao & Emmar

Chartered Accountants

No.18, Ramanashree Arcade, 2nd Floor,
No 204 and 205, Ashok Nagar Post,
Mahatma Gandhi Road,
Bengaluru -560001

BANKERS:

Canara Bank

Bangalore

AUDIT COMMITTEE

Ms. Sheela Arvind, Non-Executive - Independent
Director, Chairperson
Mr. B. L Pundareeka, Non-Executive - Independent
Director, Member
Mrs. Poonam Gupta, Non-Executive - Non
Independent Director, Member

NOMINATION & REMUNERATION

Ms. Sheela Arvind, Non-Executive -
Independent Director, Chairperson
Mr. B. L Pundareeka, Non-Executive -
Independent Director, Member
Mrs. Poonam Gupta, Non-Executive - Non
Independent Director, Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mrs. Poonam Gupta

Non-Executive - Non-Independent
Director, Chairperson

**Mr. B. L. Pundareeka
Ms. Sheela Arvind**

Non-Executive - Independent Director, Member
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.

NOTICE

Notice is hereby given that the THIRTY FIRST Annual General Meeting of the Members of Pasari Spinning Mills Limited will be held on Tuesday, 2nd August, 2022 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, 2022, 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.

SPECIAL BUSINESS:

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

**REGULARISATION OF APPOINTMENT OF
Ms. SHEELA ARVIND AS AN INDEPENDENT NON-
EXECUTIVE DIRECTOR OF THE COMPANY**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the members of the company be and is hereby accorded to the appointment of Ms. Sheela Arvind (DIN: 01020390), who was appointed by the Board of Directors as an Additional Director in the Category of Non-Executive, Independent Director of the Company with effect from 10th May 2022 pursuant to the provisions of section

161(1) of the Companies Act, 2013 and pursuant to the applicable regulation of the Articles of Association of the Company, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria of the independent directorship as provided in section 149(6) of the Act and she is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Non-Executive Director of the Company, who shall hold office for a period of five years from the date of appointment and whose office shall not, henceforth, be liable to retire by rotation.

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

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

Date: 07th July, 2022
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 Circular No. 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 No. 02/2021 dated January 13, 2021 and Circular No. 03/2022 dated May 05, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). 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 31st 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. 12 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 Wednesday, the 27th July, 2022 to Tuesday, the 2nd August, 2022 (both days inclusive).
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

PASARI SPINNING MILLS LIMITED

Agents, viz., Kfin technologies Private Limited in physical form.

9. Brief profile and other required information about the director 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	Textile Industry	
Relationship with other directors	Mrs. Poonam is related to the KMPs and Non-executive Directors of the Company.	
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	22,329 shares Individually	

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

10. In accordance with, the Pursuant to the Circular No. 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 No.

02/2021 dated January 13, 2021 and Circular No. 03/2022 dated May 05, 2022 and all other relevant circulars issued from time to time 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. 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 2021-22, 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

11. 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:

12. 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.

13. The Members can join the EGM/AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

14. 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;

15. 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.
16. 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 Saturday, 30th July, 2022 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.

17. 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:

18. (I) Pursuant to the provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management Administration) Rules, 2014 and in Compliance with Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 and all other relevant circulars issued from time to time issued by Ministry of Corporate Affairs and SEBI, the Company is pleased to provide members facility to exercise their votes at the 31st Annual General Meeting by electronic means through E-voting service provided by company through NSDL e-voting system (For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency) 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: 28th July, 2022 at 09.00 A.M.

- b) Date and time of the end of voting through electronic means beyond which voting will not be allowed: 1st August, 2022 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 25th July, 2022, 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: The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode :

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="613 340 1404 976">1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="613 989 1404 1171">2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com/. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="613 1230 1404 1738">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="613 1759 1404 1864">4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience

	<p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to Log-in to NSDL e-voting website?

- Visit the e-voting website of NSDL. Open web browser by typing the URL:
<https://www.evoting.nsdl.com>.
- Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.
- 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.
- 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***

- a) After entering these details appropriately, click on "LOGIN".
- b) 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'.

- c) 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 during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- (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 1st August, 2022 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> or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.
- (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.
- (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:**
19. 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 pasari.limited@gmail.com.
20. **Statement setting out materials facts to be annexed to the Notice pursuant to Section 102(1) of the Companies Act, 2013 (hereinafter referred to as "the Act").**
- Item no. 3 Regularisation of Appointment of Ms. Sheela Arvind as an Independent Non Executive Director of the Company**
- Ms. Sheela Arvind (DIN- 01020390) was appointed as an Additional Director in the Category of Non Executive Independent Director w.e.f. 10th May, 2022 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. Nomination and Remuneration Committee has recommended regularization of Ms. Sheela Arvind as an Independent Non Executive Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

PASARI SPINNING MILLS LIMITED

Name	Sheela Arvind	
Date of Birth	15-04-1969	
Brief Profile	Ms. Sheela Arvind, is a graduate and a post graduate in Commerce from Mysore University and also a Law graduate from Karnataka State Law University (KSLU). She has an experience in Company law matters and Direct and Indirect taxes.	
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:	NIL
	Membership of Committees in Listed Companies	NIL
No of shares held in Company	NIL	
Reason for appointment	Appointment as an Independent Director	
Date of Appointment & term of appointment	Independent Director for a period of 5 years effective from 10th May, 2022 subject to the approval of shareholders of the Company by special resolution within 3 months from the date of appointment	
Disclosure of relationships between directors (in case of appointment of a director)	Ms. Sheela Arvind is not related to any Directors of the Company.	
Information required pursuant to circular issued by (a) BSE Limited bearing ref. no. LIST/COMP/14/2018-19	Ms. Sheela Arvind is not debarred from holding the office of director by virtue of any order by SEBI or any other such authority	

Your Board recommends the said resolution, as Special resolution, for your approval.
None of the Directors of the Company or key managerial personnel or their relatives is, in any way, concerned or interested in the resolution.

**By the Order of the Board
PASARI SPINNING MILLS LIMITED**

**Date: 7th July, 2022
Place: Bangalore**

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

BOARD'S REPORT

CIN: L85110KA1991PLC012537

To

The Members,

The Directors present the Thirty First Annual Report of Pasari Spinning Mills Limited (the Company) on the business and operations of the Company along with the audited financial statements for the financial year ended 31st March, 2022.

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY:*Amount in Rs.*

Particulars	2021-2022	2020-2021
Total Revenue	68,53,396	64,93,476
Profit before tax	36,77,644	26,54,778
Tax Expenses:		
Current tax	-	-
Tax Related to earlier years	-	-
MAT Credit entitlement	-	-
Deferred tax Charge/(Credit)	(1,58,275)	3,09,332
Profit (Loss) for the year	38,35,920	23,45,446

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, 2022, the Company has earned a profit of Rs. 38,35,920/- (Rupees Thirty eight lakh thirty five thousand nine hundred and twenty only) as compared with the previous year's a profit of Rs. 23,45,446/- (Rupees Twenty three lakh forty five thousand four hundred forty six only)

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

The Company is having website i.e. www.pasariexports.com and Annual Return of Company has been published on this 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 as a prudent business policy.

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. 38,35,920/- (Rupees Thirty eight lakh thirty five thousand nine hundred and twenty only) as compared with the previous year's a profit of Rs. 23,45,446 (Rupees Twenty three lakh forty five thousand four hundred forty six only) and the same has been transferred to 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. However, the Board of Directors of the Company has added a new object clause in the existing Memorandum of Association which is relating to entering into the food industry.

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.

However, The Hon'ble Bangalore District Court, vide its order dated 31st January, 2020 has dismissed the case M/s Pasari Spinning Mills Limited Vs The Cotton Corporation of India. An appeal for the same is filed before the Hon'ble High Court of Karnataka.

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, 2022 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 M/s Vinay & Ashwini, Company Secretaries, Bangalore as the Secretarial Auditor, to conduct the Secretarial Audit of the Company for the Financial Year 2021-22 as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for the FY 2021-22 forms part of the Annual Report as Annexure-1 to the Board's Report

18. EXTRACT OF ANNUAL RETURN:

The requirement of preparing extract of Annual Return (MGT-9) is done away with by virtue of an amendment to Section 92(3) as well as Rule 12 of Companies (Management and Administration) Rules, 2014.

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.

PASARI SPINNING MILLS LIMITED

- 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:

	Current Year	Previous Year
Earnings in Foreign Currency	NIL	NIL
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 change in the constitution of Board, the details of the same is as under.

SL No	Name of the Directors/ Key Managerial Personnel	DIN/PAN	Designation	Date of Appointment/ Cessation
1	Badarahalli Lakshmaiah Pundareeka	01415867	Additional, Independent non-executive Director	30/06/2021 Regularisation as Director of the Company on 20/09/2021
2	Kolagunda Kumar Siddappa	08305351	Non-Executive Director	20/09/2021(Appointment)
3	Sharanabasaweshwar Gangadharayya Hiremath	08912844	Additional, Independent non-executive Director	30/06/2021 Regularisation as Director of the Company on 20/09/2021
4	Shiva Hari Bist Prem Bist	08305342	Independent Director	30/6/2021(Cessation)
5	Kolagunda Kumar Siddappa	08305351	Independent Director	30/6/2021(Cessation)

Further, Pursuant to Section 152 of the Companies Act, 2013 Mrs. Poonam Gupta (DIN: 08447607), retires by rotation and being eligible, offers herself for re-appointment in the upcoming Annual General Meeting.

Key Managerial Personnel:

During the year under review there were no appointment and re-appointment of KMP.

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

The Company has received necessary declarations of independence from the both the Independent Directors under section 149(7) of the Companies Act, 2013, that they meet 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 4 (four) times, during the year under review. The intervening gap between any two meetings was within prescribed period as per the Companies Act, 2013 and Securities and Exchange Board of India Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of the same areas under:

Sl. No	Date of Meeting	No of directors on the Board	No. of Directors Present
1.	30th June, 2021	5	5
2.	09th August, 2021	5	5
3.	28th October, 2021	6	6
4.	4th February, 2022	6	6

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. 2021-22.

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 2021-2022 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 2021-22, 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

Sl No	Qualification/observation/Adverse remarks/Disclaimer	Reply by the Board
1	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.
2	The Quarterly Results are not published in the newspapers, 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.
3.	It is observed that during the first and second quarter of the year under review, the Company did not have proper composition of Board as prescribed by Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The Company has appointed Mr. Kolagunda Kumar Siddappa as a Regular Non- executive Chairman of the board at the duly held board meeting on 28 th October, 2021.

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. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

- (i) The Company has not made any application or initiated any proceedings under the Insolvency and Bankruptcy Code, 2016.
- (ii) There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.

39. THE DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF VALUATION AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE AT THE TIME OF TAKING A LOAN FROM**THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**

No settlements have been done with banks or financial institutions.

40. 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.

D. BUY BACK OF SECURITIES:

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

E. SWEAT EQUITY:

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

F. BONUS SHARES:

No Bonus Shares were issued during the year under review.

G. EMPLOYEES STOCK OPTION PLAN:

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

H. ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS:

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

41. ACKNOWLEDGEMENTS:

The Directors place on record their appreciation for cooperation and continued support extended by employees, consultants, 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.

Date: 07th July, 2022

Poonam Gupta

Krishna Kumar Gupta

Place: Bangalore

DIN: 08447607

DIN: 00003880

Director

Managing Director

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

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

ANNEXURE - 1

FORM NO. MR-3

Secretarial Audit Report

for the financial year ended 31st March, 2022

[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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books papers, minutes books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors Report on Financial Statements and their certificate on compliance with the conditions of relevant provisions of the SEBI (Listing Obligations and Disclosure Requirement) and also the information provided by the Company its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the Company has during the audit period covering the financial year ended on 31st March, 2022 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.

We 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 31st March, 2022 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

We 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 read with the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015

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 newspapers, 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.
- (ii) It is observed that during the first and second quarter of the year under review, the Company did not have proper composition of Board as prescribed by Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We 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, as on 31st March, 2022. 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) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- 4) We 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.
- 5) Based on the information provided by the officials of the Company we report that during the period under review the company has not received any show cause notices and we further report there are no other Specific events, which requires reporting hereunder.

For Vinay & Ashwini
Company Secretaries

Date: 7th July, 2022
Place: Bangalore
UDIN : F009159D000550282

Vinay BL
M No. F9159, CP No. 10760
PR No: 1964/2022

Annexure A

The Members,

Pasari Spinning Mills Limited,

L85110KA1991PLC012537,

No. 18 III Floor, Anjaneya Temple Road,

Yedyur, Jayanagar 6th Block,

Bangalore-560082

Our 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. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We 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. We believe that the processes and practices, We followed provides a reasonable basis for our opinion expressed in the Report.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, We 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. Our 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.

For Vinay & Ashwini
Company Secretaries

Date: Date: 7th July, 2022
Place: Bangalore

Vinay BL
M No. F9159, CP No. 10760
PR No: 1964/2022

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 Directorship 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, ADSPG3465G	Executive, Managing Director	23-04-2019	5 years from the date of appointment	1	-	-
Mr s.	Poonam Gupta	08447607 AFTPK2222C	Non Executive Non Independent Director	09-05-2019	-	1	1	1
Mr .	Sharanab asawesh war Gangadharayya Hiremath	08912844, ABBPH6537K	Non-Executive Independent Director	30-06-2021, Cessation 11-05-2022	5 years from the date of appointment	2	1	1
Mr .	Kolagunda Kumar Siddappa	08305351, CFYPK6554C	Non-Executive - Non Independent Director, Chairperson	20-09-2021	-	1	1	1
Mr .	Gauri Shankar Gupta	00003860, ADVPG3091R	Non-Executive Director	30-09-2019	-	1	-	-

Ms .	Sheela Arvind	01020390, ABKPA235 0G	Additional - Non-Executive Independent Director	10-05-2022	5 years from the date of appointment (subject to the approval of shareholders of the Company)	1	1	1
Mr .	Badaraha lli Lakshma iah Pundaree ka	01415867, BKWPP188 0Q	Non-Executive Independent Director	30-06-2021	5 years from the date of appointment	2	1	-

* Mr. Kolagunda Kumar Siddappa has resigned from the position of independent director on 30th June, 2021. However, he has attended all committee meeting till 30th June, 2021 only.

* Ms. Sheela Arvind was appointed as Additional - Non-Executive Independent Director at duly held board meeting on 10th May, 2022.

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

Na me of the Director	Date Of Birth	Equity Sharehol ding (as on March 31, 2021)	No. of Directorship		No. of Board Meetings during FY 2021-22		Whether attended last AGM held on 20 th September, 2021	Specific Core Skills, Expertise and Competencies
			Publi c	Private	Held	Attende d		
Mr. Krishna Kumar Gupta	24-09-1970	40,600 Shares	2	1	4	4	Yes	Finance, Corporate Governance, Management, Human Resource, Legal
Mrs. Poonam Gupta	18-11-1976	22,329 Shares	1	-	4	4	Yes	Corporate Governance , Management, Human Resource
Ms. Sheela Arvind	15-04-1969	NIL	-	3	4	0	No	Corporate Governance, Management , Corporate Law
Mr. Kolagunda Kumar Siddappa	22-05-1967	NIL	1	-	4	3	No	Corporate Governance , Finance, Sales and

PASARI SPINNING MILLS LIMITED

								Marketing
Mr. Gauri Shankar Gupta	08-11-1942	2,21,200 Shares	2	-	4	4	Yes	Corporate Governance, Legal
Mr. Sharan abasaweshwar Gangadhar ayya Hiremath	24-06-1973	NIL	2	-	4	3	Yes	Management, Corporate Governance
Mr. Badarahalli Lakshmaiah Pundareek a	10-04-1964	NIL	2	1	4	3	Yes	Management, Corporate Governance, Finance, Corporate Governance, Management, Human Resource, 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 four times in FY 2021-22: 30th June, 2021, 09th August, 2021, 28th October, 2021, 04th February, 2022.

INDEPENDENT DIRECTORS' MEETING

The Independent Directors of your Company meet on 09th August, 2021, without the presence of the Non-Independent Directors or any other Management Personnel. These Meetings are conducted to enable the Independent Directors to, inter-alia, discuss matters pertaining to:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors & Committees as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, quantity and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties effectively

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 & Ashwini, Company Secretaries,, 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 & Ashwini, Company Secretaries,, 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

(a) Composition:

- 1. Mrs. Sheela Arvind, Chairperson, Additional Non- executive Independent Director (Appointment on 10-05-2022)
- 2. Mrs. Poonam Gupta, Member, Non executive Director,
- 3. Mr. Badarahalli Lakshmaiah Pundareeka, Member, Non- executive Independent Director,

4. Mr. Sharanabasaweshwar Gangadharayya Hiremath, Chairperson Non- executive Independent Director, (Cessation on 11-05-2022),
5. Mr. Kolagunda Kumar Siddappa, Chairperson Non- executive Independent Director, (Cessation on 30-06-2021),
6. Mr. Shiva Hari Bist Prem Bist, Member, Non- executive Independent Director (Cessation on 30-06-2021).

(b) 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.

(c) 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
- (d) **Meetings:** During the year Audit committee met 4 times 30th June ,2021, 09th August, 2021, 28th October, 2021, and 04th February, 2022.

Attendance record in Audit Committee is as follows:

Sl. No	Members	Category	No of meetings attended
1	Mrs. Poonam Gupta	Member, Non Executive Director	4
2	Mr. Kolagunda Kumar Siddappa (Cessation on 30-06-2021)	Chairperson & Independent Director	1
3	Mr. Shiva Hari Bist Prem Bist (Cessation on 30-06-2021),	Member & Independent Director	1
4	Mr. Sharanabasaweshwar Gangadharayya Hiremath	Chairperson & Independent Director	3
5	Mr. Badarahalli Lakshmaiah Pundareeka	Member & Independent Director	3

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. Sheela Arvind, Chairperson, Additional Non- executive Independent Director (Appointment on 10-05-2022)
2. Mrs. Poonam Gupta, Member, Non executive Director,
3. Mr. Badarahalli Lakshmaiah Pundareeka, Member, Non- executive Independent Director,
4. Mr. Sharanabasaweshwar Gangadharayya Hiremath, Chairperson Non- executive Independent Director, (Cessation on 11-05-2022),
5. Mr. Kolagunda Kumar Siddappa, Chairperson Non- executive Independent Director, (Cessation on 30-06-2021)
6. Mr. Shiva Hari Bist Prem Bist, Member, Non- executive Independent (Cessation on 30-06-2021).

(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.

(c) Meetings: During the year, the Remuneration Committee met once on 30th June 2021. Composition, Category and attendance of the Remuneration Committee is as under:

Sl. No	Members	Category	No of meetings attended
1	Mrs. Poonam Gupta	Member, Non Executive Director	1

2	Mr. Kolagunda Kumar Siddappa (Cessation on 30-06-2021)	Chairperson & Independent Director	1
3	Mr. Shiva Hari BistPrem Bist (Cessation on 30-06-2021),	Member & Independent Director	1
4	Mr. Sharanabasaweshwar Gangadharayya Hiremath	Chairperson & Independent Director	0
5	Mr. Badarahalli Lakshmaiah Pundareeka	Member & Independent Director	0

3. Stakeholders Relationship Committee:

a) Composition

1. Mrs. Sheela Arvind, Member, Additional Non- executive Independent Director (Appointment on 10-05-2022)
2. Mrs. Poonam Gupta, Chairperson, Non executive Director,
3. Mr. Badarahalli Lakshmaiah Pundareeka, Member, Non- executive Independent Director,
4. Mr. Sharanabasaweshwar Gangadharayya Hiremath, Member, Non-executive Independent Director, (Cessation on 11-05-2022),
5. Mr. Kolagunda Kumar Siddappa, Member, Non- executive Independent Director, (Cessation on 30-06-2021)
6. Mr. Shiva Hari BistPrem Bist, Member, Non- executive Independent (Cessation on 30-06-2021).

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 Stakeholders Relationship Committee met once during the year on 30th June 2021.

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. Kolagunda Kumar Siddappa (Cessation on 30-06-2021)	Member & Independent Director	1
3	Mr. Shiva Hari BistPrem Bist (Cessation on 30-06-2021),	Member & Independent Director	1
4	Mr. Sharanabasaweshwar Gangadharayya Hiremath	Member & Independent Director	0
5	Mr. Badarahalli Lakshmaiah Pundareeka	Member & Independent Director	0

GOVERNANCE BY MANAGEMENT

Related Party Transactions:

During FY 2021-22, 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;
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. 50,000/-

SEXUAL HARASSMENT COMPLAINTS:

Particulars	No. of cases outstanding as on April 01, 2021	No. of cases added during the year	No. of cases resolved during the year	No. of cases outstanding as on March 31, 2022
No. of Complaints	NIL	NIL	NIL	NIL

Report of Investor Complaints received and disposed of during year ended March 31, 2021:

Particulars	No. of cases outstanding as on April 01, 2021	No. of cases added during the year	No. of cases resolved during the year	No. of cases outstanding as on March 31, 2022
No. of Investor issues	NIL	03	03	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
30th	20/09/2021	11.00 AM	Through Video Conference / Other Audio Visual Means
29th	30/09/2020	11.00 AM	Through Video Conference / Other Audio Visual Means
28th	30/09/2019	11.00 AM	Sri Krishna Mini hall, No 589, 15th Main, Maruthi Circle, Hanumantha nagar, Bangalore-560050

Details of Special Resolutions passed in the previous three AGMs

A G M	Particulars of Special Resolutions passed thereat
30th	Alteration of the Object clause of the Memorandum of the Association of the Company.
29th	None of the Special Resolutions passed
28th	Appointment of Mr. Gauri Shankar Gupta as a Non Executive Director.

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

PASARI SPINNING MILLS LIMITED

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	2,03,45,932

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
- Venue

02nd August, 2022
through Video Conference / Other Audio
Visual Means

Financial year:

1st April 2021 to 31st March 2022.

Date of book closure:

Wednesday, the 27th July 2022 to Tuesday, the 2nd
August 2022
(both days inclusive)

Listing:

The shares of the Company are listed on the
following stock exchange
Bombay stock exchange
P J Towers,
Dalal Street,
Mumbai – 400 001
The Annual listing fees of the stock Exchange for the
financial year 2021-22 has been paid.
521080
INE 604F01010

STOCK CODE:

ISIN: (Equity)

Market price data:

Month	High Price	Low Price
Apr-21	1.65	1.34
May-21	1.71	1.42
Jun-21	3.40	1.71
Jul-21	4.44	2.76
Aug-21	5.25	2.33
Sep-21	4.02	2.24
Oct-21	4.08	2.98
Nov-21	4.48	3.47
Dec-21	8.69	3.71
Jan-22	13.72	7.46
Feb-22	8.61	5.25
Mar-22	8.30	5.64

Sensex for the period:

Month	High	Low
Apr-21	50,375.77	47,204.50
May-21	52,013.22	48,028.07
Jun-21	53,126.73	51,450.58
Jul-21	53,290.81	51,802.73
Aug-21	57,625.26	52,804.08
Sep-21	60,412.32	57,263.90
Oct-21	62,245.43	58,551.14
Nov-21	61,036.56	56,382.93
Dec-21	59,203.37	55,132.68
Jan-22	61,475.15	56,409.63
Feb-22	59,618.51	54,383.20
Mar-22	58,890.92	52,260.82

Registrars and Share transfer Agents:

Kfin technologies Private Limited,
Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad
Rangareddi-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 31.03.2022:**PASARI SPINNING MILLS LIMITED****Distribution Schedule as on 31 March 2022 (Consolidated)**

sno	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 %
1	1-5000	4100	41.3724	701529	7015290	5.0835	4505	45.4591	652539	6525390	4.7285	8605	86.8315	1354068	13540680	9.8121
2	5001- 10000	127	1.2815	106500	1065000	0.7717	483	4.8739	411876	4118760	2.9846	610	6.1554	518376	5183760	3.7563
3	10001- 20000	43	0.4339	64400	644000	0.4667	248	2.5025	388353	3883530	2.8142	291	2.9364	452753	4527530	3.2808
4	20001- 30000	16	0.1615	44100	441000	0.3196	105	1.0595	271099	2710990	1.9645	121	1.221	315199	3151990	2.2841
5	30001- 40000	3	0.0303	10900	109000	0.079	52	0.5247	186115	1861150	1.3487	55	0.555	197015	1970150	1.4276
6	40001- 50000	3	0.0303	15000	150000	0.1087	41	0.4137	194655	1946550	1.4105	44	0.444	209655	2096550	1.5192
7	50001- 100000	7	0.0706	69300	693000	0.5022	74	0.7467	536006	5360060	3.8841	81	0.8174	605306	6053060	4.3863
8	100001 & Above	2	0.0202	1815800	18158000	13.158	101	1.0192	8331828	83318280	60.3756	103	1.0394	10147628	101476280	73.5335

Dematerialisation of shares & liquidity:

As of the end of 31st March 2022 shares comprising approximately 79.51 % of shares of the company's Equity share capital have been dematerialized.

Shareholding pattern as at 31.03.2022

PASARI SPINNING MILLS LIMITED

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	3	3,01,500	2.18
	Individuals/HUF	1	70,80,342	51.31
	Bodies Corporate			
(A)	Total Promoter's Holding	4	73,81,842	53.49
(B)	PUBLIC SHAREHOLDING			
	I. INSTITUTIONS			
	Foreign Portfolio Investors	1	10	0.00
	Financial Institutions/Banks	1	100	0.00
	II. NON INSTITUTIONS			
	Individuals:-			
	Individuals Shareholders Holding Nominal shareholding up to Rs.2 lakhs	9495	41,15,320	29.82
	Individuals holding nominal shareholding excess of Rs.2 lakhs	44	18,48,456	13.39
	Others	196	4,54,272	3.29
(B)	Total Public Shareholding	9737	64,18,158	46.51
	(A)+(B)	9741	13,80,0000	100

Plant location:

Address of Registered Office of the Company:

Company's factory was located at:

PASARI SPINNING MILLS LIMITED

#54 & 55, KIADB Industrial Area,
1st Main, 3rd Cross, Nanjangud – 571301

#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 7th July, 2022.

for and on behalf of the board
for Pasari Spinning Mills Limited

Date: 7th July, 2022

Place: Bangalore

Krishna Kumar Gupta

Managing Director

DIN: 00003880

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

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

We 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 us 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 our opinion and to the best of our 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 us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 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	30-06-2021
4	Kolagunda Kumar Siddappa	08305351	20-09-2021	30-06-2021
5	Gauri Shankar Gupta	00003860	30-09-2019	NA
6	Badarahalli Lakshmaiah Pundareeka	01415867	30-06-2021	NA
7	Haranabasaweshwar Gangadharayya Hiremath	08912844	30-06-2021	NA

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our 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, 2022.

For Vinay & Ashwini
 Company Secretaries

Date: 7th July, 2022
 Place: Bangalore
 UDIN: F009159D000550326

Vinay BL
 M No. F9159, CP No. 10760
 PR No: 1964/2022

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, 2022 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: 07th July, 2022
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

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,

Yediyur, Jayanagar 6th Block,

Bangalore-560082

We 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 2021 to 31st March 2022.

Further, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification. The compliance of conditions of corporate governance is the responsibility of the Management. Our 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 our opinion and to the best of our information and according to the explanations and information furnished to us, we 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 except those which are indicated in Secretarial Audit Report

For Vinay & Ashwini
Company Secretaries

Date: 7th July, 2022
Place: Bangalore
UDIN: F009159D000550337

Vinay BL
M No. F9159, CP No. 10760
PR No: 1964/2022

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 31st March, 2022 which were not at arm's length basis.

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM LENGTH BASIS.

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2022.

For the disclosure purpose the details of contracts or arrangement or transactions for the year ended 31st March, 2022 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 Limited	Common Directorship	Unsecured Loan (Expenses paid on behalf of Pasari Spinning Mills)	NA	Unsecured Loan (Expenses paid on behalf of Pasari Spinning Mills)	NA	2,03,45,932
Mrs. Kamala Devi Gupta	Relative of Director	Unsecured Loan	NA	Unsecured Loan	NA	3,79,345
Mr. T.K. Gupta	CFO	Unsecured Loan	NA	Unsecured Loan	NA	12,29,282
Mrs. Poonam Gupta	Director	Unsecured Loan	NA	Unsecured Loan	NA	6,40,422
Mrs. Sneha Gupta	Relative of Director	Unsecured Loan	NA	Unsecured Loan	NA	6,48,220
Mr. K.K Gupta	Managing Director	Unsecured Loan	NA	Unsecured Loan	NA	5,19,004

Management discussion and Analysis

1. *Industry structure and developments:*

The Indian textile industry is one of the largest in the world with a large unmatched raw material base and manufacturing strength across the value chain. India is the 6th largest exporter of Textiles & Apparel in the world. India's textiles and clothing industry is one of the mainstays of the national economy. The uniqueness of the industry lies in its strength both in the hand-woven sector as well as in the capital-intensive sector. India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country. Exports of textiles (RMG of all textiles, cotton yarns/fabs/made-ups/handloom products, man-made yarns/fabs/made-ups, handicrafts excluding handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 29.8 billion between April-December 2021.

2. *Opportunities and threats:*

The promoters of your company are planning to enter 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.

3. *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
- Higher Indirect Taxes, Power and Interest Rates
- Non favorable market conditions to the textile industry.
- There is Declining in Mill Segment.

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.

4. *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

5. Risk and Concerns:

Risks:

General Economic conditions:

Presence in a highly competitive market and dependence on government & policy support and 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. Since Worldwide spread of Novel Corona Virus (Covid-19), disruption of supply chain and elimination of Quota system will lead to fluctuations in Export demand and Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world, 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, Unfavourable labour Laws 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

Date: 7th July, 2022
Place: Bangalore

6. 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.

7. Discussion on financial performance with respect to operational performance:

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

8. 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
Add: A-21 Silver palm, Bldg 3, Basavanagar
Main, Vibhuthipura Extn, Marathalli,
Bangalore- 560067.

INDEPENDENT AUDITORS' 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, 2022, 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, 2022, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2021 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 financial statements in accordance with the generally accepted accounting practice.
– Also refer Note 21 (i) 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 were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund

for Rao and Emmar

Chartered Accountants

Firm Registration No. 003084S

Adarsh N A

Partner

Membership No: 240166

Date: 10.05.2022

Place: Bengaluru

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. Company does not have any intangible assets in its books of accounts.
 - c. 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.
 - d. 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 all immovable properties which are freehold, are held in the name of the company as at the balance sheet date.
 - e. According to the information and explanations given to us and on the basis of our examination of records of the Company, the company has not revalued its Property, Plant & Equipment (including right of-use assets) and intangible assets during the year.
 - f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2.
 - a. The Company does not carry any inventory, hence paragraph 3(ii) of the order is not applicable.
 - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
3. As per the information and explanation given to us, the company has not made investments in, has not provided any guarantee or security or has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
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. The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax (“GST”) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees’ State

Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities; According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute.

8. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

9.

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not obtained any term loans during the year.

- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not raised any funds on short term basis.

- e. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31 March 2022.

- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

10.

- a. 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 3(x)(a) of the Order is not applicable.

- b. According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.

11.

- a. Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the

- Company has been noticed or reported during the course of the audit.
- b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c. To the best of our knowledge and according to the information and explanations given to us, the company has not received any Whistler Blower complaints.
12. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
 13. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
 14. According to the information & explanations provided to us, company does not have internal audit system in place.
 15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
 16.
 - a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.
 - b. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
 - c. According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
 17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
 18. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
 19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
 20. Section 135 of the companies' act 2013 is not applicable to the company. Accordingly, paragraph 3 (xx) of the order is not applicable.

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

Adarsh N A
Partner
Membership No. 240166

Date: 10.05.2022

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, 2022, 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 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, 2022, 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

Adarsh N A

Partner

Membership No. 240166

Date: 10.05.2022

Place: Bengaluru

M/S. PASARI SPINNING MILLS LIMITED
CIN: L85110KA1991PLC012537

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

BALANCE SHEET AS AT 31/03/2022

PARTICULARS		Note No.	31st March, 2022 Rs.	31st March, 2021 Rs.
A	ASSETS			
1	Non-Current Assets			
	Property, Plant and Equipment	3	-	-
	Capital Work-in-Progress		-	-
	Investment Properties	4	4,973,003	5,744,074
	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)	7,535,353	7,558,000
	Deferred Tax Asset (Net)	6	12,788,114	12,629,839
	Other Non-Current Assets	7	-	-
	Total Non-Current Assets		25,296,470	25,931,913
2	Current Assets			
	Inventories	8	-	-
	Financial Assets			
	(i) Investments	5(iii)	246,080	1,080,181
	(ii) Trade Receivables	5(iv)	495,869	682,741
	(iii) Cash and Cash Equivalents	5(v)	839,031	815,892
	(iv) Loans		-	-
	(v) Other Financial Assets	5(vi)	559,983	878,465
	Other Current Assets		-	-
	Total Current Assets		2,140,963	3,457,279
	Total Assets (1+2)		27,437,433	29,389,191
B	EQUITY AND LIABILITIES			
1	Equity			
	Equity Share Capital	9	138,000,000	138,000,000
	Other Equity		-	-
	(i) Reserves and Surplus	10	(142,568,350)	(146,404,270)
	(ii) Other Reserves		-	-
	Total Equity		(4,568,350)	(8,404,270)
2	Liabilities			
	Non-Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	11(i)	27,172,600	33,354,499
	(iii) Other Financial Liabilities		-	-
	Provisions		-	-
	Other Non-Current Liabilities		-	-
	Total Non-Current Liabilities		27,172,600	33,354,499
	Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	11(ii)	2,435,595	2,166,405
	(ii) Trade payables Due To:			
	Micro and Small Enterprise	12	-	-
	Other Than Micro and Small Enterprise		-	-
	(iii) Other financial liabilities	13	1,476,812	1,719,862
	Provisions	14	837,000	573,000
	Current Tax Liabilities		-	-
	Other Current Liabilities	15	83,775	(20,306)
	Total Current Liabilities		4,833,182	4,438,961
	Total Liabilities		32,005,783	37,793,460
	Total Equity and Liabilities (1+2)		27,437,433	29,389,191
	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**

Adarsh N A
Partner
Membership No. 240166

Krishna Kumar Gupta
Managing Director
DIN: 00003880

Tarun Kumar Gupta
Chief Financial officer

Place: Bengaluru
Date: 10.05.2022

Poonam Gupta
Director
DIN:08447607

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2022

PARTICULARS	Note No.	31st MARCH, 2022	31st MARCH, 2021
		Rs.	Rs.
Continuing Operations			
Revenue from Operations		-	-
Other Operating Income	16	6,483,632	5,888,542
Other Income	17	369,764	604,934
Total income		6,853,396	6,493,476
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	792,012	1,166,826
Depreciation and Amortisation Expense	3	771,071	771,071
Other Expenses	20	1,612,669	1,900,801
Total Expenses		3,175,752	3,838,698
Profit Before Exceptional Items and Tax From Continuing Operations		3,677,644	2,654,778
Exceptional Items		-	-
Profit Before Tax from Continuing Operations		3,677,644	2,654,778
Income Tax expense :			
(i) Current Tax for the year		-	-
(ii) Tax relating to earlier years		-	-
MAT Credit Entitlement for the year		-	-
Deferred Tax charge/ (credit)		(158,275)	309,332
Profit from Continuing Operations		3,835,920	2,345,446
Profit/(Loss) from Discontinuing Operations		-	-
Profit for the Year		3,835,920	2,345,446
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		3,835,920	2,345,446
Earning per equity share:			
(1) Basic		0.28	0.17
(2) Diluted		0.28	0.17
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**

Adarsh N A

Partner

Membership No. 240166

Krishna Kumar Gupta

Managing Director

DIN: 00003880

Tarun Kumar Gupta

Chief Financial officer

Place: Bengaluru

Date: 10.05.2022

Poonam Gupta

Director

DIN:08447607

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2022

PARTICULARS	31st MARCH, 2022	31st MARCH, 2021
	Rs.	Rs.
A. Cash flow from operating activities		
Profit before tax from continuing operations	3,677,644	2,654,778
Profit before tax from discontinued operation	-	-
Adjustments for :		
Depreciation and amortisation expense	771,071	771,071
Bad debts written off	-	-
Deposits written off	-	-
Net (gain)/loss on financial assets measured at FVTPL	(12,128)	(93,860)
Net (gain)/loss on sale of Shares	(121,744)	(211,542)
Dividend received	(86,668)	(68,235)
Interest received	(389)	(4,721)
Finance cost	792,012	1,166,826
Operating profit before working capital changes	5,019,799	4,214,317
Changes in working capital:		
(Increase)/Decrease in inventories	-	-
(Increase)/Decrease in trade receivables	186,872	(221,451)
(Increase)/Decrease in other financial assets	22,646	(510,035)
(Increase)/Decrease in other non-current assets	-	-
Increase/(Decrease) in other current Asset	318,481	(368,428)
Increase/(Decrease) short term borrowings	269,190	787,731
Increase/(Decrease) other financial liabilities	(243,050)	(99,874)
Increase/(Decrease) other non-current liabilities	-	-
Increase/(Decrease) in other current liabilities	104,081	(132,260)
Increase/(Decrease) in short term provisions	264,000	528,000
Net Cash generated from operations	5,942,020	4,198,000
Income taxes paid (net of refunds)	-	-
Net cash from/ (used in) operating activities	5,942,020	4,198,000
B. Cash flow from investing activities		
Purchase of investments	(6,927,546)	(2,378,346)
Proceeds from sale of investments	7,895,520	2,361,663
Dividend received	86,668	68,235
Interest Received	389	4,721
Net cash from/ (used in) investing activities	1,055,031	56,273
C. Cash flow from financing activities		
Unsecured loan from related parties	(2,561,098)	-
Repayment of Secured loans	(3,620,801)	(2,611,194)
Interest paid	(792,012)	(1,166,826)
Net cash from/ (used in) financing activities	(6,973,911)	(3,778,020)
Net cash flows during the year (A+B+C)	23,138	476,253
Cash and cash equivalents (Opening balance)	815,892	339,640
Cash and cash equivalents (Closing balance)	839,031	815,892

Note:

1. Cash & Cash Equivalents represents Cash & Bank Balances and deposits with Banks as per **Note 5 (v)**
2. Above cash flow statement has been prepared under indirect method in accordance with the Indian Accounting (Ind AS) 7 on "Statement of Cash Flows".
3. The Figures in bracket represent the Cash Outflow and the figures having no bracket represents the Cash Inflow.

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

For **Rao and Emmar**
Chartered Accountants
Firm Registration No. 003084S

For **PASARI SPINNING MILLS LIMITED**

Adarsh N A
Partner
Membership No. 240166

Krishna Kumar Gupta **Tarun Kumar Gupta**
Managing Director Chief Financial officer
DIN: 00003880

Place: Bengaluru
Date: 10.05.2022

Poonam Gupta **Neelu Daslana**
Director Company Secretary
DIN:08447607

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, 2022

Note 1: General Information

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

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

Note 2: Summary of Significant Accounting Policies

(i) Basis of preparation:

(a) Compliance with Ind AS

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

The financial statements up to year ended March 31, 2022 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 amortised 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.

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 amortised cost.

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

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on such financial assets that are subsequently measured at FVTPL and is recognised and presented 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 Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(e) Derecognition of financial assets

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

(f) Income recognition**Interest income**

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

Dividends

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

(iv) Property, plant and equipment:

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

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

Gains and losses on disposal are determined by comparing proceeds with carrying amount.

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.

PASARI SPINNING MILLS LIMITED

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 straight line 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 lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return of the net investment outstanding in respect of the leases.

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

(x) Taxes on income:

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

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

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

(xi) Impairment of assets:

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

(xii) Trade and other payables:

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

(xiii) Borrowings:

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

(xiv) Provisions and Contingent Liabilities:

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

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

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

(xv) Cash and cash equivalents:

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

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

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.

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 - 560082

Notes to the Financial Statements for the year ended March 31, 2022

Note 4 : Investment properties

Particulars	As at March 31, 2022	As at March 31, 2021
Gross carrying amount		
Opening gross carrying amount/ Deemed cost(April 1, 2016)	26,881,472	26,881,472
Transfer from property, plant and equipment's	-	-
Additions	-	-
Closing gross carrying amount	26,881,472	26,881,472
Accumulated depreciation		
Opening accumulated depreciation	21,137,398	20,366,327
Transfer from property, plant and equipment's	-	-
Depreciation charge	771,071	771,071
Closing accumulated depreciation	21,908,469	21,137,398
Closing Capital work-in-progress	-	-
	4,973,003	5,744,074

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rental income	6,483,632	5,888,542
Direct operating expenses from property that generated rental income	517,560	744,500
Profit from investment properties before depreciation	5,966,072	5,144,042
Depreciation charge	771,071	771,071
Profit from investment properties	6,737,143	5,915,113

(ii) Fair value of investment properties:

Particulars	As at March 31, 2022	As at March 31, 2021
Land [refer note (a)]	117,624,197	123,814,944
Building [refer note (a)]	45,194,493	47,573,150
	162,818,689	171,388,094

(a) As per Ind As 40, Investment Properties, the Company has estimated the fair value of land at Rs. 11,76,24,197 and Building at Rs.4,51,94,493 as at 31/03/2022. However, the valuation is not as per Registered Valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

(b) The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

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, 2022	As at March 31, 2021
	-	-
	-	-

(a) The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment

(ii) Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax Refund Receivable	900,732	923,379
Sales Tax 05-06 to 09-10	167,371	167,371
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 disclosures note number 21 (i)]	6,390,000	6,390,000
	7,535,353	7,558,000

(iii) Current investments
(valued at FVTPL)

Particulars	As at March 31, 2022	As at March 31, 2021
Quoted investment in equity instruments	246,080	1,080,181
Quoted investment in mutual funds	-	-
	246,080	1,080,181

(iv) Trade receivables
(Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
- Related parties	-	-
- Others	495,869	682,741
Less: Allowance for doubtful debts	-	-
	495,869	682,741

(a) Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivable Ageing Schedule

Particulars		Outstanding for following periods from due date of payments					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i)	Undisputed Trade Receivables - Considered Good	495,869					495,869
ii)	Undisputed Trade Receivables - Considered Doubtful						-
iii)	Disputed Trade Receivables - Considered Good						-
iv)	Disputed Trade Receivables - Considered Doubtful						-

(v) Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- in current accounts	749,569	710,086
- deposit accounts	-	-
Cash on hand	89,462	105,806
	839,031	815,892

(vi) Other Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
TDS Receivable	550,811	373,744
Fixed Deposits	-	504,721
Advance paid to Creditors	9,172	-
	559,983	878,465

Note 6 : Deferred Tax Asset

Particulars	As at March 31, 2022	As at March 31, 2021
On account of Depreciation between books and Income tax written down value (WDV) of depreciable Property, Plant and equipment	12,788,114	12,629,839
	12,788,114	12,629,839

Movement in Deferred Tax Asset

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	12,629,839	40,111,773
(Charged)/ Credited to statement of profit and loss (DTA)	158,275	(309,332)
Excess Balance written off	-	(27,172,602)
	12,788,114	12,629,839

- (i) On account of Depreciation between books and Income tax written down value (WDV) of depreciable Property, Plant and equipment and unabsorbed depreciation and business loss.
- (ii) 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.

PASARI SPINNING MILLS LIMITED

Note 7 : Other Non-Current Assets

(Unsecured considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
	-	-
	-	-

Note 8 : Inventories

(at lower of cost and net realisable value)

Particulars	As at March 31, 2022	As at March 31, 2021
Stores and spares	-	-
	-	-

Note 9 : Equity share capital

Authorised equity share capital

Particulars	No of shares	Amount
As at April 1, 2021	14,000,000	140,000,000
Increase/ (decrease) during the year	-	-
As at March 31, 2022	14,000,000	140,000,000

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

Particulars	No of shares	Amount
As at April 1, 2021	13,800,000	138,000,000
Increase/ (decrease) during the year	-	-
As at March 31, 2022	13,800,000	138,000,000

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

(ii) Equity shares held by the Group Company

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No of shares	Amount	No of shares	No of shares
Pasari Exports Ltd.	7,080,342	70,803,420	7,080,342	70,803,420

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

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No of shares	Shareholding (%)	No of shares	Shareholding (%)
Pasari Exports Ltd.	7,080,342	51.31%	7,080,342	51.31%

(iv) Details of shares held by Promoters

Shares held by Promoters at the end of the year				% Change during the year
S.No.	Promoter Name	No. of Shares	% of Total shares	
1	Gouri Shankar Gupta	221,200	1.60%	-
2	Pasari Exports Ltd.	7,080,342	51.31%	-
Total		7,301,542	52.91%	

(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 11 : Borrowings**(i) Non-current borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Loans		
Term loan from Canara Bank [Refer note (a)]	3,410,394	7,031,195
Unsecured Loans		
Loan from related parties [Refer note 21 (v) in notes to financial statements]	23,762,206	26,323,304
	27,172,600	33,354,499

- a. The Company has availed a project term loan of Rs. 2,00,00,000 from Canara Bank which is repayable in 243 monthly instalments carrying floating interest rate, which is at present 11.40% 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.
- b. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

(ii) Current Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Current maturities of long term debt	2,435,595	2,166,405
	2,435,595	2,166,405

Note 12 : Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Sundry Creditors	-	-
	-	-

Note 13 : Other Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Rental deposit	1,474,924	1,670,690
Outstanding Liabilities	1,888	49,172
	1,476,812	1,719,862

Note 14 : Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Audit fee payable	45,000	45,000
Provision for Income Tax	-	-
Provision for Property Tax Payable	792,000	528,000
	837,000	573,000

Note 15 : Other Current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory liabilities		
GST	78,775	(25,306)
Income Tax - TDS	5,000	5,000
	83,775	(20,306)

PASARI SPINNING MILLS LIMITED

M/S. PASARI SPINNING MILLS LIMITED

CIN: L85110KA1991PLC012537

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

Notes to the Financial Statements for the year ended March 31, 2022

Note 16 : Other Operating Income

	For the year ended March 31, 2022	For the year ended March 31, 2021
Particulars		
Rental income	6,483,632	6,337,680
Less: Discount Allowed	-	449,138
	6,483,632	5,888,542

Note 17 : Other Income

	For the year ended March 31, 2022	For the year ended March 31, 2021
Particulars		
Dividend income	86,668	68,235
Gain on financial assets measured at FVTPL	12,128	111,838
Interest on fixed deposit	389	4,721
Miscellaneous Income	100	-
Profit on sale of shares	248,519	390,566
Speculation Income	21,961	29,574
	369,764	604,934

Note 18 : Cost of materials consumed

	For the year ended March 31, 2022	For the year ended March 31, 2021
Particulars		
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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Particulars		
Interest on term loan	792,012	1,166,826
	792,012	1,166,826

Note 20 : Other expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Particulars		
Advertisement	5,600	9,520
Bank Charges	13,998	27,860
Brokerage on Sales	1,528	2,781
Courier, postage & telegram	191	2,300
Director's Sitting Fee	60,000	-
Security Charges	160,000	156,000
General expenses	72,830	5,670
Garden Maintenance	68,000	60,500
Interest on delayed payment	-	900
Listing fee	402,900	390,000
Legal expenses	4,000	-
Loss on Sale of Shares	144,157	194,298
Office Maintenance	107,860	78,389
Building Maintenance	25,560	-
Speculation Loss	4,578	14,300
Meeting expenses	30,000	30,000
Loss on financial assets measured at FVTPL	-	17,978
Printing & stationery	2,582	28,000
Professional & other consultancy charges	23,250	159,005
Rates and taxes, excluding, taxes on income	278,617	542,710
Share transfer agent expenses	45,508	41,000
Remuneration to Auditor [refer note (a)]	50,000	50,000
Travelling expenses	86,000	66,000
Vehicle insurance	7,559	9,370
Vehicle Maintenance	17,950	14,220
	1,612,669	1,900,801

a. Remuneration to Auditors includes

Particulars	2021-22	2020-21
Statutory Audit	50,000	50,000
TOTAL	50,000	50,000

Note 21 : Additional disclosure as per Schedule III of Companies Act, 2013**(i) Ratio Analysis**

Ratios	Numerator	Deominator	Current Year	Previous Year	Reason for Variance
a) Current Ratio (In times)	Total current assets	Total current liabilities	0.44	0.78	Decrease in current asset is more than decrease in current liabilities during the year
b) Debt- Equity Ratio (In times)	Debt consists of borrowings and lease liabilities	Total equity	-7.01	-4.50	Considerable increase in profits has resulted in huge variance compared to
c) Debt Service Coverage Ratio (In times)	EBITDA = Earnings Before Interest, Tax, Depreciation, and Amortization	Debt service = Current maturities of Debt	2.15	2.12	--
d) Return on Equity Ratio (In %)	Profit for the year less Preference dividend (if any)	Average total equity	-0.84	-0.28	Considerable increase in profits has resulted in huge variance compared to
e) Inventory Turnover Ratio (In times)	Cost of Goods	Average Inventory	0.00	0.00	--
f) Trade Receivable Turnover Ratio (In times)	Revenue from operations	Average trade receivables	11.00	10.29	--
g) Trade Payable Turnover Ratio (In times)	Cost of equipment and software licences + Other	Average trade payables	0.00	0.00	--
h) Net Capital Turnover Ratio (In times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	-2.41	-6.00	Considerable change in average working capital has resulted in huge variance compared to previous year
i) Net Profit Ratio (In %)	Profit for the year	Revenue from operations	0.59	0.40	Considerable increase in profits has resulted in huge variance compared to
j) Return on Capital Employed (In %)	Profit before tax and finance costs	Capital employed = Total asset - Current Liabilities	0.20	0.15	Considerable increase in profits has resulted in huge variance compared to
k) Return on Investment (In %)	Income generated from invested funds	Average invested funds in treasury investments	1.59	0.06	of share value, company has earned huge income compared to previous year

(ii) Since the Company doesn't meet its applicability criteria for CSR Provisioning, Section 135 of companies act is not applicable

(iii) There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

(iv) The Company has not been sanctioned working capital from banks or financial institutions on the basis of security of current assets at any point of time during the year.

PASARI SPINNING MILLS LIMITED

- (v) The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.
- (vi) There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.
- (vii) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) The company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.
- (x) The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.
- (xi) The company is not declared wilful defaulter by any bank or financial Institution or other lender.

Other Disclosure

- (i) 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 per candy for the price difference which was litigated by Cotton Corporation and the matter is in High Court. 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.
- (ii) The Company's Registrar and Transfer Agent for all matters related to share transfers, dematerialization, dividends etc. is Karvy Fintech Private Limited.
- (iii) Rent Agreement with M Jeyakumar has been expired on September 20, 2017. As per the mutual consent of both the parties it has been agreed to increase the rent by 5 percent every year.
- (iv) 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.
- (v) 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	2021-22	2020-21
Loan From Mr.GS Gupta	Payable	-	743,163
Loan From Mrs.Kamaladevi Gupta	Payable	379,345	579,345
Loan From Mr.TK Gupta	Payable	1,229,282	1,229,282
Loan From Mr. K K Gupta	Payable	519,004	519,004
Loan From Mrs. Poonam Gupta	Payable	640,422	640,422
Loan From Mrs. Sneha Gupta	Payable	648,220	648,220
Loans from T.K.R.Textile Pvt Ltd	Payable	-	617,936
Loan from Pasari Exports Ltd	Payable	20,345,932	21,345,932
		23,762,205	26,323,304

Payable to Related Parties as at 31st March 2022:

Comparative Previous Year:

1 Pasari Exports Limited

Opening Balance as on April 1, 2021	21,345,932	Opening Balance as on April 1, 2020	21,345,932
Add: Amount Paid	-	Add: Amount Paid	-
Less: Amount Received	1,000,000	Less: Amount Received	-
Closing balance as on March 31, 2022	20,345,932	Closing balance as on March 31, 2020	21,345,932

2 Gauri Shankar Gupta

Opening Balance as on April 1, 2021	743,163	Opening Balance as on April 1, 2020	743,163
Add: Amount Paid	-	Add: Amount Paid	-
Less: Amount Received	743,163	Less: Amount Received	-
Closing balance as on March 31, 2022	-	Closing balance as on March 31, 2020	743,163

3 Kamaladevi Gupta

Opening Balance as on April 1, 2021	579,345	Opening Balance as on April 1, 2020	579,345
Add: Amount Paid	-	Add: Amount Paid	-
Less: Amount Received	200,000	Less: Amount Received	-
Closing balance as on March 31, 2022	379,345	Closing balance as on March 31, 2021	579,345

4 Tarun Kumar Gupta

Opening Balance as on April 1, 2021	1,229,282	Opening Balance as on April 1, 2020	1,229,282
Add: Amount Paid	-	Add: Amount Paid	12,000
Less: Amount Received	-	Less: Amount Received	12,000
Closing balance as on March 31, 2022	1,229,282	Closing balance as on March 31, 2021	1,229,282

5 Krishna Kumar Gupta

Opening Balance as on April 1, 2021	519,004	Opening Balance as on April 1, 2020	519,004
Add: Amount Paid	-	Add: Amount Paid	-
Less: Amount Received	-	Less: Amount Received	-
Closing balance as on March 31, 2022	519,004	Closing balance as on March 31, 2021	519,004

6 Poonam Gupta

Opening Balance as on April 1, 2021	640,422	Opening Balance as on April 1, 2020	640,422
Add: Amount Paid	-	Add: Amount Paid	-
Less: Amount Received	-	Less: Amount Received	-
Closing balance as on March 31, 2022	640,422	Closing balance as on March 31, 2021	640,422

7 Sneha Gupta

Opening Balance as on April 1, 2021	648,220	Opening Balance as on April 1, 2020	648,220
Add: Amount Paid	-	Add: Amount Paid	-
Less: Amount Received	-	Less: Amount Received	-
Closing balance as on March 31, 2022	648,220	Closing balance as on March 31, 2021	648,220

8 TKR Textile Private Limited

Opening Balance as on April 1, 2021	617,935	Opening Balance as on April 1, 2020	617,935
Add: Amount Paid	-	Add: Amount Paid	-
Less: Amount Received	617,935	Less: Amount Received	-
Closing balance as on March 31, 2022	-	Closing balance as on March 31, 2021	617,935

(vi) TDS receivable for the year FY 2021-22 is subject to reconciliation and confirmation

As per our report of even date

For **Rao and Emmar**
Chartered Accountants
Firm Registration No. 003084S

For **PASARI SPINNING MILLS LIMITED**

Adarsh N A
Partner
Membership No. 240166

Krishna Kumar Gupta
Managing Director
DIN: 00003880

Tarun Kumar Gupta
Chief Financial officer

Place: Bengaluru
Date: 10.05.2022

Poonam Gupta
Director
DIN:08447607

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

STATEMENT OF CHANGES IN EQUITY For the period ended 31.03.2022

A. Equity Share Capital - Note 9

(1) Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
138,000,000	-	138,000,000	-	138,000,000

(2) Previous Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
138,000,000	-	138,000,000	-	138,000,000

B. Other Equity - Note 10

(1) Current Reporting Period

	Share Application Money pending Allotment	Equity Component of Compound Financial Instrument	Reserves & Surplus				Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash flow hedges	Revaluation Surplus	Exchange differences on translating the Financial Statement of a Foreign Operation	Other Items of other Comprehensive Income (Specify Nature)	Money Received against Share Warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (Specify Nature)	Retained Earnings								
Balance as at 31.03.2021	-	-	-	-	-	(146,404,270)	-	-	-	-	-	-	-	(146,404,270)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) for the year	-	-	-	-	-	3,835,920	-	-	-	-	-	-	-	3,835,920
Any other changes (To be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of MAT Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of Deferred Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2022	-	-	-	-	-	(142,568,350)	-	-	-	-	-	-	-	(142,568,350)

(2) Previous Reporting Period

	Share Application Money pending Allotment	Equity Component of Compound Financial Instrument	Reserves & Surplus				Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash flow hedges	Revaluation Surplus	Exchange differences on translating the Financial Statement of a Foreign Operation	Other Items of other Comprehensive Income (Specify Nature)	Money Received against Share Warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (Specify Nature)	Retained Earnings								
Balance as at 31.03.2020	-	-	-	-	-	(121,360,979)	-	-	-	-	-	-	-	(121,360,979)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) for the year	-	-	-	-	-	2,345,446	-	-	-	-	-	-	-	2,345,446
Any other changes (To be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of MAT Credit	-	-	-	-	-	(216,135.0)	-	-	-	-	-	-	-	(216,135)
Reversal of Deferred Tax	-	-	-	-	-	(27,172,602.1)	-	-	-	-	-	-	-	(27,172,602)
Balance as at 31.03.2021	-	-	-	-	-	(146,404,270)	-	-	-	-	-	-	-	(146,404,270)

M/S. PASARI SPINNING MILLS LIMITED

CIN: L85110KA1991PLC012537

Regd Office: NO 18 III 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	
Fixed Assets	Depreciation Rate	As at 1st Apr 2021	Additions	Disposals	As at 31st Mar 2022	As at 1st Apr 2021	Depreciation for the year	Disposals	As at 31st Mar 2022	As at 31st Mar 2022	As at 31st Mar 2021
TANGIBLE ASSETS											
Furniture and Fixtures	9.50%	341,521	-	-	341,521	341,521	-	-	341,521	-	-
Vehicles	11.88%	1,963,894	-	-	1,963,894	1,963,894	-	-	1,963,894	-	-
Office equipment	19.00%	275,631	-	-	275,631	275,631	-	-	275,631	-	-
Computer	31.67%	474,082	-	-	474,082	474,082	-	-	474,082	-	-
Total		3,055,128	-	-	3,055,128	3,055,128	-	-	3,055,128	-	-
Previous Year's Total		3,055,128	-	-	3,055,128	3,055,128	-	-	3,055,128	-	-

NOTES

[illegible]