



**PASUPATI
SPINNING
& WEAVING
MILLS LTD.**

CORP. OFFICE : 127-128, 1st FLOOR, TRIBHUVAN COMPLEX, ISHWAR NAGAR,
MATHURA ROAD, NEW DELHI-110065 (INDIA) PHONE : 91-11-47632200
E-mail : ho@pasupatitextiles.com ; admin@pasupatitextiles.com
Website : http://www.pasupatitextiles.com
CIN - L74900HR1979PLC009789

29th August, 2022

**The Secretary,
The Stock Exchange, Mumbai,
P.J. Tower, Dalal Street,
Mumbai – 400 001**

Dear Sir/ Madam

Subject: Submission of Annual Report for 2021-22

Dear Sir/Madam,

Please find enclosed herewith copy of Annual Report 2021-22 in due compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

You are requested to take the above information on record.

Thanking you

Yours faithfully

For Pasupati Spinning & Weaving Mills Limited


**Deepika Bangia
Company Secretary**

42nd

**Annual Report
2021-22**

Pasupati Spinning and Weaving Mills Limited

Board of Directors

| | |
|----------------------------|---|
| Mr. Ramesh Kumar Jain | -Chairman & Managing Director |
| Mr. Vidit Jain | - Joint Managing Director |
| Mr. CM Sharma | - Whole Time Director |
| Mr. Umesh Chandra Tripathi | -Independent Director |
| Mr. Ghanshyam Das Gupta | -Independent Director |
| Mr. Ashwani Kumar Rathore | -Independent Director |
| Mr. Ban Mali Khemka | -Independent Director (resigned w.e.f 01/08/2022) |
| Ms. Reema Kalhan | -Independent Director |

Company Secretary

Ms. Deepika Malhotra

Chief Finance Officer

Mr. Ajay Kumar Monga

Auditors

M/s. Suresh Kumar Mittal & Co. -
House No. 60, 1st Floor, Pocket D-3,
Sector-18, Rohini, Delhi-110085

Bankers

Bank of Baroda
Canara Bank
Punjab National Bank
State Bank of India
The Nainital Bank Ltd.

Registered Office & Works

Village Kapriwas (Dharuhera), Distt.Rewari, Haryana.
Company Identity Number (CIN) : L74900HR1979PLC009789
Website : www.pasupatitextiles.com

Sewing Thread Unit:

Village Kheri (Kala-Amb), Distt.Sirmour,
Himachal Pradesh

Head Office

127-128 Tribhuvan Complex,
Ishwar Nagar,
Mathura Road,
New Delhi 110065,
Phone: +91-11-47632200,
Email: cs@pasupatitextiles.com and ho@pasupatitextiles.com

Registrar & Shares / Debentures Transfer Agent

M/s. Skyline Financial Services Pvt. Ltd.
D - 153 A, 1st Floor, Okhla Industrial Area.
Phase - I, New Delhi - 110020
Phones: +91-11-26812682, 83, 64732681-88
Fax: +91-11-26812682
Email: www.skylinerta.com

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Dear Shareholder

Sub: - Go Green Initiative in Corporate Governance: Go Paperless.

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No 17/2011 dated 21-4-2011 and Circular No 18/2011 dated 29-4-2011) allowing paperless compliances by companies through electronic mode and same also has been allowed under the Companies Act, 2013. Companies are now permitted to send various notices / documents to its shareholders through electronic mode to the registered email address of shareholders. This move by the MCA is welcome since it will benefit the society at large through reduction in paper consumption and towards a Greener Environment. It will also ensure prompt receipt of communication, avoid loss in postal transit and helps the larger participation of shareholders in **E-Voting**. Keeping in view the underlying theme and circular issued by MCA and provisions of Companies Act, 2013, we are keen to participate in Green Initiative and henceforth propose to send documents like General Meeting Notices (Including AGM), Audited Financial Statements, Directors Report, Auditors Report etc. to the shareholders in electronic form, to the e-mail address provided by you and made available to us by Depositories /RTA.

In case you are holding shares in electronic form and have registered your e-mail id with the Depository, we will send all notices / documents etc at that e-mail id. If you desire to have a different e-mail id registered, please update the same with your Depository Participant (DP) or email at cs@pasupatitextiles.com or ho@pasupatitextiles.com or admin@skylinerta.com specifying your Client ID and DPID.

All those shareholders who have not yet registered their e mail IDs or holding shares in physical form are requested to register their email IDs with NSDL/ CDSL and/ **or** our RTA or send their request to register their e-mail id at any one of the following mail ids along with Folio No and No of Shares / Client Id and DPID:-

- 1) cs@pasupatitextiles.com
- 2) ho@pasupatitextiles.com
- 3) admin@skylinerta.com

Kindly note that if any shareholders still wish to receive a physical copy of all the above mentioned communications / documents, the company undertakes to provide the same at no extra cost to you, if a request in this connection is received by the company or RTA. Please note that these documents will also be available on the Company's website www.pasupatitextiles.com

We look forward for your encouraging support in welcoming the "Green Initiative"

Thanking You,

Yours faithfully

For Pasupati Spinning and Weaving Mills Limited

Sd/-

Ms. Deepika Malhotra

Company Secretary and Compliance Officer

PASUPATI SPINNING AND WEAVING MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 42nd ANNUAL GENERAL MEETING OF THE MEMBERS OF PASUPATI SPINNING AND WEAVING MILLS LIMITED WILL BE HELD ON THURSDAY, THE 29TH SEPTEMBER, 2022 AT 10.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT VILLAGE KAPRIWAS (DHARUHERA), DISTT. REWARI, HARYANA TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the Financial Year ended 31st March, 2022, together with the Reports of the Board of Directors and the Auditor's thereon.
2. To appoint a Director in place of Mr. Vidit Jain (DIN- 01347588), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint M/s. B. K. Shroff & Company, Chartered Accountants as Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the Forty Seventh Annual General Meeting and to fix their remuneration:

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. B. K. Shroff & Company, Chartered Accountants, (Firm Registration No.: 302166E) who have confirmed their eligibility for appointment as Statutory Auditors in terms of Section 141 of the Companies Act, 2013 and applicable Rules, be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of this Annual General Meeting (AGM) of the Company till the conclusion of the Forty Seventh Annual General Meeting, to be held in the year 2027, at such remuneration as may be mutually agreed between the Audit Committee and /the Board of Directors of the Company and the Statutory Auditors.”

“RESOLVED FURTHER THAT the Board of Directors or Audit Committee thereof, be and are hereby severally authorized to decide and finalize the terms and conditions of appointment, including the remuneration of the Statutory Auditors.”

SPECIAL BUSINESS

ITEM-4 RATIFICATION OF REMUNERATION OF THE COST AUDITORS

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the remuneration of Rs.60,000/- plus

G.S.T and actual out-of-pocket expenses payable to Mr. Satnam Singh Saggu, Cost Accountants, who was appointed as Cost Auditors by the Board of Directors of the Company on the recommendation of Audit Committee to conduct the audit of cost records of the Company for the Financial Year ending 31st March, 2023.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/or Key Managerial Personnel of the Company be and are hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary, proper and expedient for the purpose of giving effect to the above resolution.”

ITEM-5 APPROVAL OF RELATED PARTY TRANSACTIONS

To consider and if thought fit, to pass, with or without modification(s), the following resolution as ordinary resolution:

“RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions and rules of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and regulation 23 of Listing Regulations 2015, the consent of the company, be and is hereby accorded to the related party contracts/transactions proposed to be entered between the company and M/s Shivani Textiles Ltd, a Public Ltd Company in which Mr. Ramesh Kumar Jain, and Mr. Vedit Jain, Directors of the company, are holding more than 2% paid up share capital along with their relatives as per details given below:-

| Nature of Contract | Amount (Lacs) Per Year | Name of Party in which Directors are interested |
|-------------------------|-------------------------|---|
| Purchase of dyed fabric | Rs. 150 | Shivani Textiles Ltd |
| Sales of grey fabric | Rs. 400 | Shivani Textiles Ltd |
| Job Work charges | Rs. 700 | Shivani Textiles Ltd |

“RESOLVED FUTHER THAT all the transactions as stated aforesaid shall be done at best competitive market prices.”

“RESOLVED FURTHER THAT pursuant to provisions of Section 188 and other applicable provisions and rules of the Companies Act,2013, (including any statutory modification(s)or re-enactment thereof for the time being in force) and regulation 23 of Listing Regulations 2015, the consent of the company, be and is hereby accorded to the lease agreement(s) up to the value of Rs. 15,00,000/- per year, which may be entered by the company with any Director(s) or relatives of directors of the company or with any other Related Party /Parties”

ITEM-6 RE-APPOINTMENT OF MR. CM SHARMA, AS WHOLE TIME DIRECTOR LIABLE TO RETIRE BY ROTATION

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 (“Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force), the consent of the members be and is hereby accorded for the re-appointment of Shri Chander Mohan Sharma (DIN 08047336) as a

Whole Time Director of the Company liable to retire by rotation for a period of 5 years, with effect from 20th December 2022 to 19th December, 2027 (both days inclusive) with the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting and as recommended by Nomination and Remuneration Committee (“Committee”) and approved by the Board, with liberty to the Board of Directors (including Committee) to alter and vary the terms and conditions of the said re-appointment / remuneration in such manner as deemed fit necessary.

RESOLVED FURTHER THAT the remuneration payable to Shri Chander Mohan Sharma, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the remuneration payable to Shri Chander Mohan Sharma, Whole Time Director by way of salary, perquisites and allowances shall not exceed the maximum remuneration payable in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 with liberty to the Board / Committee to decide the breakup of the remuneration from time to time in consultation with the Whole Time Director.

RESOLVED FURTHER THAT Shri Chander Mohan Sharma, Whole Time Director be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him subject to the supervision and control of the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient, to give effect to the aforesaid resolution.”

ITEM-7 INCREASE IN THE LIMITS APPLICABLE FOR MAKING INVESTMENTS / EXTENDING LOANS AND GIVING GUARANTEES OR PROVIDING SECURITIES IN CONNECTION WITH LOANS TO PERSONS / BODIES CORPORATE

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

RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of 100 Crores (Rupees One Hundred Crores only) over and above the limit of

60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

ITEM-8 REVISION / INCREASE IN REMUNERATION OF MR. VIDIT JAIN, WHOLE TIME DIRECTOR

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

"RESOLVED THAT in partial modification of resolution passed by the members of the Company at 40th Annual General Meeting held on 30th December, 2020 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act'), the consent of the members be and is hereby accorded for revision in remuneration of Mr. Vidit Jain (DIN : 01347588), Whole Time Director, with effect from 01st April, 2022 for the remaining period of his tenure ending on March 31, 2025."

"RESOLVED FURTHER THAT the maximum remuneration payable to Mr. Vidit Jain, Whole Time Director with effect from 01st April, 2022 shall be Rs. 30,00,000/- (Rupees Thirty Lacs) per annum inclusive of all perks & allowances."

"RESOLVED FURTHER THAT the consent and ratification of the Members of the Company be and is hereby accorded that in the event of there being loss or inadequacy of profits for any financial year, the aforesaid remuneration payable to Mr. Vidit Jain shall be the minimum remuneration payable to him in terms of the applicable provisions of Schedule V to the Companies Act, 2013."

"RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time."

"RESOLVED FURTHER THAT except for the aforesaid revision in salary, all other terms and conditions of his appointment as Whole Time Director of the Company, as approved by the resolution passed at the 40th Annual General Meeting of the Company held on 30th December, 2020 shall remain unchanged."

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion may consider necessary, expedient or desirable to give effect to this resolution and also to revise the remuneration of Mr. Vidit Jain within the limits stipulated in the Companies Act, 2013.”

BY ORDER OF THE BOARD
For PASUPATI SPINNING AND WEAVING MILLS LTD.

Place: Delhi
Dated: 10/08/2022

Registered Office
Village Kapriwas
(Dharuhera), Distt.Rewari,
HARYANA

DEEPIKA MALHOTRA
COMPANY SECRETARY
(ACS:-28661)

IMPORTANT NOTES:

1 .The AGM will be held by strictly adhering to the Social Distancing Norms and other Safety Protocols/SOPs (including use of face masks and hand sanitizers) issued by the -Ministry of Health & Family Welfare, Government of India in view of the prevailing Covid Pandemic. Entry to the Venue shall be on a ‘first come first serve basis’ in view of the maximum permissible limit, as applicable at that time, for a gathering at a place.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIM/HER. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the meeting. A Proxy Form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

3. The Register of Members and the Share Transfer books of the Company will remain closed from 23rd September, 2022 to 29th September, 2022, both days inclusive, for annual closing.

4. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 4 to 8 of the accompanying Notice, is annexed hereto.

5. As per MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the Notice of AGM is being sent by mail only to those Shareholders who have registered their e-mail addresses with the Company/Depositories. Members who have not registered their mail addresses are therefore requested to register/update the same with the Company’s Registrar and Share Transfer Agent/Depositories. The Notice of the Meeting will be available on the Company’s website www.pasupatitextiles.com and the websites of the Stock Exchanges and National Securities Depository Limited (NSDL).

6. The facility for voting through Ballot Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.

7. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.

Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.

9. Shareholders holding shares physically, who have not registered email address with the company, can get the same registered with the company by sending email to cs@pasupatitextiles.com mentioning the Folio No. , name ,address along with the copy of the share certificate(front/back) , self-attested copy of the PAN card and self-attested copy of any document in support of the address of the shareholder. Shareholders holding shares in dematerialized mode are requested to register/ update their email addresses with the relevant Depository Participants.

10.The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September,2022.

11.Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date may obtain the User ID and password by sending a request by mentioning their Folio No. Client Id and Dp Id.

12. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

13. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

14. Pursuant to the provision of Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 securities can be transferred only in dematerialized form w.e.f. 1st April, 2019. Shareholders are advised to convert their Physical holding into demat form to avail benefits of dematerialization.

Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 42nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e- voting”) will be provided by National Securities Depository Limited (NSDL).

II. The members who have already voted prior to the AGM would not be entitled to vote at the meeting venue.

III. The remote e-voting period commences on 26th September, 2022 (9:00 am) and ends on 28th September, 2022(5:00 pm). During this period member of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2022, may cast their vote by e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall

not be allowed to change it subsequently.

IV.A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

V. The process and manner for remote e-voting are as under:

The remote e-voting period begins on Monday, 26th September, 2022 at 09:00 A.M. and ends on Wednesday, 28th September, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 22nd September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd September, 2022.

How do I vote electronically using NSDL e-Voting system?

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 demat accounts in order to access e-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="591 1079 1352 1732">1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are 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="591 1732 1352 2013">2. 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 hold |

with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

3. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL

1. 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.
2. 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.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
4. 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 | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period |
|--|--|

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 e-Voting 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?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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.
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | 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 user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) 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.
 - c) How to retrieve your 'initial password'?
 - (i) 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'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) 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.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) 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 etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. 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”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to Mrbajaj79@gmail.com or Prefcomoffice@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nSDL.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nSDL.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@pasupatitextiles.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@pasupatitextiles.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nSDL.com and may contact to concerned officials of NSDL. Members may also write to the Company Secretary at the email ID : cs@pasupatitextiles.com or contact at telephone no. 011-47632233

VII. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.

VIII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

IX. Mr. Sumit Bajaj, Practicing company secretary (C.P No. 23948 and Membership No. 45042) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

X. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make a consolidate report of the total votes in favour or against, not later than 48 hours of the conclusion of AGM, to the Managing Director or a person authorized by him.

XI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.pasupatitextiles.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The

results shall also be immediately forwarded to the BSE Limited, Mumbai.

Note:-All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection without any fee at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

THE FOLLOWING STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS MENTIONED IN THE ACCOMPANYING NOTICE:

ITEM-4

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of Mr. Satnam Singh Saggu, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel and their relatives is concerned or interested (financially or otherwise) in this Resolution. The Board recommends the Ordinary Resolution set out at Item No. 4 for the approval of Members.

ITEM 5

The ordinary resolution as set out in item no. 5 relates to approval of material related party transactions by members as required under Sec 188 of the Act and regulation 23 of SEBI (LODR) Regulations 2015. As per regulation 23 of SEBI (LODR) Regulations 2015, related party transaction is said to be material if such transaction(s) to be entered into individually or taken together during a financial year exceeds ten percent of the annual turnover as per the previous audited financial statements of the company. Your board of directors is of the view that during the financial year 2022-23 transactions with related parties namely Shivani Textiles Ltd (in which Mr. Ramesh Kumar Jain and Mr. Vidit Jain, Directors of the company, along with their relatives are holding more than 2% paid up share capital), Mrs. Vrinda Jain (Relative of Mr. Ramesh Kumar Jain), Mrs. Vandita Jain (Relative of Mr. Vidit Jain, Mrs. Vrinda Jain and Mr. Ramesh Kumar Jain) and with other Related Parties , may exceed ten percent of the annual turnover of the previous audited financial statements of the company. Hence, Board of Directors recommends the passing of the resolution at Item No- 5 of the Notice as ordinary resolution.

Save and except Mr. Vidit Jain and Mr. Ramesh Kumar Jain (along with their relatives) ,none of the other Director(s)/Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

ITEM 6

At the Annual General Meeting of the Company held on 28th September, 2018, the Members of the Company had approved the appointment and terms of remuneration of Shri Chander Mohan Sharma (DIN 08047336), Whole Time Director of the Company liable to retire by rotation for a period of 5 years w.e.f. 20th December, 2017.

Based on the recommendation of the Nomination and Remuneration Committee and keeping in view of his vast experience and exposure in technology, the Board of Directors of the Company at its meeting held on 10/08/2022, has consented for the re-appointment of Shri Chander Mohan Sharma as a Whole Time Director liable to retire by rotation for a period of 5 years w.e.f. 20th December, 2022, subject to approval of the members of the Company.

Shri Chander Mohan Sharma aged 65 years, is B. Tech. He has experience of more than 30 years in Textile Industry.

The terms and condition of his re-appointment are as under:

Period:

For the period of 5 years w.e.f. 20th December, 2022

Remuneration:

1. Basic Salary:

Maximum 15,00,000/- (Rupees Fifteen Lacs) per annum, with such increment(s) as may be decided by the Nomination and Remuneration Committee from time to time in accordance with the HR policy of the Company;

2. He shall be entitled to the perquisites, benefits, and allowance as may be decided by Board and / or Nomination and Remuneration Committee from time to time;

3. In addition to above, he shall be entitled for Company's contribution to Provident Fund, leave encashment and payment of gratuity as per the HR Policy of the Company;

4. Overall Remuneration:

The aggregate of salary, together with perquisites, allowance, benefits and amenities payable to Shri Chander Mohan Sharma in any financial year shall not exceed the limits prescribed from time to time under section 196, 197 of the Act read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force);

5. Shri Chander Mohan Sharma shall not be entitled to any sitting fees for attending meetings of the Board or Committees thereof;

6. The perquisites shall be valued in terms of actual expenditure incurred by the Company and shall be evaluated wherever applicable as per Income Tax Act, 1961 or rules made thereunder and any modification thereof.

The above may be treated as a written memorandum setting out the terms of re-appointment of Shri Chander Mohan Sharma under Section 190 of the Act. Details of Shri Chander Mohan Sharma are provided in the "Annexure" to the Notice.

Shri Chander Mohan Sharma is interested in the resolution set out at Item No. 6 of the Notice.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or Interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice, except as a member of the Company, if any.

The Board recommends the special resolution set out at Item No. 6 of the Notice for

approval by the members.

ITEM 7

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporate (including its subsidiary) from time to time, in compliance with the applicable provisions of the Act. The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting. As per the latest audited Balance Sheet of the Company as on 31st March 2022, sixty per cent of the paid-up share capital, free reserves and securities premium account amounts to INR 17.14 Crores while one hundred per cent of its free reserves and securities premium account amounts to INR 19.23 Crores. Therefore, the maximum limit available to the Company under Section 186(2) of the Act for making investments or giving loans or providing guarantees / securities in connection with a loan, as the case may be, is INR 19.23 Crores. In view of the above and considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, prior approval of the Members is being sought for enhancing the said limits. Hence, the Special Resolution at Item No.7 of the Notice, notwithstanding the fact that the same exceeds the limits provided under Section 186 of the Act. The Directors recommend the Special Resolution as set out at Item No. 7 of the accompanying Notice, for Members' approval.

None of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or Interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice, except as a member of the Company, if any.

The Board recommends the special resolution set out at Item No. 7 of the Notice for approval by the members.

Item No. 8

Mr. Vedit Jain was appointed as Whole Time Director of the Company with effect from 01st April, 2020 for a period of 5 years at the 40th Annual General Meeting of the shareholders held on 30th December, 2020. Mr. Vedit Jain, aged 42 years, is a Bachelor of Science in Economics. He possesses valuable industrial and business experience in textile industry for about 20 years. Taking into consideration the increased business activities of the Company coupled with higher responsibilities cast on Mr. Vedit Jain, the Board of Directors, on recommendation of the Nomination and Remuneration Committee of the Company, at its meeting held on 10th August, 2022, has approved the proposal to increase the salary of Mr. Vedit Jain, Whole Time Director, subject to the approval of shareholders, as set out in the resolution being item no. 8 of the accompanying notice w.e.f. 01st April, 2022 for the remaining period of his tenure i.e. upto 31st March, 2025.

Minimum Remuneration: Where in any financial year, during the currency of the tenure of Mr. Vidit Jain as Whole Time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to him by way of salary, perquisites and allowances as specified in the resolution being item no. 8 of the accompanying notice as minimum remuneration, subject to the limits and conditions as prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time. Out of abundant caution and in view of the relevant extant provisions of law relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profits, the remuneration can be paid by the Company to its managerial personnel as minimum remuneration within the limits arrived at in accordance with the requirements of the said section II, subject to the following: (i) The payment of remuneration is approved by a resolution passed by the Board and also by the Nomination and Remuneration Committee of Directors. (ii) There is no default in repayment of any of its debts or interest payable thereon. The Nomination and Remuneration Committee at its meeting held on 10th August, 2022 has already approved the above remuneration payable to Mr. Vidit Jain, Whole-time Director of the Company. Further, the Company has not made any default in repayment of any of its debts or interest payable thereon. The proposed revision in remuneration above is well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act and hence approval of Central Government is not required for the above revision in remuneration. Except for the aforesaid revision in salary, all other terms and conditions of his appointment as Whole Time Director of the Company as approved by the members of the Company shall remain unchanged. Considering Mr. Vidit Jain's experience in textile industry, and the trend in the industry, the terms of his remuneration are considered to be fair, just and reasonable and are commended for your approval. Accordingly, Special Resolution is submitted to the meeting for the consideration and approval of Members. None of the Directors, Key Managerial Personnel and their relatives, except Mr. Vidit Jain and his relative, are in any way, concerned or interested in the said resolution. The Board commends the Special Resolution set out at Item No. 8 of the accompanying Notice for the approval by the Members.

Statement containing the information as required under Section-II, Part-II of Schedule V to the Companies Act, 2013

| | | | |
|----|---|--|--|
| I | General Information | | |
| 1. | Nature of Industry | Textile Segment | |
| 2. | Date or expected date of Commencement of Commercial production | Commercial Production has commenced long back. | |
| | In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus | Not applicable | |
| | Financial performance based on given indicators | Particulars | 2021-22 (as per audited financials Report) (In Lakh) |
| | | Paid up Capital | INR 933.70 |
| | | Reserves and Surplus | 1923.73 |
| | | Total Revenue from Operations | 10174.35 |
| | | Total Expenses | 10337.23 |
| | | Profit before Tax | 3.47 |
| | | Tax Expenses including | (1.69) |

| | | | |
|-----|---|--|------|
| | | Deferred Tax | |
| | | Profit after Tax | 5.16 |
| | Foreign investments or collaborators, if any | Not applicable | |
| II | INFORMATION ABOUT THE APPOINTEE: | | |
| | Background details | Mr. Vidit Jain has been on the board of the company since 01st April, 2010. He is having valuable experience of around 20 years. | |
| | Past Remuneration | Maximum INR 20 Lacs per annum | |
| | Job profile and his suitability | Management, Marketing etc. | |
| | Remuneration proposed | Maximum INR 30 Lacs per annum | |
| | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin) | The remuneration proposed to be paid to Mr. Vidit Jain, Whole-time Director is purely based on merit. Further, the Nomination and Remuneration Committee constituted by the Board, perused the remuneration of managerial person in other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Mr. Vidit Jain before recommending the remuneration as proposed hereinabove | |
| | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | Mr. Vidit Jain is Promoter and holds 134076 shares (1.44%) in the Company as well as he is son of Shri. Ramesh Kumar Jain, Managing Director of the Company. | |
| III | OTHER INFORMATION | | |
| | Reasons of loss or inadequate profits | At present the Company is earning profits which may be deemed inadequate for the purpose of limits of managerial remuneration | |
| | Steps taken or proposed to be taken for improvement | The Company is always looking forward to take all such steps and measures including expansion, diversification, restructuring which are in the best interest of the company. Though, the prices of raw materials and products are influenced by external factors, the Company is making all possible efforts to improve the margins | |
| | Expected increase productivity and profits measurable terms | The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms. | |
| IV | Disclosures: | | |
| | The information, as required, is provided under Annual Report 2021-22. The remuneration package proposed to be given to Mr. Vidit Jain is as per the details given in the resolution. The Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option in the case of the aforesaid managerial personnel. | | |

BY ORDER OF THE BOARD
For PASUPATI SPINNING AND WEAVING MILLS LIMITED

Place: Delhi

Dated: 10/08/2022

Registered Office
Village Kapriwas
(Dharuhera), Distt.Rewari,
HARYANA

DEEPIKA MALHOTRA
COMPANY SECRETARY
(ACS:-28661)

Annexure to Notice

Details of Directors seeking Appointment / re-appointment at the Annual General Meeting

| Name of Director | Shri. Vidit Jain | Shri. Chander Mohan Sharma |
|---|---|---|
| Age | 42 Years | 65 Years |
| Qualification | B.Sc in Economics from University of Pennsylvania(USA) | B. Tech |
| Experience | Industrial and Business Experience of 20 years | More than 30 years of experience in Textile Industry |
| Terms and Conditions of Appointment / Re-appointment | In terms of section 152(6) of the Companies Act, 2013, he is liable to retire by rotation at this meeting. | As per resolution no. 6 of the Notice of this meeting read with explanatory statement thereto, he is proposed to be re-appointed for a further period of 5 years w.e.f. 20th December 2022. |
| Remuneration last drawn (2020-21) | INR 6.71 Lacs | INR 4.74 Lacs |
| Remuneration proposed to be paid | Specified Perquisites | As per resolution no. 6 of the Notice of this meeting read with explanatory statement thereto. |
| Date of first Appointment on the Board | 01/04/2010 | 20/12/2017 |
| No. of Shares Held in the Company | 134076(1.44 %) | NIL |
| Relationship with other Directors / Key Managerial Personnel | Son of Shri. Ramesh Kumar Jain, CMD of the company and not related to any other Director / Key Managerial Personnel | Not related to any Director / Key Managerial Personnel |
| No. of Meetings of Board attended during the year 2021-22 | 2 | 1 |
| Directorship of Other Companies | Pasupati Fincap Ltd. Sulabh Impex Ltd. Pasupati Olefin Ltd. Shailja Investments Ltd. | NIL |
| Chairmanship / Membership of Committees of other Companies | Membership of 2 Committees and Chairmanship is NIL | NIL |

PASUPATI SPINNING AND WEAVING MILLS LIMITED

DIRECTORS REPORT

The Directors are pleased to present the 42nd Directors Report on the business and operations of the Company together with the Audited Accounts for the financial year ended 31st March, 2022.

1. FINANCIAL PERFORMANCE

| Particulars | <u>2021-22</u> <u>Rs./Lacs</u> | <u>2020-21</u> <u>Rs./Lacs</u> |
|--|-----------------------------------|-----------------------------------|
| Sales and other Income | 10340.70 | 6752.55 |
| Profit / (Loss) before exceptional items and tax | 3.47 | (775.62) |
| Exceptional Items | -- | 388.26 |
| Profit / (Loss) before Taxes | 3.47 | (387.36) |
| Payment/Provision for Taxation | (1.69) | (78.78) |
| Profit after Taxation | 5.16 | (308.58) |
| Other Comprehensive Income | (1.37) | (25.33) |
| Total Comprehensive Income of the year | 3.79 | (333.91) |

During the year under review, the turnover of the company significantly increased by 53.14% as compared to last year, which was hit very badly due to outbreak of COVID-19 pandemic. Even first six months of financial year 2021-22 were also badly impacted by 2nd wave of pandemic. In spite of the same, the company's operations have significantly improved during 2nd half of financial year. As a result, the company has been able to register nominal PBT of Rs.3.47 Lacs as against loss of Rs. 775.62 Lacs suffered during last year. The improvement in operations have been possible due to significant steps taken by the company towards procurement of new machines and changing product mix to optimize margins. Barring unforeseen circumstances, the company is hopeful that results of financial year 2022-23 are expected to improve significantly.

II THE MANAGEMENT DISCUSSION & ANALYSIS

Spinning Unit, Dharuhera

The operations were discontinued in September 2016 as cotton yarn operations became unviable. Hence instead of manufacturing own cotton yarn, the company had shifted to job work operations from October 2016 for a third party namely M/s Ganesh Ecospheres Ltd. Under this arrangement, the said company has been supplying polyester fiber and Pasupati has been manufacturing yarn for the said company for which the said company has been making payment of Job Work Charges. However from 15th March 2022, the company has discontinued job work operations. Instead, the company had started own manufacturing on Joint Venture Basis with another company but market conditions again deteriorated. Therefore, the company has again shifted to job work operations from August 2022.

Knitting & Garment unit, Dharuhera

The production activities of the Garment Division at Dharuhera were badly affected due to COVID-19 pandemic as many garment units were not able to re-start operations after lockdown. The export orders for readymade garments had totally dried up last year. Although, the market opened during the year under consideration, the company started manufacturing and supplying garment but due to Future Group takeover issue pending in Court, the customer did not lift the material already manufactured by the company and even further orders also dried up. However from February/March 2022, the company has been able to procure some export orders, which is positive sign. Besides, the company is making efforts to procure order from other brands. The company is hopeful that the position should improve by end of June 2022 and this unit should be able to operate smoothly.

Sewing Thread Unit At Kala Amb, Himachal Pradesh

The operations for this unit have improved significantly after 2nd wave of pandemic due to various steps taken by management as stated above. However shortage of labour continues to be cause of concern for the management. In order to improve capacity utilisation, the company continues to outsource grey yarn from open market and also getting the fiber converted into grey yarn on job work basis from outside parties and

subsequently converting the same into value added product. Barring unforeseen circumstances, the operations of this unit are expected to improve significantly during financial year 2022-23.

III PARTICULARS OF INFORMATION FORMING PART OF THE BOARD'S REPORT PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013, RULE 8 OF THE COMPANIES (ACCOUNTS RULE 2014 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

ANNUAL RETURN

The annual return of the company has been placed on the website of the company and can be accessed at www.pasupatitextiles.com

NUMBER OF MEETING OF BOARD

During the year, four (4) Board Meetings and four (4) Audit Committee Meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013

DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) The directors have 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.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively

STATEMENT ON DECLARATION BY THE INDEPENDENT DIRECTORS.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Listing regulations, 2015.

NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel. More details of the same are given in the Corporate Governance Report.

EXPLANATION OR COMMENTS ON AUDITORS REPORT AND SECRETARIAL AUDIT REPORT

Auditors' observations relating to Note no. 24 and 39 as contained in the Main Report under the para 'Basis of Qualified Opinion' are explained hereunder: -

Note 26: The company had repaid to all debenture holders as per scheme sanctioned by Hon'ble BIFR but cheques to the tune of Rs.2.91 Lacs remained uncleared from company's bank. The company preferred to wait for three months for getting the cheques cleared from its bank causing some delay in transferring the unpaid amount to Investor Education and Protection Fund.

Note 41: Although, the company has made representation to the competent authority for payment of compensation at market rate in respect of part of company's factory land acquired by Government of Haryana, the company feels that final decision in this regard may take a very long time and moreover there is

uncertainty about the success of company's representation. Hence, it has been decided that its affect would be given in company's books as and when actual compensation is received from Government of Haryana.

There is no qualification, reservations or adverse remarks made by secretarial auditor in the Secretarial Audit Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year under review, company has not given any loans, Guarantee or made any investments covered under the provisions of Section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business. Particulars of the same are being provided in Form AOC-2 which is annexed herewith as **Annexure D**.

STATE OF COMPANY'S AFFAIRS

Discussion on state of Company's affairs has been covered as part of the Management Discussion and Analysis.

AMOUNTS PROPOSED TO BE CARRIED TO RESERVES

Board of Directors does not appropriate any amount to be transferred to General Reserves during the year under review.

DIVIDEND

In view of the requirement of fund for working capital of the company, the Board of Directors is not in a position to recommend any dividend for the year under review.

MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of signing of this Report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies(Accounts) Rules, 2014, is annexed herewith as **Annexure "B"**.

RISK MANAGEMENT POLICY

Pursuant to the requirement of SEBI (LODR) Regulations, 2015, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. On the recommendation of the Risk Management Committee, the Board has adopted Risk Management Policy, which outlines the program implemented by the Company to ensure appropriate risk management within its system and culture. The Risk Management Policy is also posted on the website of the Company. The Company's risk management program comprises of a series of processes, structures and guidelines which assist the Company to identify, assess, monitor and manage its business risks, including any material changes to its risk profile. To achieve this, the Company has clearly defined the responsibility and authority of the Company's Board of Directors and of the Risk Management Committee to oversee and manage the risk management program while conferring responsibility and authority on the Company's senior management to develop and maintain the risk management program in light of the day to day needs of the Company. Regular communication and review of risk management practices provide the Company with important checks and balances to ensure the efficacy of its risk management program.

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

The relevant provisions of the Companies Act, 2013 and Listing regulations are not applicable to our company.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, and Regulation 17 of the SEBI(LODR) Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The board's performance for the current year was assessed on the basis of participation of directors, quality of information provided/available, quality of discussion and contribution etc. The overall performance of the Board and Committee's of the Board was found satisfactory. The overall performance of Chairman, Executive Directors and the Non-executive Directors of the Company is satisfactory. The review of performance was based on the criteria of performance, knowledge, analysis, quality of decision making etc.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Company.

DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Vidit Jain retires by rotation and being eligible, offers himself for re-appointment.

Directors appointed/resigned during the FY 2021-22

During the financial year under review, no change took place in the directorship of the Company except that Mr. C.M Sharma retired by rotation at the annual general meeting held on 24/09/2021 and was re-appointed. However, after the closure of financial year Mr. Ban Mali Khemka, Independent Director resigned w.e.f 01/08/2022.

Key Managerial Personnel (KMP) appointed and resigned during the F.Y 2021-22

During the financial year, no changes took place in Key Managerial Personnel.

NAMES OF THE COMPANIES WHICH HAVE BECOME/ CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

The Company did not have any subsidiaries, associates or joint ventures during the year.

DEPOSITS

The Company has not accepted deposits under Chapter V of the Companies Act, 2013.

SIGNIFICANT ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN AND COMPANY'S OPERATIONS

To the best of our knowledge, the Company has not received any such orders from Regulators, Courts or Tribunals during the year, which may impact the going concern status or the Company's operations in future.

INTERNAL CONTROL SYSTEMS

Your Company has evolved a system of internal controls to ensure that the assets are safeguarded and transactions are authorised, recorded and correctly reported. The internal control system is supplemented by management reviews and independent periodical reviews which evaluate the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness. The scope of internal audit covers a wide variety of operational methods and, as a minimum, ensures compliance with specified standards with regard to availability and suitability of policies and procedures, extent of adherence, reliability of management information system and authorization procedures including steps for safeguarding of assets. The reports of internal audit are placed before Audit Committee of the Directors and Board. Audit Committee and board reviews such audit findings and the adequacy of internal control systems. The Statutory Auditors and the Internal Auditors of the Company also interact with the Audit Committee and Board to share their findings and the status of corrective actions under implementation.

INFORMATION FORMING PART OF THE DIRECTORS' REPORT PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of Rs. 1 Crore and 2

Lacs per year to be disclosed in the Report of Board of Directors are not applicable to the Company as none of the employees was in receipt of remuneration in excess of Rupees One Crore and two Lacs during the financial year 2021-22. The information in accordance with the provisions of Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed as **Annexure-C**

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board of Directors has adopted the Vigil Mechanism / Whistle Blower Policy. The policy has provided a mechanism for Directors, Employees and other persons dealing with the Company to report to the Chairman of the Audit Committee, any instance of unethical behavior, actual or suspected fraud or violation of the Code of Conduct of the Company. The details of the policy has been uploaded at the website of the Company @ www.pasupatitextiles.com

COMPOSITION OF AUDIT COMMITTEE

The composition of the Audit Committee has been mentioned in the Corporate Governance Report annexed to this report.

AUDITORS

• STATUTORY AUDITORS

During the year under review, it is proposed to re-appoint M/s. B K Shroff & Co. Chartered Accountants, as Statutory Auditors to hold office as such from the conclusion of the ensuing Annual General Meeting until the conclusion of the Forty Seventh Annual General Meeting.

• COST AUDITORS

The Central Govt. has approved the appointment of Mr. Satnam Singh Saggu, Cost Accountants as cost auditors for conducting Cost Audit for the Financial Year 2022-23. The report of Cost Auditors in respect of audit of the cost records of the Company for the year ended 31stMarch 2022 will be submitted to the Central Government in due course.

• SECRETARIAL AUDITORS

The Company has undertaken Secretarial Audit for the financial year 2021-22 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report. The Report of the Secretarial Audit as submitted by Renu Kathuria & Associates is annexed herewith as **Annexure-A**.

• ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the Financial Year 2021-22 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by Renu Kathuria & Associates, Practicing Company Secretaries has been submitted to the Stock Exchange.

CORPORATE GOVERNANCE

The Company conforms to the norms of Corporate Governance as envisaged in the Listing Regulations with the BSE Limited. Pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9thDecember, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

APPRECIATION

The Board of Directors acknowledge with gratitude the co-operation and assistance extended by all its stakeholders, including its shareholders, employees/workers, bankers, customers, business associates and employees. The company also conveys special thanks to Central & State Government and its Bankers, who have helped the company to overcome the crisis due to pandemic to a great extent by sanctioning additional credit facilities.

For & On Behalf of Board of Directors

**Ramesh Kumar Jain
Chairman & Managing Director**

Place : New Delhi

Dated: 10/08/2022

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 Personnel) Rules, 2014]

To,
The Members,
PASUPATI SPINNING AND WEAVING MILLS LIMITED
Village Kapriwas, Dharuhera,
Distt. Rewari, Haryana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PASUPATI SPINNING AND WEAVING MILLS LIMITED** (hereinafter called the company). Secretarial Audit was conducted 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, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder and the relevant provisions of the Act;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - Not applicable to the Company during the Audit Period.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - ***Not applicable as the Company did not issue any security during the financial year under review;***

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - ***Not applicable as the Company does not have Employee Stock Option Scheme for its employees;***

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - ***Not applicable as the Company has not issued any debts security during the financial year under review;***

(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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - ***Not applicable as the Company has not done any buyback of its securities during the financial year under review.***

(vi) The following key/significant laws as specifically applicable to the Company:

We have also examined compliance with the applicable clauses/regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

(ii) The Securities and Exchange Board of India (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.

We further report that:-

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of the compliance certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory/regulatory authorities and initiated actions for corrective measures, wherever necessary.

There are no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having a major bearing on the Company's Affairs.

Note: This report is to be read with our letter of even date which is annexed as **Annexure - A** and forms an integral part of this report.

For Renu Kathuria & Associates
Company Secretaries
(Peer Reviewed Firm)

Place: Faridabad
Date: 04.08.2022

Renu Kathuria
Proprietor
M. No. F11374 | CP No. 16026
Unique No. S2016HR414800
UDIN: F011374D000744183

ANNEXURE A TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

To,
The Members,
PASUPATI SPINNING AND WEAVING MILLS LIMITED
Village Kapriwas, Dharuhera,
Distt. Rewari, Haryana

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial and other 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 and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit 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 major events during the audit period.
5. 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.
6. We further report that the compliance by the Company of applicable Financial Laws like Direct and Indirect Tax Laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For Renu Kathuria & Associates
Company Secretaries
(Peer Reviewed Firm)

Place: Faridabad
Date: 04.08.2022

Renu Kathuria
Proprietor
M. No. F11374 | CP No. 16026
Unique No. S2016HR414800
UDIN: F011374D000744183

**ANNUAL SECRETARIAL COMPLIANCE REPORT
OF
PASUPATI SPINNING AND WEAVING MILLS LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2022**

(Pursuant to Regulation 24A of SEBI (LODR) Regulations, 2015 vide SEBI Circular
No.CIR/CFD/CMD1/27/2019)

**To,
The Board of Directors,
PASUPATI SPINNING AND WEAVING MILLS LIMITED
Village Kapriwas,
Dharuhera District,
Rewari-Haryana**

We Renu Kathuria & Associates, Company Secretaries have examined:

- (a) the documents and records made available to us and explanation provided by **PASUPATI SPINNING AND WEAVING MILLS LIMITED** (CIN: L74900HR1979PLC009789) (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) all other document/ filing, as may be relevant, which have been relied upon to make this report for the year ended 31st March, 2022 (“Review Period”) in respect of compliance with the provisions of:
 - I. the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
 - II. the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015; **Applicable**
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018; **Not Applicable**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011; **Applicable**
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations,2018; **Not Applicable**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,2014; **Not Applicable**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008; **Not Applicable**
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and

Redeemable Preference Shares) Regulations,2013; **Not Applicable**

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015; **Applicable**

(i) Other Regulations, as applicable to the Company and circulars/ guidelines issued thereunder; and based on the examination of above, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder,
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars)under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

| Sr. No. | Action taken by | Details of violation | Details of action taken E.g. fines, warning letter, debarment, etc. | Observations/ remarks of the Practicing Company Secretary, if any. |
|----------------|------------------------|-----------------------------|--|---|
| | | | | |

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Observations of the Practicing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended 31st March, 2022 (The years are to be mentioned) | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|----------------|---|--|---|---|
| | | | | |
| | | | | |

1. The Company has made its website up to date and fully functional.
2. The Company has setup a strong compliance Management and overcome its shortcoming which found in last Audit Report.

Note:

1. List of all the observations in the report for the previous year along with the actions taken by the listed entity on those observations;
2. List of all observations in the reports pertaining to the periods prior to the previous year in case the entity has not taken sufficient steps to address the concerns raised/observations;

**For Renu Kathuria & Associates
Company Secretaries**

**Renu Kathuria
M. No. 11374
COP No. 16026
Unique No.; S2016HR414800
UDIN: F011374D000378169**

**Date: 24th May, 2022
Place: Faridabad**

CONSERVATION OF ENERGY.**a) ENERGY CONSERVATION MEASURES TAKEN:**

Till last year, the Company was struggling to run the plant due to COVID-19 pandemic, so not much measure could be undertaken to conserve energy as company was mainly focusing to operate the plant at optimum capacity. Since capacity utilization has now improved significantly, the company shall now start to pay attention on the aspects of energy conservation measures.

b) ADDITIONAL INVESTMENT PROPOSALS, IF ANY, BEING IMPLEMENTED FOR SAVING ENERGY:

As power cost at company's plant at Dharuhera, Haryana is very high as compared to its plant at Kala Amb, Himachal Pradesh, the company has initiated discussions for setting up own solar generation facility to save power cost.

c) IMPACT OF THE MEASURES FOR REDUCTION OF ENERGY CONSUMPTION AND CONVERSANT IMPACT ON THE COST OF PRODUCTION OF GOODS:

The above measures have resulted in saving of energy and to that extent the cost had reduced.

Form A:

| A POWER AND FUEL CONSUMPTION | F.Y 2021-22 | F.Y 2020-21 |
|---|--------------------|--------------------|
| <u>1 Electricity</u> | | |
| a) Purchased Units(in lacs) | 233.62 | 154.23 |
| Total amount paid (Rs in lacs) | 1472.70 | 984.82 |
| Rate/unit (Rs) | 6.30 | 6.39 |
| b) Own generated through Diesel generators (units)(in lacs) | | 0.28 |
| Rate of diesel/HFO (Rs/Ltr) | 81.73 | 70.09 |
| Cost/Unit (Rs) | 23.35 | 22.82 |
| <u>2 Coal used in boiler</u> | | |
| Quantity (MT) | 1102.31 | 834.35 |
| Total Cost (Rs.in lacs) | 188.65 | 102.68 |
| Avg. Cost per MT (Rs in lacs) | 0.17 | 0.12 |
| B) CONSUMPTION PER UNIT OF PRODUCTION: | | |

| | | |
|-----------------------------|----------|---------|
| Production of Yarn (MT) | 4340.062 | 3145.85 |
| Electricity (KWH/Ton) | 5393.07 | 4911.87 |
| Coal (Kg/Ton) | 253.98 | 265.22 |
| Others (Diesel/HFO Ltr/Ton) | 2.89 | 2.93 |

FORM B: TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

Specific areas in which R&D carried out by the Company:

- 1) Recycled polyester yarn for sewing thread application made from pet bottles. For this Company has applied for GRS certification & expects to receive it soon.

BENEFITS ARRIVED AS A RESULT OF R&D

Consistent quality products has helped Company to increase its market share.

FUTURE PLAN OF ACTION

We wish to sell GRS approved yarn at 10% higher price and earn more margin.

FOREIGN EXCHANGE EARNING AND OUTGO (Rs. In Lacs)

| | |
|--|------------|
| Total Foreign Exchange earned (on FOB basis) | Rs.1127.11 |
| Total Foreign Exchange used | Rs. 23.39 |

Annexure C

PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Name of Director and KMP | Designation | Remuneration of Director/KMP for financial year 2021-22 (Amt. in lacs) | Remuneration of Director/KMP for financial year 2020-21 (Amt. in lacs) | % increase in Remuneration in the Financial Year 2021-22 | Ratio of remuneration of each Director/ to median remuneration of employees |
|-----------------------------------|-------------------------|--|--|--|---|
| Mr. Ramesh Kumar Jain | Managing director | 5.53 | 2.72 | 103.30 | 1.94 |
| Mr. Vidit Jain | Joint Managing Director | 11.31 | 3.53 | 220.39 | 3.96 |
| Mr. Umesh C Tripathi | Independent Director | 0.20 | 0.15 | 33.33 | 0.07 |
| Mr. C.M. Sharma | Whole Time Director | 7.84 | 7.59 | 3.29 | 2.75 |
| Mr. Ban Mali Khemka* | Independent Director | 0.05 | - | 0 | 0.01 |
| Mrs. Reema Kalhan | Independent Director | 0.10 | 0.15 | (33.33) | 0.03 |
| Mr. Ghanshyam Dass Gupta | Independent Director | 0.35 | 0.45 | (22.22) | 0.12 |
| Mr. Ashwani Kumar Rathore | Independent Director | 0.20 | 0.25 | (20) | 0.07 |
| Mr. Ajay Kumar Monga | CFO | 14.17 | 10.94 | 29.52 | 4.97 |
| Mr. Abhinav Tyagi (Resigned w.e.f | Company Secretary | 0 | 2.08 | (100) | 0 |

| | | | | | |
|--|--|------|------|-----|------|
| 26.10.2020) Mrs. Deepika Malhotra (appointed w.e.f 05.12.2020) | | 5.42 | 2.00 | 171 | 1.90 |
|--|--|------|------|-----|------|

- Mr. Ban Mali Khemka resigned w.e.f 01/08/2022.

- ii) The median remuneration of employees of the Company during the financial year was 2.85 lakh p.a.
- iii) In the financial year, there was an increase of about 7.5 % in the median remuneration of employees;
- iv) There were 488 permanent employees on the rolls of Company as on March 31,2022;
- v) Relationship between average decrease in remuneration and company performance:-

Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:-The total remuneration of Key Managerial Personnel increased by 30.49% from Rs. 15.02 lacs in 2020-21 to 19.60 lacs in 2021-22 whereas, during the year under review, the company has earned a profit of INR 3.47 Lacs as against the loss before taxes of (Rs.387.36lacs) in last year.

vi) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

| Closing date of Financial Year | Issued Capital (No of shares) | (Closing Market Price (Per Share) | EPS | PE Ratio | Market Capitalization (Rs.) |
|--------------------------------|-------------------------------|------------------------------------|--------|----------|-----------------------------|
| 31-3-2021 | 9337068 | 20.50 | (0.03) | (683.3) | 19,14,09,894 |
| 31-3-2022 | 9337068 | 26.00 | 0.06 | 433.33 | 24,27,63,768 |
| Increase/(Decrease) | – | 5.5 | 0.09 | 1116.63 | 51353874 |
| % of Increase/ (Decrease) | – | 26.82 | 300 | 163.41 | 26.82 |

Market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:-The equity shares of the Company were initially listed on BSE Ltd. in the year 1982. The last public offer of the equity shares was made in the year 1991 by way of Rights Issue to the existing equity shareholders in the ratio of 1:5 at a price of Rs. 25/- per equity share of Rs.10/-at a premium of Rs. 15 per share. As on 31st March, 2022, the market quotation of the Company's share price (closing price) was Rs. 26 i.e. increase in price of 26.82%.

- V. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- VI. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive Remuneration in excess of the highest paid director during the year – Not Applicable; and
- VII. It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

FORM NO. 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.

| SL. No. | Particulars | Details |
|---------|---|----------------|
| | Name (s) of the related party & nature of relationship | Not Applicable |
| | Nature of contracts/arrangements/transaction | |
| | Duration of the contracts/arrangements/transaction | |
| | Salient terms of the contracts or arrangements or transaction including the value, if any | |
| | Justification for entering into such contracts or arrangements or transactions' | |
| | Date of approval by the Board | |
| | Amount paid as advances, if any | |
| | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | |

2. Details of contracts or arrangements or transactions at Arm's length basis.

| SL No | Name (s) of the related party & nature of relationship | Details | Nature of contracts/arrangements/transaction | Duration of the contracts/arrangements/transaction | Salient terms of the contracts or arrangements or transaction including the value, if any | Date of approval by the Board, If any | Amount paid as advances, if any |
|-------|--|--------------------------------|---|--|---|---------------------------------------|---------------------------------|
| 1 | Mr. Ramesh Kumar Jain | Chairman and Managing Director | Remuneration and perquisites paid during the year :- (Rs in lacs) 5.53 | One year | N/A | 30-05-2022 | Nil |
| 2 | Mr. Vedit Jain | Executive Director | Remuneration and perquisites and Retirement Benefits paid during the year :- (Rs in lacs) 11.31 | One year | N/A | 30-05-2022 | Nil |

| | | | | | | | |
|---|-------------------------|---|--|----------|-----|------------|-----|
| 3 | Mr. Umesh C Tripathi | Independent Director | Sitting Fees (Rs in lacs) 0.20 | One year | N/A | 30-05-2022 | Nil |
| 4 | Mr. Ghanshyam Das Gupta | Independent Director | Sitting Fees (Rs in lacs) 0.35 | One year | N/A | 30-05-2022 | Nil |
| 5 | Mr. Ashwani K Rathore | Independent Director | Sitting Fees (Rs in lacs) 0.20 | One year | N/A | 30-05-2022 | Nil |
| 6 | Mr. CM Sharma | Executive Director | Remuneration and perquisites paid during the year :- (Rs in lacs) 7.84 | One year | N/A | 30-05-2022 | Nil |
| 7 | Mr. BanMali Khema | Independent Director | Sitting Fees (Rs in lacs) 0.05 | One year | N/A | 30-05-2022 | Nil |
| 8 | Mrs. Reema Kalhan | Independent Director | Sitting Fees (Rs in lacs) 0.10 | One year | N/A | 30-05-2022 | Nil |
| 9 | M/s Shivani Textiles | Directors along with their relatives are holding more than 2% shareholding of the company | Sales (Rs in lacs) 49.00 Job Work (Rs. in lacs) 110.40 Purchases (Rs in lacs) 6.42 | One year | N/A | 30-05-2022 | Nil |

CHAIRMAN AND MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

**To,
The Board of Directors,
Pasupati Spinning & Weaving Mills Ltd,**

We, the undersigned, in our respective capacities as Chairman & Managing Director and Chief Financial Officer of **Pasupati Spinning & Weaving Mills Ltd** (“the Company”), to the best of our knowledge and belief certify that:

1. We have reviewed financial statements and the cash flow statement of Pasupati Spinning and Weaving Mills Ltd for the year ended 31st March, 2022 and to the best of our knowledge and belief:

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

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

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s Code of Conduct.

3. 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.

4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company’s internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

5. We have indicated, based on our most recent evaluation, whenever applicable to the Auditors and the Audit Committee:

(i) that there are no significant changes in internal control over financial reporting during the year;

(ii) that there are no significant changes in accounting policies during the year; and

(iii) that there are no instances of significant fraud of which we have become aware.

Ramesh Kumar Jain
(Chairman & Managing Director)

Ajay Kumar Monga
(Chief Financial Officer)

Place: New Delhi

Date: 10/08/2022

Declaration Regarding Compliance by Board Members and Senior Management Personnel with Code of Conduct.

This is to confirm that Company has adopted “Pasupati Spinning & Weaving Mills Ltd Code of Conduct” for its Senior Management and Board members and the same has been posted on Company’s website.

I confirm that the Company has in respect of the financial year ended 31st March, 2022, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Senior means personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management i.e. Executive Directors and all functional heads.

Ramesh Kumar Jain
Chairman & Managing Director

New Delhi
Date-10/08/2022

PASUPATI SPINNING & WEAVING MILLS LIMITED

REPORT ON CORPORATE GOVERNANCE

Your Directors present the Company's Report on Corporate Governance as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March 2022.

1 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company's philosophy of corporate governance is to conduct its business on the basis of ethical business value and maximize its value to all its stakeholders. The Company has inculcated a culture of transparency, accountability and integrity. The Company has already put in place systems and procedures and has complied with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2 BOARD OF DIRECTORS:

The Company has an Executive Chairman and the number of Independent Directors is more than half of the total strength of the Board. The Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Composition of the Board of Directors (Board). None of the Independent Directors have any material pecuniary relationship or transactions with the Company.

Necessary disclosures regarding composition of the Board, category, attendance of Directors at the Board Meetings and last Annual General Meeting, number of other Directorship and other Committee Memberships are given below:-

| Name & Designation of Directors | Category | No. of Board Meetings attended | No. of Directorships held in other Companies | Attendance at last AGM | No. of Committee positions held in other Companies | | Directorship in other Listed Companies |
|--|-------------------|--------------------------------|--|------------------------|--|---------------------|--|
| | | | | | Chairman of Committee | Member of Committee | |
| Mr. Ramesh Kumar Jain (Chairman & Managing Director) | ED and Promoter | 4 | 2 | Yes | Nil | Nil | Nil |
| Mr. Vidit Jain | ED & Promoter | 2 | 4 | No | Nil | 2 | Pasupati Fincap Limited |
| Mr. Ghanshyam Das Gupta | NED & Independent | 4 | 1 | Yes | Nil | Nil | Nil |
| Mr. | NED | 4 | Nil | Yes | Nil | Nil | Nil |

| | | | | | | | |
|-----------------------|---------------------|---|-----|-----|-----|-----|-----|
| Ashwani Kumar Rathore | &Independent | | | | | | |
| Mr. CM Sharma | Whole Time Director | 1 | Nil | No | Nil | Nil | Nil |
| Mr. Umesh C Tripathi | NED &Independent | 4 | Nil | Yes | Nil | Nil | Nil |
| Mr. Ban Mali Khema * | NED &Independent | 1 | 1 | No | Nil | Nil | Nil |
| Mrs. Reema Kalhan | NED &Independent | 2 | Nil | No | Nil | Nil | Nil |

* Mr. Ban Mali Khemka resigned from the directorship w.e.f 01/08/2022.

ED – Executive Director/ NED – Non-Executive Director

None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 Committees as specified in SEBI LODR 2015 across all the Companies in which he/she is a Director.

Mr. Ramesh Kumar Jain is father of Mr. Vidit Jain none of the other Directors on the Board are related to each other.

Web link of Familiarisation Programmes imparted to Directors is:-

http://www.pasupatitextiles.com/pdf/FAMILARIZATION_PROGRAMME.pdf

Matrix of skills/competence/expertise of Directors

The following matrix summarizes list of core skills/ expertise/competencies identified by the Board as required in the context of its business and the sector in which the Company operates.

Board Competency Matrix

| | |
|---|---|
| Industry Knowledge/Experience | Technical Skills/Expertise/Competencies |
| Industry Experience | Finance & Accounting |
| Global Business | Strategy and Business Development |
| Understanding of government legislation Information | Legal & Governance |
| Knowledge of Sector | Human Resource Management & Labour Laws |

Number of Board Meetings:-

During the financial year 2021-22, four board meetings were held on the following dates:-

| S. No. | Date | Board Strength | No. of Directors present |
|--------|------------|----------------|--------------------------|
| 1 | 30/06/2021 | 8 | 7 |

| | | | |
|---|------------|---|---|
| 2 | 14/08/2021 | 8 | 5 |
| 3 | 13/11/2021 | 8 | 5 |
| 4 | 14/02/2022 | 8 | 5 |

- **Name & Designation of Compliance Officer**

Ms. Deepika Malhotra has been appointed as Company Secretary cum Compliance Officer w.e.f. 5th December 2020.

3 AUDIT COMMITTEE:-

Composition, meetings and the attendance during the year:

The Company has complied with all the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI LODR 2015) relating to the composition of the Audit Committee. During the financial year 2021-22, four meetings of the Audit Committee were held on the 30th June, 2021, 14th August, 2021, 13th November, 2021 and 14th February 2022.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

| Date of the Meetings | Composition | Attendance (Yes/ No) | Chairman |
|-----------------------------|---|-----------------------------|-----------------|
| 30/06/2021 | Mr. G.D. Gupta, Member and Chairman Mr. Umesh C. Tripathi, Member Mr. Ashwani Rathore, Member | Yes Yes Yes | Mr. G.D.Gupta |
| 14/08/2021 | Mr. G.D. Gupta, Member and Chairman Mr. Umesh C. Tripathi, Member Mr. Ashwani Rathore, Member | Yes Yes Yes | Mr. G.D.Gupta |
| 13/11/2021 | Mr. G.D. Gupta, Member and Chairman Mr. Umesh C. Tripathi, Member Mr. Ashwani Rathore, Member | Yes Yes Yes | Mr. G.D.Gupta |
| 14/02/2022 | Mr. G.D. Gupta, Member and Chairman Mr. Umesh C. Tripathi, Member Mr. Ashwani Rathore, Member | Yes Yes Yes | Mr. G.D.Gupta |

The Audit Committee meetings were attended by Chief Financial Officer and Statutory Auditors were also invited to the meeting. The Company Secretary acted as the Secretary to the Committee.

Terms of reference:

The terms of reference of the Committee, inter alia covers the matters specified under Regulation 18 of SEBI (LODR) 2015 as amended from time to time as well as specified in Section 177 of the Companies Act, 2013 read along with rules made thereunder. Besides, in additions to other terms as may be referred by the Board of Directors, the Audit Committee has the power inter alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

4 NOMINATION AND REMUNERATION COMMITTEE

Composition:

The strength of the Nomination and Remuneration Committee as on 01.04.2021 was three members i.e. Mr. G. D. Gupta, Chairman, Mr. Umesh Chandra Tripathi and Mr. Ashwani Kumar Rathore as Members. Presently all the members of the Committee including its Chairman are independent Directors. The Company Secretary acted as the Secretary of the Committee.

Terms of Reference:

The role, terms of reference, authority and powers of the Remuneration Committee are in conformity with the SEBI LODR 2015 and as prescribed under the Companies Act, 2013. The remuneration committee of the Company reviews approves and recommends to the Board the matters connected with fixation and periodic revision of remuneration of Chairman & Managing Director, whole time Directors and Executive Directors.

Role of committee inter-alia includes the following:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Number of Committee Meetings and Attendance:-

| Date of the Meetings | Composition | Attendance (Yes/ No) | Chairman |
|----------------------|--|----------------------|----------------|
| 14/02/2022 | 1. Mr. G.D Gupta, Member and Chairman 2. Mr. A.K Rathore, Member 3. Mr. Umesh Chandra Tripathi, Member | Yes Yes Yes | Mr. G.D. Gupta |

APPOINTMENT & REMUNERATION POLICY:

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration and evaluation criteria for performance evaluation of Independent Directors.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT IS GIVEN BELOW:-

1. Appointment Criteria and Qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice calling general meeting for such motion indicating the justification for extension of appointment beyond seventy years.

2. Term/Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and

disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Details of Remuneration/Sitting fees paid to directors during the year 2021-22:-

| Sl. No. | Name of the Director | Description of Transaction | Salary (Rs. in lacs) | Perquisites (Rs. in lacs) | Sitting Fee (Rs. in lacs) | Retirement Benefits(in lacs) | Total (Rs. in lacs) |
|---------|--|----------------------------|----------------------|---------------------------|---------------------------|------------------------------|---------------------|
| 1 | Mr. Ramesh Kumar Jain Chairman & Mng. Director | Perquisites | Nil | 5.53 | Nil | Nil | 5.53 |
| 2 | Mr. Vidit Jain Whole Time Director | Remuneration & perquisites | 7.20 | 3.25 | Nil | Nil | 10.45 |
| 3 | Mr. CM Sharma Whole Time Director | Remuneration & perquisites | 7.07 | 0.52 | Nil | Nil | 7.59 |
| 4 | Mr. Umesh C Tripathi. Director | Sitting Fees | Nil | Nil | 0.20 | Nil | 0.20 |

| | | | | | | | |
|---|---|--------------|-----|-----|------|-----|------|
| 5 | Mr. G. D. Gupta Non-Executive Director | Sitting Fees | Nil | Nil | 0.35 | Nil | 0.35 |
| 6 | Mr. Ashwani Kumar Rathore, Non Executive Director | Sitting Fees | Nil | Nil | 0.20 | Nil | 0.20 |
| 7 | Mr. Banmali Khemka | Sitting Fees | Nil | Nil | 0.05 | Nil | 0.05 |
| 8 | Mrs. Reema Kalhan | Sitting Fees | Nil | Nil | 0.10 | Nil | 0.10 |

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL.

1. Remuneration to Managing / Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

2. Remuneration to Non- Executive / Independent Director:

The Non-Executive Independent Director may receive remuneration/compensation/commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

The aforesaid Policy and evaluation criterion is disclosed on the Company's website and the weblink for the same is:

http://www.pasupatitextiles.com/pdf/Pasupati%20_Nomination_and_RemunerationPolicy.pdf

5 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee is vested with the requisite power and authority to specifically look into the redressal of the shareholders'/Debenture holders/ Investors' Grievance. The Committee considers and resolves the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

a) Composition

Presently the Stakeholder Relationship Committee consisted of three members – Sh. Ashwani Kumar Rathore as Chairman, Sh. Ramesh Kumar Jain and Sh. Vidit Jain as members.

b) Name & Designation of Compliance Officer

Ms. Deepika Malhotra serves as Company Secretary cum Compliance Officer.

c) Investors Complaints received and resolved during the year 2021-22

| Complaints Received | Complaints Resolved | Complaints Pending |
|----------------------------|----------------------------|---------------------------|
| Nil | Nil | NIL |

d) Meetings:-

During the year ending 31.03.2022, 29 (Twenty Nine) Meetings of Stakeholder Relationship Committee were held. The Details of attendance of Members are as under:

| Name of Member | No. of Meetings Held | No of Meetings attended |
|--|-----------------------------|--------------------------------|
| 1. Mr. Ashwani Kr. Rathore (Chairman) | 29 | 29 |
| 2. Mr. Ramesh Kumar Jain | 29 | 29 |
| 3. Mr. Vidit Jain | 29 | 13 |

6 THE COMPANY HAS FORMED A BUSINESS RISK EVALUATION/ MANAGEMENT COMMITTEE CONSISTING OF THE FOLLOWING MEMBERS.

| Name of The Member | Designation | No of Meetings held during the year |
|---------------------------|--------------------|--|
| Mr. Ramesh Kumar Jain | Chairman | Nil |
| Mr. C M Sharma | Member | Nil |
| Mr. Vidit Jain | Member | Nil |

The objectives and scope of the Risk Management Committee broadly comprise of

- i. To consider the Company's risk management strategies;
- ii. To consider, review and approve risk management policies and guidelines;
- iii. To decide on risk levels, risk appetite and related resource allocation;
- iv. To approve major decisions affecting the Group's risk profile or exposure and give such directions as it considers appropriate;
- v. To approve major risk management activities such as hedging transactions;
- vi. To review the Group's approach to risk management and approve changes or improvements to key elements of its processes and procedures; and
- vii. Provide an update report to the Board in this regard no less frequent than annually.

7 CODE OF CONDUCT:

The Board of Directors of the Company has adopted Code of Business Conduct & Ethics. This Code is based on three fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary conduct and is applicable to all the Directors and senior management personnel. In terms of the requirements of SEBI Listing Regulations, 2015 the Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the company,

www.pasupatitextiles.com. All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended 31st March, 2022 and a declaration to that effect signed by the Chairman & Managing Director is attached and forms part of this report.

8 CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

The Company has adopted Modal Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre- clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code. Web link for Modal Code of Insider trading of the company is:

http://www.pasupatitextiles.com/pdf/PREVENTION_OF_INSDIER_TRADING_CODE_OF_CONDUCT.pdf

9 PERFORMANCE EVALUATION:

In compliance with the provisions of the Companies Act, 2013 ('the Act') and SEBI Listing Regulations, 2015, the Board during the year adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including the Chairman of the Board. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

10 INDUCTION & FAMILIARIZATION PROGRAMS FOR INDEPENDENT DIRECTORS:

On appointment of the Independent Directors a letter of Appointment setting out in detail, the terms of appointment, duties and responsibilities is issued. Each newly appointed Independent Director is taken through a familiarization programme. The program aims to familiarize the Directors with the Company, their role and responsibilities, business model of the Company etc.

11 INDEPENDENT DIRECTORS' MEETING:

As required under Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI LODR 2015, the Independent Directors have to hold at least one meeting in a year, without the attendance of non-independent directors and members of the management.

During the financial year 2021-22 one (1) meeting was held on 14th February, 2022 which was attended by all the independent directors except Mr. Ban Mali Khemka and Mrs. Reema Kalhan.

The role, broad terms and reference of the committee shall include the following:

- a. Review the performance of Non-Independent Directors and the Board as a whole;
- b. Review the performance of the Chairperson of the Company, taking into account the views of Executive directors and Non-executive Directors;
- c. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties

12 RELATED PARTY TRANSACTIONS

The Company has entered Related Party Transactions during the financial year 2021-22. All Related Party Transactions entered into during the year are on an arm's length basis and are in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with promoters, directors, Key Managerial Personnel or other designated persons which may have potential conflict with the interests of the Company at large. On the recommendation of the Audit Committee, the Board of Directors has adopted a policy on Related Party Transactions, which is also uploaded on the website of the Company www.pasupatitextiles.com under the head 'Investor Relations'. The Policy envisages the procedure governing related party transactions required to be followed to ensure compliance with the applicable laws and regulations as well as to ensure that the Related Party Transactions are managed and disclosed in accordance with the strict legal and accounting requirements. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms & conditions of the transactions. The statement is supported by a certificate from the CMD and CFO. The particulars of related party transactions are given in form AOC-2 and are annexed as Annexure-D to Directors report. Web link where policy on dealing with related party transactions is:- http://www.pasupatitextiles.com/pdf/related_party_transaction_policy.pdf

13 MEANS OF COMMUNICATION & WEBSITE:

- The Quarterly & Annual Results were generally published in the newspaper i.e. Financial Express (English edition) and in the Jansatta (Hindi edition). The Quarterly results are also displayed on the website of the Company, i.e., www.pasupatitextiles.com
- In line with the existing provisions of SEBI LODR 2015, the Company has created a separate e-mail address viz. cs@pasupatitextiles.com to receive complaints and grievances of the investors.
- Company displays official news release on its website as required.

14 GENERAL BODY MEETINGS

Annual General Meetings:

Location and time for the three previous AGM's are as follows:-

| Year | Date | Venue | Time |
|------|-----------|---|-----------|
| 2019 | 27-9-2019 | Village Kapriwas, Dharuhera(Dist- Rewari) | 10.00 A.M |

| | | | |
|------|------------|---------|-----------|
| | | Haryana | |
| 2020 | 30-12-2020 | -do- | 10.00 A.M |
| 2021 | 24-09-2021 | -do- | 10.00 A.M |

Special Resolutions

No special resolution was passed at the 41st Annual General Meeting held for F.Y. 2020-21. And only two Special Resolutions were passed at the 40th Annual General Meeting held for F. Y. 2019-20 and two Special Resolutions were passed for the 39th Annual General Meeting held for F.Y 2018-19

Postal Ballot:

For the year ended March 31, 2022 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot. During the year Company does not propose to pass any special resolution through postal ballot.

15 GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting date, time and venue:-

The 42nd Annual General Meeting of the members of the company will be held at the registered office & works of the company at Village Kapriwas (Dharuhera), Distt. Rewari, Haryana on Thursday, the 29th September 2022 at 10.00 A.M.

| <u>Annual General Meeting</u> | |
|-------------------------------|---|
| Date & Time | 29-09-2022 at 10 A.M |
| Venue | Registered Office of the Company at Village Kapriwas (Dharuhera) Distt. Rewari, Haryana |

Financial Calendar:-

| | |
|---|---|
| Financial Year : | 1st April – 31st March |
| Unaudited Results for the quarter ending 30 th June, 2022 | On or before 14 th August, 2022 |
| Unaudited Results for the quarter ending 30 th September, 2022 | On or before 14 th November, 2022 |
| Unaudited Results for the quarter ending 31 st December, 2022 | On or before 14 th February, 2023 |
| Audited Results for the year ending 31 st March, 2023 | On or before 30 th May, 2023 |
| Date of Book Closure | 23 rd September, 2022 to 29 th September, 2022, both days inclusive |
| Demat ISIN in CDSL/NSDL | INE909B01020 |

#Company has not declared any dividend during the year 2021-22.

Listing at Stock Exchanges:

The details regarding payment of listing fee to Stock Exchange are given below:

| S. No. | Stock Exchange Code No | Name of Stock Exchanges | Listing Fee Paid up to |
|--------|------------------------|-------------------------|------------------------|
| 1 | A-1 | Bombay Stock Exchange | F.Y 2022-23 |

Market Price data: High/Low during the year 2021-22

High/Low of Market price of Company's equity shares traded on the **Bombay Stock Exchange Ltd.** during the financial year ended on March 31, 2022 was as follows:

| Month | High (Rs) | Low (Rs) |
|-----------------|-----------|----------|
| April, 2021 | 7.01 | 5.40 |
| May, 2021 | 7.42 | 5.22 |
| June, 2021 | 13.54 | 7.56 |
| July, 2021 | 21.52 | 13.27 |
| August, 2021 | 25.25 | 13.65 |
| September, 2021 | 21.75 | 13.55 |
| October, 2021 | 20.50 | 13.85 |
| November, 2021 | 23.10 | 15.05 |
| December, 2021 | 23.60 | 18.15 |
| January, 2022 | 30.90 | 21.25 |
| February, 2022 | 32.25 | 22.10 |
| March, 2022 | 26.00 | 22.15 |

High/Low of BSE Sensex during the year 2021-22

Period High: 62245.43

Period Low: 47204.50

| Date | High | Low |
|-----------|-----------|-----------|
| Mar 2022 | 58,890.92 | 52,260.82 |
| Feb 2022 | 59,618.51 | 54,383.20 |
| Jan 2022 | 61,475.15 | 56,409.63 |
| Dec 2021 | 59,203.37 | 55,132.68 |
| Nov 2021 | 61,036.56 | 56,382.93 |
| Oct 2021 | 62,245.43 | 58,551.14 |
| Sep 2021 | 60,412.32 | 57,263.90 |
| Aug 2021 | 57,625.26 | 52,804.08 |
| July 2021 | 53,290.81 | 51,802.73 |
| June 2021 | 53,126.73 | 51,450.58 |

| | | |
|----------|-----------|-----------|
| May 2021 | 52,013.22 | 48,028.07 |
| Apr 2021 | 50,375.77 | 47,204.50 |

CREDIT RATING

India Ratings & Research (Ind-Ra) has assigned a Long-term issuer rating of “IND B+” to the company. And, the instrument wise rating actions are as under:

| Instrument Type | Date of Issuance | Coupon Rate | Maturity Date | Size of Issue (million) | Rating |
|---------------------------|-------------------------|--------------------|----------------------|--------------------------------|---------------|
| Fund-based limits | - | - | - | INR 345.3 | IND B+/Stable |
| Non-fund-based limits | - | - | - | INR 59.5 | IND A4 |
| Term loan | - | - | November 2027 | INR 51.3 | IND B+/Stable |
| Working capital term loan | - | - | February, 2026 | INR 92.5 | IND B+/Stable |

Registrars and Share Transfer Agents for Shares:

Address & Contact No. of Registrar & Share Transfer Agent are as follows:

M/s. Skyline Financial Services Pvt. Ltd
D-153 , 1st Floor , Okhla Industrial
Area Phase -1 , New Delhi 110020.

Tel.: 011 -26812682,83 , 011-64732681-88

Fax: +91 11 26812682 |,Web:www.skylinerta.com

Share Transfer System:

Shareholders seeking demat/remat of their shares must approach the Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to the Registrar and Share transfer Agent (“the Registrar”) of the Company. Upon receipt of the request and share certificate, the Registrar will verify the same. Upon verification, the Registrar will request the National Securities Depository Ltd. (NSDL)/Central Depository Services Ltd. (CDSL) to confirm the Demat request. The Demat account of the concerned shareholder will be credited with an equivalent number of shares. In case of a rejection of the request, it will be communicated to the shareholder. In the case of remat, upon receipt of a request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests the NSDL and CDSL to confirm the request. The approval of the company is sought and an equivalent number of shares

are issued in the physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of shares.

Distribution of Shareholding as on 31.03.2022:

| Share or Debenture holding Nominal Value | Number of Shareholders | % to Total Numbers | Share or Debenture holding Amount | % to Total Amount |
|--|------------------------|--------------------|-----------------------------------|-------------------|
| 1 | 2 | 3 | 4 | 5 |
| Up To 5,000 | 6069 | 96.81 | 4247850 | 4.55 |
| 5001 To 10,000 | 110 | 1.75 | 796930 | 0.85 |
| 10001 To 20,000 | 34 | 0.54 | 487530 | 0.52 |
| 20001 To 30,000 | 18 | 0.29 | 442600 | 0.47 |
| 30001 To 40,000 | 10 | 0.16 | 332270 | 0.36 |
| 40001 To 50,000 | 5 | 0.08 | 237300 | 0.25 |
| 50001 To 1,00,000 | 6 | 0.10 | 410250 | 0.44 |
| 1,00,000 and Above | 17 | 0.27 | 86415950 | 92.55 |
| Total | 6269 | 100 | 93370680 | 100 |

*The list of shareholders is non PAN based.

Dematerialization of Shares:

As on 31st March, 2022, 9017448 shares (i.e. 96.57% of the Company's equity shares) were held in dematerialized form and balance are held in physical form. Trading in Company's shares is permitted only in demat form w.e.f. 06.09.2000 as per notification issued by the Securities & Exchange Board of India.

Outstanding: GDR/ADR/Warrants/Options

As of date, the Company has not issued GDRs/ADRs/Options.

Subsidiary Company

Company does not have any subsidiary company.

Plant Location:

| | |
|---|---|
| Polyester Viscose Yarn & Cotton Yarn Unit | Village Kapriwas(Dharuhera)Distt. Rewari, Haryana |
| Sewing Thread Unit | Village Kheri (Kala-Amb) Distt. Sirmour, H.P. |

Address for correspondence:-

| | |
|----------------------------|--|
| Registered Office: | Village Kapriwas (Dharuhera), Distt. Rewari (Haryana) |
| Corporate office address : | 127-128 , Tribhuvan Complex, Ishwar Nagar , Mathura Road , Delhi-110065 |
| Telephone No | 011-47632200,01147632221 |
| Email | cs@pasupatitextiles.com , ho@pasupatitextiles.com |

Secretarial Department

The Company's Secretarial Department, headed by the Company Secretary is situated at the Office mentioned above. Shareholders/Investors may contact the Company Secretary for any assistance they may need.

16 DISCLOSURES

a. Related Party Transactions

a. The Company did not enter into any materially significant related party transactions, which had potential conflict with the interest of the Company at large.

b. Compliance with Regulations

In current financial year 2021-22 the Company has duly made all the compliances of SEBI (LODR) Regulations, 2015.

c. Vigil Mechanism / Whistle Blower Policy

a. The Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The objective of the Policy is to explain and encourage the directors and employees to raise any concern about the Company's operations and working environment, including possible breaches of Company's policies and standards or values or any laws within the country or elsewhere, without fear of adverse managerial action being taken against such employees. It is hereby affirmed that in relation to the same, no personnel have been denied access to the audit committee. The Whistle Blower Policy of the Company has been uploaded and can be viewed on the Company's website.

d. Mandatory and non-mandatory requirements

The Company has complied with the mandatory requirements of SEBI LODR 2015 which are detailed in the annual report. As regard non mandatory requirements company is planning to adopt some non-mandatory requirement in future for good governance.

e. Web Link of policy on related party transactions-

http://www.pasupatitextiles.com/pdf/related_party_transaction_policy.pdf

f. Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

On exports, foreign exchange risk is low as company discounts its foreign debtor's bills on dispatch; similarly foreign exchange risk is also low on import of raw material as company makes payment on receipt. Hence, no hedging activities are undertaken.

g. There is no fund raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A).

- h. The company has accepted all the recommendations of Audit committee and Nomination committee.
- i. In order to prevent sexual harassment of women at workplace, your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace. The Company has set up an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into complaints relating to sexual harassment at workplace of any woman employee. During the year under review, no complaints pertaining to sexual harassment were received and no complaint was pending as on 31st March, 2022.
- j. Total fees paid to Statutory Auditor during Financial Year 2021-22.

For Statutory Audit - 5.35lacs
For Quarterly Reviews - 4.05lacs
For other services - 0.10 lacs

Total - **9.50lacs**

- k. M/s Renu Kathuria & Associates, Practicing Company Secretaries have certified that for the financial year ended on 31st March, 2022, none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India (SEBI) or Ministry of Corporate Affairs (MCA) or any such authority.
- l. There is no non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Section C of Schedule V of SEBI (LODR) Regulations 2015 subject to matters reported in point 16(b) of this Corporate Governance Report (under clause (b) of sub-para 10 of Section C of Schedule V of SEBI (LODR) Regulations 2015).
- m. All the requirements of Corporate Governance specified in Regulation 17 to 27 of Listing Regulations and of clause (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations have been complied in this Corporate Governance Report.

CEO / CFO Certification

Managing Director & Chief Financial Officer of the Company have furnished the requisite Compliance Certificates to the Board of Directors under Regulation 17 of the SEBI (LODR) 2015.

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 10/08/2022

Ramesh Kumar Jain
Chairman & Managing Director

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members,
Pasupati Spinning & Weaving Mills Limited

We have examined the compliance of conditions of Corporate Governance by Pasupati Spinning & Weaving Mills Limited ("the Company"), for the financial year ended on 31st March, 2022, as stipulated in Regulations 17 to 27 and clause (b) to (i) of Regulations 46(2) and para C,D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 ("Listing Regulations").

Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Auditor's Responsibility

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountant of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)1, Quality Control for Firms that performs Audits & Reviews of Historical Financial information and other Assurance & related service engagements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance for the year ended 31st March, 2022 as stipulated in the above-mentioned Listing Regulations, as applicable.

For Suresh Kumar Mittal & Co.
Chartered Accountants
Reg. No.: 500063N

Ankur Bagla
Partner
Membership Number: 521915

Dated: 10.08.2022
Place: New Delhi
UDIN:

Independent Auditors' Report

To
The Members of
Pasupati Spinning & Weaving Mills Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of **Pasupati Spinning & Weaving Mills Limited** ("the Company") which comprise the Balance Sheet as at 31st March, 2022, and the statement of Profit and Loss, statement of changes in equity and statement of 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, *except for the effects of the matter described in the Basis of Qualified Opinion section of our report*, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

The company has claimed additional compensation in respect of part of factory land acquired. The additional compensation demand is Rs.614.64 Lacs (including amount upto previous year Rs. 614.64 Lacs), which according to the management shall be accounted for as and when received. Had the additional compensation been accounted for the profit for the year and other current assets would have been higher by the said amount. (Refer Note no. 41 of the accompanying notes to the financial statements).

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to:

a) Note 46 to the standalone financial results, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

b) Note 65 to the standalone financial statements, which states that in the opinion of the management the provision made for debtors is sufficient and the balance debtors are good and recoverable and no further provision is required.

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. In addition to the matter described in the Basis of Qualified Opinion and Emphasis of Matter section we have determined the matters described below to be the key audit matters to be communicated in our report.

1. The company has material matters under dispute which involves significant judgment to determine the possible outcome of these disputes (Refer Note No. 29 to the standalone financial statements). We obtained the details of the disputes with their present status and documents. We made an in-depth analysis of the dispute. We also considered legal procedures and other rulings in evaluating management's position on these disputes to evaluate whether any change was required to management's position on these disputes.
2. As on 31st March 2022, current tax assets and other current assets includes amounts recoverable from government department for which efforts for recovery are being made (refer Note No. 13 & 14 to the standalone financial statements). Our audit procedures consisted of evaluating whether any change was required to management's position on the likelihood of recoverability.

Information Other than the Standalone Financial Statements and Auditor's 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and shareholder's information report are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available. 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.

When we read the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and share holder's information report, If, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged With Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows 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.

Those 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 financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i)

planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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" 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, 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 standalone financial statements comply with the 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 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. *There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. However, by the year end the amount was deposited. - Refer Note 26 to the financial statements;*
 - iv. (a) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;-Refer Note 60 to the financial statements;
(b)The management has represented, that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;-Refer Note 61 to the financial statements; and
(c)Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
 - v. In our opinion and based on the information and explanation provided to us, during the year no dividend has been declared or paid by the company.

For SURESH KUMAR MITTAL & CO.,
Chartered Accountants
Firm's Registration No: 500063N

(ANKUR BAGLA)
Partner

Membership No. 521915

Place: New Delhi
Date: 30.05.2022
UDIN:22521915AJVXON6604

Annexure A referred to in Paragraph (I) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Pasupati Spinning & Weaving Mills Limited on the standalone financial statements for the year ended 31st March 2022.

| | |
|------------|---|
| (i) (a)(A) | The company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment. |
| (i) (a)(B) | The company does not have any intangible assets and hence provisions of clause (i) (a) (B) are not applicable to the company. |
| (i) (b) | All the property, plant and equipment have been physically verified by the management according to a regular program, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account. |
| (i) (c) | The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company. |
| (i) (d) | During the year, the company has not revalued its property, plant and equipment (including right to use assets) or intangible assets or both and hence provisions of clause (i) (d) are not applicable to the company. |
| (i) (e) | According to the information and explanation given to us and the records maintaining by the company no proceedings have been initiated or are pending against the company for holding .any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under. |
| (ii)(a) | Physical verification of inventory (except material in transit or lying with third party) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. Discrepancies of 10% or more in the aggregate for each class of inventory with respect to book records were not noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account. |
| (ii)(b) | In our opinion and according to the information and explanation given to us and records maintained by the company, the total of current assets disclosed in the quarterly return QIS II/FFR I filed by the company with banks are generally in agreement with the books of account of the company. |

| (iii) | According to the information and explanation provided to us, the company has made investments in but not provided any guarantee or security or granted any loans or advances in the nature of loans secured or unsecured to companies, firms, limited liability partnerships or other parties and hence provisions of clause (iii)(a) and (c) to (f) of the order are not applicable to the company. | | | | | | | | | | | | | | | | |
|---|--|----------------------|--|----------------------|---------------------|-----------------------|-------------------|-------|-------------------------------|------------------------------------|-----|-------|--|---|-----|------|-------------------------------|
| (iii)(b) | The terms and conditions on which investments are made are not prejudicial to the interest of the company. | | | | | | | | | | | | | | | | |
| (iv) | In our opinion and according to the information and explanations given to us during the year no loans, investments, guarantees and security covered under section 185 and 186 of the Companies Act, 2013 has been given by the company. | | | | | | | | | | | | | | | | |
| (v) | According to the information and explanation given to us, the company has not accepted any deposit or amounts which are deemed to be deposits from the public and hence provisions of clause (v) of the order are not applicable to the company. | | | | | | | | | | | | | | | | |
| (vi) | We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such accounts and records. | | | | | | | | | | | | | | | | |
| (vii)(a) | <p>The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect thereof were outstanding as at 31st March, 2022 for a period of more than six months from the date they became payable.</p> <p>(vii)(b) According to the records of the company, dues referred to in sub clause (a) which have not been deposited on account of any dispute are as under:</p> <table border="1" data-bbox="293 1545 1438 1812"> <thead> <tr> <th data-bbox="293 1545 630 1612">Name of the statute</th> <th data-bbox="630 1545 818 1612">Nature of dues</th> <th data-bbox="818 1545 1011 1612">Amount (Rs. in lacs)</th> <th data-bbox="1011 1545 1438 1612">Forum where pending</th> </tr> </thead> <tbody> <tr> <td data-bbox="293 1612 630 1680"><i>Income Tax Act</i></td> <td data-bbox="630 1612 818 1680"><i>Income Tax</i></td> <td data-bbox="818 1612 1011 1680">16.08</td> <td data-bbox="1011 1612 1438 1680"><i>Commissioner (Appeals)</i></td> </tr> <tr> <td data-bbox="293 1680 630 1747"><i>Haryana Value Added Tax Act</i></td> <td data-bbox="630 1680 818 1747">VAT</td> <td data-bbox="818 1680 1011 1747">42.23</td> <td data-bbox="1011 1680 1438 1747"><i>Punjab & Haryana High Court</i></td> </tr> <tr> <td data-bbox="293 1747 630 1812"><i>Himachal Pradesh Value added Tax Act</i></td> <td data-bbox="630 1747 818 1812">VAT</td> <td data-bbox="818 1747 1011 1812">3.48</td> <td data-bbox="1011 1747 1438 1812"><i>Commissioner (Appeals)</i></td> </tr> </tbody> </table> | Name of the statute | Nature of dues | Amount (Rs. in lacs) | Forum where pending | <i>Income Tax Act</i> | <i>Income Tax</i> | 16.08 | <i>Commissioner (Appeals)</i> | <i>Haryana Value Added Tax Act</i> | VAT | 42.23 | <i>Punjab & Haryana High Court</i> | <i>Himachal Pradesh Value added Tax Act</i> | VAT | 3.48 | <i>Commissioner (Appeals)</i> |
| Name of the statute | Nature of dues | Amount (Rs. in lacs) | Forum where pending | | | | | | | | | | | | | | |
| <i>Income Tax Act</i> | <i>Income Tax</i> | 16.08 | <i>Commissioner (Appeals)</i> | | | | | | | | | | | | | | |
| <i>Haryana Value Added Tax Act</i> | VAT | 42.23 | <i>Punjab & Haryana High Court</i> | | | | | | | | | | | | | | |
| <i>Himachal Pradesh Value added Tax Act</i> | VAT | 3.48 | <i>Commissioner (Appeals)</i> | | | | | | | | | | | | | | |

| | |
|---------|--|
| (viii) | According to the information and explanations provided to us, there were no transactions which were not recorded in the books of account and have been surrendered or disclosed as income, during the year, in the tax assessments under the Income Tax Act, 1961. |
| (ix)(a) | In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. |
| (ix)(b) | According to the records of the company and information or explanation given to us, during the year the company was not a declared willful defaulter by any bank or financial institution or any other lender. |
| (ix)(c) | According to the records of the company and information and explanation given to us, term loans received during the year were applied for the purpose for which the loans were obtained. |
| (ix)(d) | According to the records of the company and information and explanation given to us, funds raised on short term basis has not been utilized for long term purposes. |
| (ix)(e) | According to the records of the company and information and explanation given to us, the company has taken Rs.297.88 lacs from joint venture partner to meet his obligation of their joint venture at the year end. (Refer note 35(b) to the financial statements) |
| (ix)(f) | According to the records of the company and information and explanation given to us, the company has raised loans during the year on the pledge of 699115 equity shares of the company held in its associate company. The company has not defaulted in repayment of such loans raised. |
| (x)(a) | According to the records of the company and information and explanation given to us, during the year no money was raised by way of initial public offer or further public offer (including debt instruments) and hence provisions of clause (x)(a) of the order are not applicable to the company. |
| (x)(b) | According to the records of the company and information and explanation given to us, during the year the company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures and hence provisions of clause (x)(b) of the order are not applicable to the company. |
| (xi)(a) | According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year. |
| (xi)(b) | The auditors have not filed any report under sub-section (12) of section 143 of the Companies Act in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. |
| (xi)(c) | According to the records of the company and information and explanation given to us, no whistle blower complaints have been received by the company during the year. |

| | |
|-----------|---|
| | |
| (xii) | According to the records of the company and information and explanation given to us, the company is not a Nidhi Company and hence provisions of clause (xii) of the order are not applicable to the company. |
| (xiii) | In our opinion all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards. |
| (xiv) (a) | In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business. |
| (xiv) (b) | The reports of internal auditors for the period under audit issued to the company till date have been considered by us in determining our audit procedures. |
| (xv) | According to the information and explanations given to us, the company has not entered into any non cash transactions with directors or persons connected with them. |
| (xvi) (a) | According to the information and explanations given to us, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. |
| (xvi) (b) | According to the information and explanations given to us, during the year the company has not conducted any Non-Banking Financial or Housing Finance activities. |
| (xvi) (c) | According to the information and explanations given to us, the company is not a Core Investment Company (CIC) or an exempted or unregistered CIC as defined in the regulations made by the Reserve Bank of India. |
| (xvi) (d) | According to the records of the company and information and explanations given to us, the group has four CIC as part of the group. |
| (xvii) | According to the records of the company and information and explanations given to us, the company has not incurred cash losses in the financial year under audit. The company has incurred cash losses of Rs.405.27 lacs in the immediately preceding financial year. |
| (xviii) | During the year there has been no resignation of the statutory auditors of the company and hence provisions of clause (xviii) of the order are not applicable to the company. |
| (xix) | On the basis of the financial ratio, ageing and expected date of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditors knowledge of the Board of Directors and management plans we are of the opinion that no material uncertainty exists as on the date of audit report that the company is 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. |
| (xx) | According to the records of the company and information and explanations given to us, during the year CSR activities as per section 135 of the Companies Act,2013 was not applicable to the company and hence provisions of clause (xx) of the order are not applicable to the company. |
| (xxi) | According to the records of the company and information and explanations given to us, during the year preparation of consolidated financial statements was not applicable to the company and hence provisions of clause (xxi) of the order are not applicable to the company. |
| | |

For SURESH KUMAR MITTAL & CO.,
Chartered Accountants
Firm's Registration No: 500063N

Place: New Delhi
Date: 30.05.2022
UDIN: 22521915AJVXON6604

(ANKUR BAGLA)
Partner
Membership No. 521915

Annexure “B” referred to in Paragraph (II)(f) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Pasupati Spinning & Weaving Mills Limited on the standalone financial statements for the year ended 31st March 2022.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Pasupati Spinning & Weaving Mills Limited** (“the Company”) as of March 31, 2022 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system 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:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent 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 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 issued by the ICAI".

For SURESH KUMAR MITTAL & CO.,
Chartered Accountants
Firm's Registration No: 500063N

Place: New Delhi
Date:30.05.2022
UDIN: 22521915AJVXON6604

(ANKUR BAGLA)
Partner
Membership No. 521915

PASUPATI SPINNING AND WEAVING MILLS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2022

| | Note No | Rs in Lacs | |
|---|---------|------------------|------------------|
| | | As at 31.03.2022 | As at 31.03.2021 |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| 1 Property, Plant and Equipment | 4 | 2,857.22 | 2,997.12 |
| 2 Capital Work in Progress | 5 | 22.34 | 5.31 |
| 3 Financial Assets | | | |
| (i) Investments | 6 | 6.47 | 5.77 |
| (ii) Others | 7 | 177.49 | 178.55 |
| 4 Other Non Current Assets | 8 | 17.15 | 75.50 |
| CURRENT ASSETS | | | |
| 1 Inventories | 9 | 3,283.71 | 3,005.45 |
| 2 Financial Assets | | | |
| (i) Trade receivables | 10 | 3,108.78 | 2,830.51 |
| (ii) Cash and cash equivalents | 11 | 104.18 | 190.12 |
| (iii) Bank Balances other than (ii) above | 12 | 79.39 | 183.07 |
| 3 Current Tax Assets (net) | 13 | 159.31 | 111.06 |
| 4 Other Current Assets | 14 | 912.01 | 843.71 |
| | | 10,728.05 | 10,426.17 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| 1 Equity Share Capital | 15 | 933.71 | 933.71 |
| 2 Other Equity | | 1,923.73 | 1,919.94 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| 1 Financial Liabilities | | | |
| (i) Borrowings | 16 | 858.41 | 174.93 |
| (ii) Lease Liability Payable | 17 | - | 0.24 |
| (iii) Trade Payables | 18 | | |
| Due to Micro Small & Medium Enterprises | | - | - |
| Due to Others | | 210.46 | 210.46 |
| (iv) Other Financial Liabilities | 19 | 297.93 | 0.05 |
| 2 Provisions | 20 | 106.77 | 106.58 |
| 3 Deferred Tax Liabilities (net) | 21 | 113.70 | 116.40 |
| 4 Other Non Current Liabilities | 22 | 5.93 | 6.24 |
| CURRENT LIABILITIES | | | |
| 1 Financial liabilities | | | |
| (i) Borrowings | 23 | 4,469.00 | 4,646.40 |
| (ii) Lease Liability Payable | 24 | 0.24 | 6.95 |
| (iii) Trade Payables | 25 | | |
| Due to Micro Small & Medium Enterprises | | 1.46 | 1.24 |
| Due to Others | | 1,205.78 | 1,649.25 |
| 2 Other current liabilities | 26 | 503.33 | 584.43 |
| 3 Provisions | 27 | 83.56 | 69.35 |
| 4 Current Tax Liabilities | 28 | 14.04 | - |
| | | 10,728.05 | 10,426.17 |
| Contingent Liabilities & Commitments | 29 | | |
| Significant Accounting Policies | 2 | - | |

See Accompanying Notes to the Financial Statements

As per our report of even date annexed

For Suresh Kumar Mittal & Co.,

Chartered Accountants

Reg. No. 500063N

Ramesh Kumar Jain
Chairman & Managing Director
DIN No. 00575142

Vidit Jain
Joint Managing Director
DIN No. 01347588

Ankur Bagla
Partner
Membership No. 521915
Place: New Delhi
Date : 30.05.2022

Deepika Malhotra
Company Secretary

A K Monga
Chief Financial Officer

PASUPATI SPINNING AND WEAVING MILLS LIMITED
STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31ST MARCH 2022

| Particulars | Note No | Rs in Lacs | |
|--|---------|---------------------------------|--|
| | | For the period 01.04.2021 to | For the period 01.04.2020 to 31.03.2021 |
| INCOME | | | |
| I Revenue from Operations | 31 | 10,174.35 | 6,643.69 |
| II Other Income | 32 | 166.35 | 108.86 |
| III Total Income (I+II) | | 10,340.70 | 6,752.55 |
| IV EXPENSES | | | |
| Cost of Material Consumed | 33 | 3,815.84 | 2,178.62 |
| Purchases of Stock-in-Trade | | 36.63 | 38.20 |
| Changes in Inventories of Finished Goods, stock-in-trade and Work in Progress | 34 | (202.97) | 536.51 |
| Share of Joint Venture Partner | 35 | (3.27) | (0.82) |
| Employee Benefits Expense | 36 | 1,889.90 | 1,293.92 |
| Finance Costs | 37 | 354.04 | 502.26 |
| Depreciation & Amortization Expenses | 38 | 372.44 | 376.54 |
| Other Expenses | 39 | 4,074.62 | 2,602.94 |
| Total expenses (IV) | | 10,337.23 | 7,528.17 |
| V Profit/(loss) before exceptional items and tax (III- IV) | | 3.47 | (775.62) |
| VI Exceptional Items (see note 47) | | - | 388.26 |
| VII Profit/(loss) before tax (V-VI) | | 3.47 | (387.36) |
| VIII Tax expense: | | | |
| Current Tax | | 14.04 | |
| Earlier Year Tax | | 0.48 | 1.41 |
| Deferred Tax | | (2.17) | (80.19) |
| MAT Credit Entitlement | | 14.04 | |
| IX Profit/(Loss) for the period from continuing operations (VII-VIII) | | 5.16 | (308.58) |
| X Profit/(loss) from discontinued operations | | - | - |
| XI Tax expense of discontinued operations | | - | - |
| XII Profit/(loss) from Discontinued operations (after tax) (X-XI) | | - | - |
| XIII Profit/(loss) for the period (IX+XII) | | 5.16 | (308.58) |
| XIV Other Comprehensive Income | | | |
| Items that will not be reclassified to profit & loss | | (1.90) | (35.10) |
| Income tax relating to above | | 0.53 | 9.77 |
| Items that will be reclassified to profit & loss | | - | - |
| Income tax relating to above | | - | - |
| | | (1.37) | (25.33) |
| XV Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period) | | 3.79 | (333.91) |
| XVI Earnings per equity share (for continuing operation): | | | |
| Basic and Diluted | 40 | 0.06 | (3.30) |
| XVII Earnings per equity share (for discontinued operation): | | | |
| Basic and Diluted | | - | - |
| XVIII Earnings per equity share (for discontinued & continuing operations) | | | |
| Basic and Diluted | | 0.06 | (3.30) |
| Significant Accounting Policies | 2 | | |

See Accompanying Notes to the Financial Statements

As per our report of even date annexed
For Suresh Kumar Mittal & Co.,
Chartered Accountants
Reg. No. 500063N

Ramesh Kumar Jain
Chairman & Managing Director
DIN No. 00575142

Vidit Jain
Joint Managing Director
DIN No. 01347588

Ankur Bagla
Partner
Membership No. 521915
Place: New Delhi
Date : 30.05.2022

Deepika Malhotra
Company Secretary

A K Monga
Chief Financial Officer

PASUPATI SPINNING AND WEAVING MILLS LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2022

| Particulars | Rs in Lacs | |
|--|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| A. Cash Flow from Operating Activities | | |
| Net Profit/(Loss) after Tax and OCI | 3.79 | (333.91) |
| Adjustments for: | | |
| Exceptional item | - | (388.26) |
| Depreciation | 372.44 | 376.53 |
| Interest Income | (6.60) | (9.35) |
| (Profit)/Loss on Fixed Assets sold/discarded | (20.58) | 5.65 |
| (Profit)/Loss on revaluation of Investments | (0.69) | (0.93) |
| Interest Charged | 328.88 | 446.40 |
| Tax Impact | (2.22) | (88.53) |
| Operating Profit before Working Capital Changes | 675.02 | 7.60 |
| Adjustments for: | | |
| Trade & Other Receivables | (183.48) | 336.98 |
| Inventories | (278.27) | 426.77 |
| Trade Payables & Other Liabilities | (517.20) | (303.82) |
| Cash Generated from Operations | (303.93) | 467.53 |
| Interest Paid | (328.88) | (446.40) |
| Taxes Paid | (34.69) | (19.66) |
| Net Cash from Operating Activities | (667.50) | 1.47 |
| B. Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | (251.06) | (46.36) |
| Sale of Fixed Assets | 22.07 | 1.27 |
| Interest Received | 6.60 | 9.35 |
| Net Cash used in Investing Activities | (222.39) | (35.74) |
| C. Cash Flow from Financing Activities | | |
| Proceeds from /Repayment of Borrowings | | |
| - Short Term | 36.73 | (533.92) |
| - Long Term | 634.88 | 407.29 |
| Contribution from Joint Venture Partner | 297.88 | - |
| Proceeds from/Repayment of Unsecured Loans | (165.54) | 334.12 |
| Net Cash used in Financing Activities | 803.95 | 207.49 |
| Net (Decrease)/Increase in Cash & Cash equivalents | (85.94) | 173.22 |
| Cash & Cash equivalents at start of the year | 190.12 | 16.90 |
| Cash & Cash equivalents at close of the year | 104.18 | 190.12 |
| Note: Brackets represent cash outflows | | |

See accompanying notes to the financial statements

As per our report of even date annexed

For Suresh Kumar Mittal & Co.,

Chartered Accountants

Reg. No. 500063N

Ramesh Kumar Jain

Chairman & Managing Director

DIN No. 00575142

Vidit Jain

Joint Managing Director

DIN No. 01347588

Ankur Bagla

Partner

Membership No. 521915

Place: New Delhi

Date : 30.05.2022

Deepika Malhotra

Company Secretary

A K Monga

Chief Financial Officer

PASUPATI SPINNING AND WEAVING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
A. EQUITY SHARE CAPITAL

| Particulars | As on 31.03.2022 | | As on 31.03.2021 | |
|---|------------------|---------------------|------------------|---------------------|
| | Number of Shares | Amount (Rs in lacs) | Number of Shares | Amount (Rs in lacs) |
| Balance at the beginning of the current reporting period | 9,337,068 | 933.71 | 9,337,068 | 933.71 |
| Changes in Equity Share Capital due to prior period errors | - | - | - | - |
| Restated balance at the beginning of the current reporting period | 9,337,068 | 933.71 | 9,337,068 | 933.71 |
| Changes in Equity Share Capital during the current year | - | - | - | - |
| Balance at the end of the current reporting period | 9,337,068 | 933.71 | 9,337,068 | 933.71 |

B. OTHER EQUITY

| Particulars | Amount (Rs in lacs) | | | | Total |
|---|----------------------|---------------|-------------------|----------------------------|-----------------|
| | Reserves and surplus | | | | |
| | Capital Reserve | Share Premium | Retained Earnings | Other comprehensive income | |
| Balance as of 01.04.2020 | 403.52 | 866.10 | 935.81 | 48.43 | 2,253.86 |
| Changes in accounting policy or prior period errors | - | - | - | - | - |
| Restated balance as on 01.04.2020 | 403.52 | 866.10 | 935.81 | 48.43 | 2,253.86 |
| Total comprehensive income for the year | | | (308.58) | (25.34) | (333.92) |
| Transferred to retained earnings | - | - | - | - | - |
| Balance as of 31.03.2021 | 403.52 | 866.10 | 627.23 | 23.09 | 1,919.94 |
| Balance as of 01.04.2021 | 403.52 | 866.10 | 627.23 | 23.09 | 1,919.94 |
| Changes in accounting policy or prior period errors | - | - | - | - | - |
| Restated balance as on 01.04.2021 | 403.52 | 866.10 | 627.23 | 23.09 | 1,919.94 |
| Total comprehensive income for the year | | | 5.16 | (1.37) | 3.79 |
| Other comprehensive income | - | - | - | - | - |
| Balance as of 31.03.2022 | 403.52 | 866.10 | 632.39 | 21.72 | 1,923.73 |

The receipts of capital nature are credited in Capital Reserve.

The premium received on allotment of shares are credited in Share Premium.

The accumulated profit/(loss) are carried forward as Retained Earnings.

The accumulated balance of items that will not be reclassified to profit & loss are carried forward as Other Comprehensive Income.

See Accompanying notes to the Financial Statements

As per our report of even date annexed

For Suresh Kumar Mittal & Co.,

Chartered Accountants

Reg. No. 500063N

Ramesh Kumar Jain
Chairman & Managing Director
DIN No. 00575142

Vidit Jain
Joint Managing Director
DIN No. 01347588

Ankur Bagla
Partner
Membership No. 521915
Place: New Delhi
Date : 30.05.2022

Deepika Malhotra
Company Secretary

A K Monga
Chief Financial Officer

PASUPATI SPINNING AND WEAVING MILLS LIMITED

Notes to financial statements

1 Company Overview

Pasupati Spinning & Weavings Mills Ltd is a public limited company incorporated in India and has its registered office in Haryana, India. The company has interests in Fabrics, Bed Sheets, Acrylic Fiber, Cotton and Polyester Blended Yarns as well as Commodity Trading. The company has evolved into one of the most updated, professionally managed and growth oriented textile companies in India.

2 Significant Accounting Policies

2.1 Basis of Preparation of financial statements

Compliance with Ind AS

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016.

Basis of preparation and presentation

The Standalone Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation

Reporting Presentation Currency

All amounts in the standalone financial statements and notes thereon have been presented in Indian Rupees (INR) (reporting and primary functional currency of the company) and rounded off to the nearest rupee lacs, unless otherwise stated.

2.2 Classification of Assets and Liabilities

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind-AS 1 notified under the Companies (Indian Accounting Standards) Rules, 2015. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, twelve months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities. However certain liabilities such as trade payables and some accruals for employee and other operating costs are part of the working capital used in the Company's normal operating cycle, accordingly classified as current liabilities even if they are due to be settled more than twelve months after the reporting period.

2.3 Revenue Recognition

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

(i) Revenue from sale of products is recognized on accrual basis.

(ii) Interest income from deposits and others is recognized on accrual basis. Dividend income is recognized when the right to receive the dividend is unconditionally established. Profit/loss on sale/redemption of investments is recognized on the date of transaction of sale/redemption and is computed with reference to the original cost of the investment sold.

(iii) Insurance claims are recognized in the books only after certainty of its realization.

2.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.5 Foreign currency transactions and translation

Foreign Currency transaction are initially recorded at the rate of exchange ruling at the date of transaction.

Foreign currency monetary item (assets and liabilities) are restated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Gain and losses, if any, at the year-end in respect of monetary assets and monetary liabilities are recognized in the Statement of Profit and Loss.

Items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of the contract.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit & loss statement. The company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Mark to market losses on such measurement are recognized in the profit & loss statement.

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2.6 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Transaction cost in respect of long-term borrowings are amortised over the tenure of respective loans using effective interest method. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.7 Employee Benefits

(i) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages etc. and the expected cost of bonus, exgratia, incentives are recognized in the period during which the employee renders the related service.

(ii) Post-Employment Benefits

(a) Defined Contribution Plans

State Government Provident Fund Scheme is a defined contribution plan. The contribution paid/payable under the scheme is recognized in the profit & loss account during the period during which the employee renders the related service.

(b) Defined Benefit Plans

The present value of obligation under defined benefit plan is determined based on actuarial valuation under the projected unit credit method which recognizes each period of service as giving rise to additional unit of employees benefits entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on government securities as at balance sheet date, having maturity periods approximated to the returns of related obligations. In case of funded plans the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on net basis.

(c) Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

2.8 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Company operates and generates taxable income.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax asset against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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2.9 Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised if the activities undertaken improves the economic benefits expected to arise from the asset. Cost includes financing cost till the commencement of commercial production, inward freight, duties & taxes, incidental expenses related to acquisition and is net of MODVAT / CENVAT. In respect of major projects involving construction, related pre-operational expenses form part of the value of the assets capitalized.

Expenditure related to and incurred during implementation of capital projects is included under "Capital Work in Progress" or "Project Development Expenditure" as the case may be. The same is allocated on a systematic basis to the respective fixed assets on completion of construction/ erection of the capital project/ fixed assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on amount of additions made to fixed assets on account of foreign exchange fluctuation is provided for over the residual life of the fixed assets.

Depreciation on Assets acquired /capitalised/ disposed off during the year is provided on pro-rata basis with reference to the date of addition/capitalization/ disposal. Lease hold land is amortized over the period of lease.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

2.10 Intangible Assets

Intangible Assets are stated at cost less accumulated amortization.

2.11 Impairment of Property, plant and equipment and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

2.12 Inventories

Inventories are valued at lower of cost or market price except for waste. Waste is valued at realizable value. The cost comprises of cost of purchase, cost of conversion and other cost including appropriate production overheads incurred in bringing such inventories to their present location. In case of raw materials and stores & spares the cost is determined using FIFO method.

2.13 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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Provisions in the nature of long term 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 used 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.

2.14 Investment in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are shown at cost. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

2.15 Borrowings.

Borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.16 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits and highly liquid investments with an original maturity of three months or less which are readily convertible in cash and subject to insignificant risk of change in value.

2.17 Earnings Per Share

Earnings per share is calculated by dividing the Profit after tax by the weighted average number of equity shares outstanding during the year.

2.18 Contingent Liability and Contingent Assets

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.19 Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected to be collected within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets.

2.20 Investments and other financial assets

Financial assets are initially measured on trade date at fair value, plus transaction costs. All recognised financial assets are subsequently measured in their entirety at either amortized cost or at fair value.

(a) Classification

The Investments and other financial assets have been classified as per Company's business model for managing the financial assets and the contractual terms of the cash flows.

(b) Measurement

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

b.1 Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company's classifies its debt instruments:

Amortised Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

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Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises.

b.2 Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

(c) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, 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.

(d) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Financial Statements when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(f) Income recognition

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

3 Use of Estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

3.1 Property, Plant and Equipments

Property, Plant and Equipments represent a significant proportion of the asset base of the company. The management of the Company makes assumptions about the estimated useful lives, depreciation methods or residual values of items of property, plant and equipment, based on past experience and information currently available. In addition, the management assesses annually whether any indications of impairment of intangible assets and tangible assets. The management of the Company believe that on balance sheet date no impairment indications were existing.

3.2 Trade Receivables

Furthermore, the management believe that the net carrying amount of trade receivables is recoverable based on their past experience in the market and their assessment of the credit worthiness of debtors at at Balance Sheet date. Such estimates are inherently imprecise and there may be additional information about one or more debtors that the management are not aware of, which could significantly affect their estimations.

3.3 Defined Benefit Plans

The provisions for defined benefit plans have been calculated by a actuarial expert. The basic assumptions are related to the mortality, discount rate and expected developments with regards to the salaries. The discount rate have been determined by reference to market yields at the end of the reporting period based on the expected duration of the obligation. The future salary increases have been estimated by using the expected inflation plus an additional mark-up based on historical experience and management expectations.

3.4 Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

3.5 Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.6 Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

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| 4. PROPERTY, PLANT and EQUIPMENTS | Amount (Rs in Lacs) | | | | | | | | |
|--|----------------------------|------------------|-----------------|-------------------|----------------------|-----------------------------|---------------------|---------------|------------------|
| Particulars | Land - Freehold | Land - Leasehold | Buildings | Plant & Machinery | Furniture & Fixtures | Factory & Office Equipments | Right to use Assets | Vehicles | Total |
| Gross Carrying Value as on 01.04.2020 | 47.93 | 18.03 | 2,562.41 | 17,358.79 | 87.05 | 207.82 | 24.14 | 236.26 | 20,542.43 |
| Addition | - | - | - | 16.74 | 0.81 | 3.49 | - | 26.49 | 47.53 |
| Deletions | - | - | - | - | - | - | - | 23.41 | 23.41 |
| Gross Carrying Value as on 31.03.2021 | 47.93 | 18.03 | 2,562.41 | 17,375.53 | 87.86 | 211.31 | 24.14 | 239.34 | 20,566.55 |
| Accumulated Depreciation as on 01.04.2020 | - | 3.15 | 1,991.46 | 14,797.26 | 67.05 | 192.88 | 7.37 | 150.21 | 17,209.38 |
| Depreciation for the period | - | 0.45 | 73.51 | 265.32 | 2.12 | 3.97 | 8.05 | 23.12 | 376.54 |
| Deductions/Adjustments | - | - | - | - | - | - | - | 16.49 | 16.49 |
| Accumulated Depreciation as on 31.03.2021 | - | 3.60 | 2,064.97 | 15,062.58 | 69.17 | 196.85 | 15.42 | 156.84 | 17,569.43 |
| Carrying Value as on 31.03.2021 | 47.93 | 14.43 | 497.44 | 2,312.95 | 18.69 | 14.46 | 8.72 | 82.50 | 2,997.12 |
| Gross Carrying Value as on 01.04.2021 | 47.93 | 18.03 | 2,562.41 | 17,375.53 | 87.86 | 211.31 | 24.14 | 239.34 | 20,566.55 |
| Addition | - | - | - | 202.65 | 0.17 | 5.29 | - | 25.92 | 234.03 |
| Deletions | 1.01 | - | - | - | - | - | - | 5.98 | 6.99 |
| Gross Carrying Value as on 31.03.2022 | 46.92 | 18.03 | 2,562.41 | 17,578.18 | 88.03 | 216.60 | 24.14 | 259.28 | 20,793.59 |
| Accumulated Depreciation as on 01.04.2021 | - | 3.60 | 2,064.97 | 15,062.58 | 69.17 | 196.85 | 15.42 | 156.84 | 17,569.43 |
| Depreciation for the period | - | 0.45 | 66.53 | 268.32 | 2.19 | 4.02 | 8.42 | 22.50 | 372.43 |
| Deductions/Adjustments | - | - | - | - | - | - | - | 5.49 | 5.49 |
| Accumulated Depreciation as on 31.03.2022 | - | 4.05 | 2,131.50 | 15,330.90 | 71.36 | 200.87 | 23.84 | 173.85 | 17,936.37 |
| Carrying Value as on 31.03.2022 | 46.92 | 13.98 | 430.91 | 2,247.28 | 16.67 | 15.73 | 0.30 | 85.43 | 2,857.22 |

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5 CWIP Ageing Schedule

| CWIP | Amount (Rs. In lacs) | | | | |
|--------------------------------|--------------------------------|-----------|-----------|--------------|--------|
| | Amount in CWIP for a period of | | | | Total |
| | Less than 1 year | 1-2 Years | 2-3 Years | than 3 years | |
| Projects in progress | 22.34 | - | - | - | 22.34 |
| | (-) | (-) | (5.31) | (-) | (5.31) |
| Projects temporarily suspended | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) |

Note:

(i) Previous year figures are given in brackets

(ii) The completion of the project is neither overdue nor has exceeded cost compared to its original plan.

6 NON CURRENT INVESTMENTS

| Particulars | No. of Shares | | Rs in Lacs | |
|--|------------------|------------------|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2022 | As at 31.03.2021 |
| Investments carried at fair value through profit and loss | | | | |
| Quoted - Trade (Equity Shares of Rs. 10 each) | | | | |
| Amit Spinning Industries Limited | 100 | 100 | 0.02 | 0.02 |
| Quoted - Non Trade (Equity Shares of Rs. 10 each) | | | | |
| Pasupati Fincap Limited | 70,000 | 70,000 | 7.00 | 7.00 |
| Unquoted - Non Trade (Equity Shares of Rs. 10 each) | | | | |
| Shivalik Solid Waste Management Ltd. | 20,000 | 20,000 | 2.00 | 2.00 |
| | | | 9.02 | 9.02 |
| Less: Provison for Diminution in value of investments | | | 2.55 | 3.25 |
| Total | | | 6.47 | 5.77 |
| Aggregate value of quoted investments | | | 7.02 | 7.02 |
| Aggregate value of unquoted investments | | | 2.00 | 2.00 |
| Total | | | 9.02 | 9.02 |
| Market value of quoted investments | | | 0.66 | 0.66 |
| NAV of unquoted investments | | | 5.81 | 5.11 |

7 OTHER NON-CURRENT FINANCIAL ASSETS (Unsecured-Considered good)

| Particulars | Rs in Lacs | |
|--|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Post office Balance due after one year of Balance Sheet date (Held as margin/security) | 1.66 | 1.66 |
| Security Deposits | 175.83 | 176.89 |
| Total | 177.49 | 178.55 |

8 OTHER NON CURRENT ASSETS (Unsecured - considered good)

| Particulars | Rs in Lacs | |
|------------------|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Capital Advances | 17.15 | 75.50 |
| Total | 17.15 | 75.50 |

9 INVENTORIES (As taken, valued and certified by the management)

| Particulars | Rs in Lacs | |
|------------------|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| | 255.00 | 160.26 |
| Work in progress | 958.53 | 895.42 |
| Finished Goods * | 1,803.24 | 1,663.97 |
| Waste | 11.88 | 11.28 |
| Stores & Spares | 255.06 | 274.52 |
| Total | 3,283.71 | 3,005.45 |

*including in transit Rs. 103.60 Lacs (Previous year Rs. 45.76 Lacs)

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10 TRADE RECEIVABLES

| Particulars | Rs in Lacs | |
|--|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Considered good - secured | - | - |
| Considered good - unsecured | 2,402.50 | 2,072.31 |
| Having significant increase in credit risk | 726.52 | 766.02 |
| Credit impaired | - | - |
| Total | 3,129.02 | 2,838.33 |
| Less: Provision for Doubtful Debts | 20.24 | 7.82 |
| | 3,108.78 | 2,830.51 |

AGEING OF TRADE RECEIVABLES

As on 31st March 2022

| Particulars | Rs in Lacs | | | | | Total |
|--|--------------------|-------------------|--------------|---------------|-------------------|-----------------|
| | Outstanding for | | | | | |
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables - considered good | 2,402.50 | - | - | - | - | 2,402.50 |
| which have significant increase in credit risk | - | 72.34 | 71.40 | 168.32 | - | 312.06 |
| Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| have significant increase in credit risk | - | - | - | - | 414.46 | 414.46 |
| Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| Total | 2,402.50 | 72.34 | 71.40 | 168.32 | 414.46 | 3,129.02 |

As on 31st March 2021

| Particulars | Rs in Lacs | | | | | Total |
|--|--------------------|-------------------|---------------|---------------|-------------------|-----------------|
| | Outstanding for | | | | | |
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables - considered good | 2,072.31 | - | - | - | - | 2,072.31 |
| which have significant increase in credit risk | - | 42.93 | 255.02 | 100.49 | - | 398.44 |
| Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| have significant increase in credit risk | - | - | - | - | 367.58 | 367.58 |
| Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| Total | 2,072.31 | 42.93 | 255.02 | 100.49 | 367.58 | 2,838.33 |

Unbilled dues NIL (Previous year NIL)

11 CASH & CASH EQUIVALENTS

| Particulars | Rs in Lacs | |
|---|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Balances with banks in current accounts | 40.93 | 57.84 |
| Cheques/drafts in hand | 49.23 | 118.25 |
| Cash in hand | 14.02 | 14.03 |
| Total | 104.18 | 190.12 |

12 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

| Particulars | Rs in Lacs | |
|--|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Fixed deposits with banks due within one year of Balance Sheet date (Held as margin/security) | 72.49 | 177.34 |
| Interest accrued on above | 6.90 | 5.73 |
| Total | 79.39 | 183.07 |

PASUPATI SPINNING AND WEAVING MILLS LIMITED

13 CURRENT TAX ASSETS

| Particulars | Rs in Lacs | |
|---|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Advance Income Tax (including Tax Deducted at Source) | 75.58 | 41.37 |
| MAT Credit Entitlement | 83.73 | 69.69 |
| Total | 159.31 | 111.06 |

14 OTHER CURRENT ASSETS

(Unsecured-considered good)

| Particulars | Rs in Lacs | |
|---|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Advances recoverable in cash or in kind or for value to be received | 536.10 | 625.05 |
| Export Incentive Receivable | 17.69 | 26.57 |
| GST/Sales Tax/VAT/Excise Recoverable | 220.18 | 124.32 |
| Others Recoverable | 138.04 | 67.77 |
| Total | 912.01 | 843.71 |

Loans or Advances in the nature of loans granted to promoters, Directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment: -

| Type of Borrower | As at | As at | As at | As at |
|------------------|---|---|---|---|
| | 31.03.2022 | 31.03.2022 | 31.03.2021 | 31.03.2021 |
| | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
| Promoters | - | - | - | - |
| Directors | - | - | - | - |
| KMPs | - | - | - | - |
| Related Parties | - | - | - | - |

PASUPATI SPINNING AND WEAVING MILLS LIMITED

15 SHARE CAPITAL

a) Authorised

| Particulars | No. of Shares | | Rs in Lacs | |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2022 | As at 31.03.2021 |
| Equity Shares of Rs. 10 each | | | | |
| At the beginning of the year | 12,100,000 | 12,100,000 | 1,210.00 | 1,210.00 |
| Add: Additions during the year | - | - | - | - |
| Less: Reduction during the year | - | - | - | - |
| At the end of the year | 12,100,000 | 12,100,000 | 1,210.00 | 1,210.00 |

b) Issued, Subscribed and Paid up

| Particulars | No. of Shares | | Rs in Lacs | |
|---|---------------------|---------------------|---------------------|---------------------|
| | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2022 | As at 31.03.2021 |
| Equity Shares of Rs. 10 each fully paid up | | | | |
| At the beginning of the year | 9,337,068 | 9,337,068 | 933.71 | 933.71 |
| Add: Additions during the year | - | - | - | - |
| Less: Reduction during the year | - | - | - | - |
| At the end of the year | 9,337,068 | 9,337,068 | 933.71 | 933.71 |

c) Details of shares in the company held by each shareholder holding more than 5% of shares is as under:

| Name of the Shareholder | No. of Shares | | % of Holding | |
|---|---------------------|---------------------|---------------------|---------------------|
| | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2022 | As at 31.03.2021 |
| Pasupati Olefin Limited | 4,068,428 | 4,068,428 | 43.57% | 43.57% |
| Sulabh Impex Limited | 1,777,354 | 1,777,354 | 19.04% | 19.04% |
| J M Financial Asset Reconstruction Co. Pvt. Ltd | 1,000,000 | 1,000,000 | 10.71% | 10.71% |
| Mrs. Vrinda Jain | 714,052 | 714,052 | 7.65% | 7.65% |

d) Details of shares in the company held by the promoters are as under:

| Name of promoter shareholder | No. of Shares | | % of holding | | % change during the year |
|------------------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|
| | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2022 | As at 31.03.2021 | |
| Pasupati Olefin Limited | 4,068,428 | 4,068,428 | 43.57 | 43.57 | NIL |
| Sulabh Impex Limited | 1,777,354 | 1,777,354 | 19.04 | 19.04 | NIL |
| Mrs. Vrinda Jain | 714,052 | 714,052 | 7.65 | 7.65 | NIL |
| Shailja Investment Ltd | 168,454 | 168,454 | 1.80 | 1.80 | NIL |
| Mr. Vidit Jain | 134,076 | 134,076 | 1.44 | 1.44 | NIL |
| Mr. Tushar Jain | 131,606 | 131,606 | 1.41 | 1.41 | NIL |
| Total | 6,993,970 | 6,993,970 | 74.91 | 74.91 | |

16 LONG TERM BORROWINGS (Secured)

| Particulars | Rs in Lacs | |
|--|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Term Loan from Banks | | |
| Equipment Finance Loan (a) | 130.91 | - |
| Emergency Credit Facility (b) | 48.43 | 262.64 |
| Emergency Credit Line Guarantee Scheme (c) | 855.25 | 146.00 |
| Vehicle Loans (d) | 46.64 | 34.56 |
| From Others | | |
| Vehicle Loans (d) | 4.10 | 7.25 |
| Sub-Total | 1,085.33 | 450.45 |
| Less: Transferred to Current maturity | 226.92 | 275.52 |
| Total | 858.41 | 174.93 |

Notes: -

- (a) Secured against machinery purchased out of the loan amount and second charge on all immovable/movable fixed assets of the company both present and future.
- (b) Secured against hypothecation of raw materials, finished goods, semi-finished goods, stores and spare parts, book debts, etc. together with second charge on all immovable/movable fixed assets of the company both present and future alongwith personal guarantee of CMD. The loans are further secured against pledge of 699115 equity shares of the company held by promoters/associates
- (c) Secured against hypothecation of raw materials, finished goods, semi-finished goods, stores and spare parts, book debts, etc. together with second charge on all immovable/movable fixed assets of the company both present and future. alongwith personal guarantee of CMD. The loans are further secured against pledge of 699115 equity shares of the company held by promoters/associates. Further the loan is with 100% Guarantee cover by National Credit Guarantee Trustee Company Limited.
- (d) Secured against hypothecation of vehicle financed out of the loan amount.

PASUPATI SPINNING AND WEAVING MILLS LIMITED

(e) The above loans are repayable as follows:

| Particulars | Rs in Lacs | |
|--------------------------|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Payable after 1 year | 260.42 | 50.59 |
| Payable after 2 years | 327.71 | 40.39 |
| Payable after 3 years | 185.29 | 39.27 |
| Payable after 4 years | 90.02 | 39.48 |
| Payable after 5 years | 3.33 | 3.21 |
| Payable after 6 years | 1.07 | 1.99 |
| Unamortised Upfront fees | (9.43) | - |
| Total | 858.41 | 174.93 |

17 NON CURRENT LEASE LIABILITY PAYABLE

| Particulars | Rs in Lacs | |
|---------------------------------------|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Lease Liability Payable | 0.24 | 7.19 |
| Less: Transferred to current maturity | 0.24 | 6.95 |
| Total | - | 0.24 |

18 NON CURRENT TRADE PAYABLE

| Particulars | Rs in Lacs | |
|---|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Total outstanding dues of Micro, Small and Medium Enterprises | - | - |
| Others | 210.46 | 210.46 |
| Total | 210.46 | 210.46 |

TRADE PAYABLE AGEING SCHEDULE

As ast 31st March 2022

| Particulars | Rs in Lacs | | | | Total |
|------------------------|------------------|---------------|-----------|-------------------|---------------|
| | Outstanding for | | | | |
| | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years | |
| MSME | - | - | - | - | - |
| Others | - | 210.46 | - | - | 210.46 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total | - | 210.46 | - | - | 210.46 |

As ast 31st March 2021

| Particulars | Rs in Lacs | | | | Total |
|------------------------|------------------|-----------|-----------|-------------------|---------------|
| | Outstanding for | | | | |
| | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years | |
| MSME | - | - | - | - | - |
| Others | 210.46 | - | - | - | 210.46 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total | 210.46 | - | - | - | 210.46 |

The information regarding suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 has been provided to the extent suppliers have been identified as registered under the said Act on the basis of information received from them. The amount outstanding is towards principal amount as payments have been made by the appointed date and hence no interest has been paid or is payable.

19 OTHER NON-CURRENT FINANCIAL LIABILITIES

| Particulars | Rs in Lacs | |
|---|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Unsecured Loans from Companies* | 422.07 | 412.87 |
| Less: Transferred to current maturity | 422.07 | 412.87 |
| Sub-Total | - | - |
| Contribution from Star (see note 35(b)) | 297.88 | - |
| Security Deposits | 0.05 | 0.05 |
| Total | 297.93 | 0.05 |

*The company has given an undertaking to lenders not to repay any loan/deposit received from the Directors/Client/Relatives as unsecured loan during the currency of Bank's finance.

20 NON CURRENT PROVISIONS

| Particulars | Rs in Lacs | |
|----------------------------------|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Provisions for Employee Benefits | 106.77 | 106.58 |
| Total | 106.77 | 106.58 |

PASUPATI SPINNING AND WEAVING MILLS LIMITED

21 DEFERRED TAX LIABILITIES (NET)

| Particulars | Rs in Lacs | |
|---|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| A) Deferred Tax liability | | |
| Fixed Assets | 381.15 | 424.50 |
| Others | 2.63 | 2.56 |
| Total (A) | 383.78 | 427.06 |
| B) Deferred Tax Assets | | |
| Carry forward loss | 199.52 | 251.75 |
| 43B items | 11.27 | 6.89 |
| Provisions not allowable under I.T.Act | 59.29 | 52.02 |
| Total (B) | 270.08 | 310.66 |
| Net Deferred Tax Liability (A-B) | 113.70 | 116.40 |

Deferred tax assets in respect of amount disputed in appeals has not been created.

22 OTHER NON CURRENT LIABILITIES

| Particulars | Rs in Lacs | |
|--|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Deferred Government Grants related to Property, Plant & Equipments | 5.93 | 6.24 |
| Total | 5.93 | 6.24 |

23 SHORT TERM BORROWINGS

| Particulars | Rs in Lacs | |
|--|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Secured* | | |
| Loans repayable on Demand | | |
| -From Banks | 2,838.49 | 2,801.76 |
| Current Maturity of Long Term Borrowings | 226.92 | 275.52 |
| Unsecured** | | |
| Inter Corporate loan | 981.52 | 1,156.25 |
| Current Maturity of Inter Corporate loan | 422.07 | 412.87 |
| Total (A+B) | 4,469.00 | 4,646.40 |

* Secured loans are secured against hypothecation of raw materials, finished goods, semi-finished goods, stores and spare parts, book debts, etc. together with second charge on all immovable/movable fixed assets of the company both present and future alongwith personal guarantee of CMD. The loans are further secured against pledge of 699115 equity shares of the company held by promoters/associates

**The company has given an undertaking to lenders not to repay any loan/deposit received from the Directors/Client/Relatives as unsecured loan during the currency of Bank's finance.

24 CURRENT LEASE LIABILITY PAYABLE

| Particulars | Rs in Lacs | |
|---|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Current Maturity of Lease Liability Payable | 0.24 | 6.95 |
| Total | 0.24 | 6.95 |

25 CURRENT TRADE PAYABLES

| Particulars | Rs in Lacs | |
|---|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Total outstanding dues of Micro, Small and Medium Enterprises | 1.46 | 1.24 |
| Others | 1,205.78 | 1,649.25 |
| Total | 1,207.24 | 1,650.49 |

CURRENT TRADE PAYABLE AGEING SCHEDULE

As ast 31st March 2022

| Particulars | Rs in Lacs | | | | Total |
|------------------------|------------------|---------------|---------------|-------------------|-----------------|
| | Outstanding for | | | | |
| | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years | |
| MSME | 1.46 | - | - | - | 1.46 |
| Others | 843.42 | 106.20 | 127.37 | 128.79 | 1,205.78 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total | 844.88 | 106.20 | 127.37 | 128.79 | 1,207.24 |

PASUPATI SPINNING AND WEAVING MILLS LIMITED

As at 31st March 2021

| Particulars | Rs in Lacs | | | | Total |
|------------------------|------------------|---------------|---------------|-------------------|-----------------|
| | Outstanding for | | | | |
| | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years | |
| MSME | 1.24 | - | - | - | 1.24 |
| Others | 1,210.60 | 271.73 | 118.74 | 48.18 | 1,649.25 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total | 1,211.84 | 271.73 | 118.74 | 48.18 | 1,650.49 |

Unbilled dues NIL (previous year NIL)

The information regarding suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 has been provided to the extent suppliers have been identified as registered under the said Act on the basis of information received from them. The amount outstanding is towards principal amount as payments have been made by the appointed date and hence no interest has been paid or is payable.

26 OTHER CURRENT LIABILITIES

| Particulars | Rs in Lacs | |
|--|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Advance from Customers | 6.29 | 22.15 |
| Interest Accrued on Loans | 1.38 | 0.45 |
| Deferred Government Grants related to Property, Plant & Equipments | 0.31 | 0.31 |
| Other Payables | 495.35 | 561.52 |
| Total | 503.33 | 584.43 |

No unclaimed amounts are outstanding to be credited to investor education & protection fund except towards uncleared cheques for redemption of debentures amounting to Rs.NIL (previous year Rs. 2.91 lacs)

27 CURRENT PROVISIONS

| Particulars | Rs in Lacs | |
|----------------------------------|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Provisions for Employee Benefits | 83.56 | 69.35 |
| Total | 83.56 | 69.35 |

28 CURRENT TAX LIABILITIES

| Particulars | Rs in Lacs | |
|--------------------------|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Provision for Income Tax | 14.04 | - |
| Total | 14.04 | - |

29 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

| Particulars | Rs in Lacs | |
|--|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| A. Contingent Liabilities | | |
| Bank Guarantees | 71.96 | 71.96 |
| Claims not acknowledged as debts | 144.97 | 144.97 |
| Income Tax demand disputed by the Company | 16.08 | 16.08 |
| Sales Tax demands disputed by the Company | 45.71 | 45.71 |
| B. Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 50.37 | 583.64 |

30 In the opinion of the board the assets other than property, plant & equipments and capital work in progress have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

PASUPATI SPINNING AND WEAVING MILLS LIMITED

31 REVENUE FROM OPERATIONS

| Particulars | Rs in Lacs | |
|----------------------------|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| Gross Sales of Products* | | |
| Sewing Thread/Yarn | 8,783.24 | 6,066.15 |
| Garments | 843.16 | 357.29 |
| Others | 92.71 | 14.93 |
| | 9,719.11 | 6,438.37 |
| Less: Rebate & Discount | 4.10 | 2.87 |
| Less: Freight & Forwarding | 337.64 | 233.85 |
| | 9,377.37 | 6,201.65 |
| Job Work Income | 796.98 | 442.04 |
| Total | 10,174.35 | 6,643.69 |

*Sales include Export Incentives

32 OTHER INCOME

| Particulars | Rs in Lacs | |
|---|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| Interest | 6.60 | 9.35 |
| Rent | 45.90 | 29.75 |
| Dividend | 0.30 | 0.27 |
| Insurance and other claims received | 31.32 | - |
| Miscellaneous Receipts & Income | 22.31 | 8.99 |
| Excess Provisions/Sundry balances written back | 38.65 | 54.31 |
| Profit on sale of Property, plant and equipment | 20.58 | |
| Provision for Bad Debts Written back | - | 5.26 |
| Profit on accretion in value of investments | 0.69 | 0.93 |
| Total | 166.35 | 108.86 |

33 COST OF MATERIALS CONSUMED

| Particulars | Rs in Lacs | |
|-------------------------------------|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| At the beginning of the period | 160.26 | 52.23 |
| Add: Purchases during the period | 3,910.58 | 2,286.65 |
| Less: Consumption during the period | 3,815.84 | 2,178.62 |
| At the end of the period | 255.00 | 160.26 |

34 CHANGES IN INVENTORIES

| Particulars | Rs in Lacs | |
|-------------------------------|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| Closing Stock | | |
| Finished Goods | 1,803.24 | 1,663.97 |
| Work in Progress | 958.53 | 895.42 |
| Waste | 11.87 | 11.28 |
| | 2,773.64 | 2,570.67 |
| Opening Stock | | |
| Finished Goods | 1,663.97 | 2,077.42 |
| Work in Progress | 895.42 | 1,021.37 |
| Waste | 11.28 | 8.39 |
| | 2,570.67 | 3,107.18 |
| (Increase)/Decrease in stocks | (202.97) | 536.51 |

- 35 (a) The company(Pasupati) has w.e.f. 1.4.2013 entered into joint venture with Star Cotspin Limited(Star) for the purpose of getting cotton yarn manufactured on job work basis from an outside party for sale. As per terms of joint venture agreement dated 1.4.2013, the profit sharing ratio between Star and Pasupati is 75:25 respectively. All the income, expenses, assets and liabilities of joint venture operations are included in the accounts of Pasupati as per the terms of joint venture agreement and amount of share of profit of Star Rs. (-)0.81 Lacs (previous year Rs.(-)0.82 Lacs) for the year has been adjusted in the accounts of Pasupati, the details of which are as under: -

| Particulars | Rs in Lacs | |
|--------------------------------------|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| Other Income | - | - |
| Total Income | - | - |
| Other Expenses | 1.08 | 1.09 |
| Total Expenses | 1.08 | 1.09 |
| Profit/(Loss) for the year | (1.08) | (1.09) |
| Share of profit/(loss) of Star @ 75% | (0.81) | (0.82) |

PASUPATI SPINNING AND WEAVING MILLS LIMITED

The assets and liabilities of the joint venture at the year end included in the assets and liabilities of Pasuapti are as under: -

| Particulars | Rs in Lacs | | | |
|------------------------------|------------------|--------|------------------|--------|
| | As at 31.03.2022 | | As at 31.03.2021 | |
| PASUPATI'S CONTRIBUTION | | 241.68 | | 241.95 |
| CURRENT LIABILITIES | | | | |
| Short-Term Borrowings | 12.54 | | 12.54 | |
| Trade Payables | 30.84 | 43.38 | 30.84 | 43.38 |
| | | 285.06 | | 285.33 |
| PROPERTY, PLANT & EQUIPMENTS | | 20.07 | | 21.15 |
| CURRENT ASSETS | | | | |
| Inventories | 172.16 | | 172.16 | |
| Trade Receivables | 2.15 | | 2.15 | |
| Short Term Loans & Advances* | 90.68 | 264.99 | 89.87 | 264.18 |
| | | 285.06 | | 285.33 |

* Includes Rs. 88.44 Lacs (Previous year Rs. 87.63 Lacs) due from Star

Note: - The operations were temporarily suspended from 16.08.2016 as premises of the party doing job work was sealed. The company has initiated legal action for release of its material lying in the premises. The management is of the opinion that the amounts are recoverable and no provision for any loss is required to be made in these accounts.

(b) The company(Pasupati) has entered into another joint venture agreement with Star Cotspin Limited(Star) effective from 15.03.2022 for the purpose of manufacturing and sale of yarn to be manufactured at existing Dharuhera plant of Pasupati . As per terms, the profit is to be shared between Star and Pasupati in 50:50 ratio and loss is of Star. All the income, expenses, assets and liabilities of joint venture operations are included in the accounts of Pasupati as per the terms of joint venture agreement and amount of share of loss of Star Rs. (-)2.46 Lacs (previous year Rs.NIL) for the year has been adjusted in the accounts of Pasupati, the details of which are as under: -

| Particulars | Rs in Lacs | |
|--|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| Income | - | - |
| Total Income | - | - |
| Expenses | | |
| Cost of Material Consumed | 107.62 | - |
| Changes in Inventores of Finished Goods, stock-in-trade and Work in Progress | (156.19) | - |
| Employee Benefits Expense | 21.34 | - |
| Finance Costs | 0.03 | - |
| Other Expenses | 29.66 | - |
| Total Expenses | 2.46 | - |
| Profit/(Loss) for the year | (2.46) | - |
| Share of (loss) of Star | (2.46) | - |

The assets and liabilities of the joint venture at the year end included in the assets and liabilities of Pasuapti are as under: -

| Particulars | Rs in Lacs | | | |
|---------------------------|------------------|--------|------------------|---|
| | As at 31.03.2022 | | As at 31.03.2021 | |
| CONTRIBUTION | | | | |
| PASUPATI* | 4.41 | | | - |
| STAR | 297.88 | 302.29 | | |
| CURRENT LIABILITIES | | | | |
| Other current liabilities | | 24.32 | - | - |
| | | 326.61 | | - |
| CURRENT ASSETS | | | | |
| Inventories | | 273.88 | - | - |
| Other Current Assets | | 52.73 | - | - |
| | | 326.61 | | - |

*Pasupati has earmarked its csh credit account as its share of contribution.

36 EMPLOYEE BENEFITS EXPENSE

| Particulars | Rs in Lacs | |
|---|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| Salaries & Wages | 1,805.94 | 1,224.63 |
| Gratuity | 17.47 | 18.83 |
| Contribution to Provident & Other Funds | 40.27 | 32.49 |
| Staff Welfare & Recruitment Expenses | 26.22 | 17.97 |
| Total | 1,889.90 | 1,293.92 |

PASUPATI SPINNING AND WEAVING MILLS LIMITED

EMPLOYEE POST RETIREMENT BENEFITS

| Particulars | Rs in Lacs | |
|--|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| a) State Plans | | |
| Contribution made by the company to various state plans which have been recognized as an expense in the profit & loss statement are: - | | |
| Employer's contribution to Employees State Insurance Scheme | 7.67 | 6.72 |
| Employer's contribution to Employees Provident Fund | 32.60 | 25.77 |
| b) Defined Benefit Plan | | |
| The present value of obligation on account of gratuity (unfunded) is determined based on actuarial valuation | | |
| I. Assumptions | | |
| Discount Rate | 7.10% | 6.75% |
| Rate of increase in Compensation | 5.00% | 5.00% |
| II. Table showing Changes in Present Value of Obligations during the period | | |
| Present Value of Obligation as at the beginning of the period | 175.93 | 123.62 |
| Interest cost | 11.87 | 8.28 |
| Current Service Cost | 17.47 | 18.83 |
| Past Service Cost | - | - |
| Benefit paid | (16.83) | (9.90) |
| Actuarial (gain) / loss on obligations | 1.90 | 35.10 |
| Present Value of Obligation as at the end of the period | 190.34 | 175.93 |
| III. Table showing Fair Value of Plan Assets | | |
| Funded Status | (190.34) | (175.93) |
| IV. Actuarial gain / loss recognized for the period | | |
| Actuarial gain / (loss) for the period - Obligation | (1.90) | (35.10) |
| Total (gain) / loss for the period | 1.90 | 35.10 |
| Actuarial (gain) / loss recognized in the period | 1.90 | 35.10 |
| V. The amounts to be recognized in Balance Sheet and statements of profit and loss | | |
| Present Value of Obligation as at the end of the period | 190.34 | 175.93 |
| Funded Status | (190.34) | (175.93) |
| Net Liability Recognized in Balance sheet | 190.34 | 175.93 |
| VI. Expense recognized in the statement of profit and loss for the period | | |
| Current Service Cost | 17.47 | 18.83 |
| Past Service Cost | - | - |
| Interest cost | 11.87 | 8.28 |
| Net actuarial (gain) / loss recognized in the period | 1.90 | 35.10 |
| Expenses Recognized in the statement of Profit & Loss | 31.24 | 62.21 |

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

| Particulars | For the period 01.04.2021 to 31.03.2022 | | For the period 01.04.2020 to 31.03.2021 | |
|--|--|----------|--|----------|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (-/+ 1%) | 203.54 | 179.03 | 189.99 | 164.07 |
| (% change compared to base due to sensitivity) | 8.00% | -6.70% | 9.10% | -7.60% |
| Salary Growth Rate (-/+ 1%) | 178.71 | 203.70 | 163.65 | 190.25 |
| (% change compared to base due to sensitivity) | -7.00% | 8.10% | -7.80% | 9.20% |
| Attrition Rate (-/+ 50% of attrition rates) | 191.14 | 189.71 | 117.08 | 174.95 |
| (% change compared to base due to sensitivity) | 0.70% | -0.60% | 1.20% | -1.10% |
| Mortality Rate (-/+ 10% of mortality rates) | 190.26 | 190.41 | 175.86 | 176.00 |
| (% change compared to base due to sensitivity) | 0.00% | 0.00% | 0.00% | 0.00% |

Notes: -

- i) The above information is certified by the actuary
- ii) As per rules of the company leaves are not encashed

37 FINANCE COSTS

| Particulars | Rs in Lacs | |
|--------------------------|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| Interest Expense | 328.88 | 446.40 |
| Bank and Finance Charges | 25.16 | 55.86 |
| Total | 354.04 | 502.26 |

38 DEPRECIATION & AMORTISATION EXPENSE

| Particulars | Rs in Lacs | |
|--|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| Depreciation on Right to use Assets | 8.42 | 8.05 |
| Depreciation on Other Property, Plant & Equipments | 364.02 | 368.49 |
| Total | 372.44 | 376.54 |

PASUPATI SPINNING AND WEAVING MILLS LIMITED

39 OTHER EXPENSES

| Particulars | Rs in Lacs | |
|--|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| Consumption of Stores, Spare and Packing Materials | 1,290.02 | 841.02 |
| Power & Fuel | 1,671.63 | 1,093.96 |
| Job Work expenses | 529.32 | 150.95 |
| Rent | 51.82 | 40.41 |
| Repairs to Buildings | 6.10 | 11.48 |
| Repairs to Machinery | 5.78 | 2.51 |
| Insurance | 23.31 | 23.59 |
| Rates & Taxes | 17.31 | 14.08 |
| Travelling & Conveyance | 107.29 | 64.35 |
| Professional & Consultancy Charges | 33.75 | 20.68 |
| Other Selling Expenses | 150.96 | 114.83 |
| Charity & Donation | 0.44 | 0.22 |
| Exchange Rate Difference (Net) | 0.26 | 2.21 |
| Claims Paid/Written off | 7.37 | 39.94 |
| Bad debts/Advances provided/written off | 25.56 | 73.01 |
| Loss on Sale of Property, plant & Equipment | - | 5.65 |
| Miscellaneous Expenses* | 153.70 | 104.05 |
| Total | 4,074.62 | 2,602.94 |

* Includes Auditors'

| Particulars | Rs in Lacs | |
|--------------------------|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| As Audit Fees | 5.35 | 5.35 |
| As Quarterly Review Fees | 4.05 | 4.05 |
| In Other Capacity | 0.10 | 0.10 |

40 EARNING PER SHARE (EPS)

| Particulars | Rs. in lacs except EPS | |
|--|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| Basic and Diluted Earnings Per Share | | |
| Profit/(Loss) after tax as per profit & loss account (A) | 5.16 | (308.58) |
| No. of equity shares (B) | 9,337,068 | 9,337,068 |
| Basic and Diluted Earning Per Share (A/B) | 0.06 | (3.30) |

41 In earlier years, the company had received compensation of Rs.61.61 lacs on acquisition of part of its factory land at Dharuhera. Representation has been made before Sub Divisional Magistrate, Gurgaon cum competent authority(LA) of National Highway Authority of India for payment of compensation at a higher rate. Additional compensation of Rs. 614.64 lacs demanded in the representation will be accounted for as and when received.

42 Related Party Disclosure:

Names of related parties and description of relationship

i) Key Management Personnel and their relatives

Shri Ramesh Kumar Jain - CMD

Shri Vidit Jain - JMD

Shri C. M. Sharma , WTD

Shri Ghanshyam Das Gupta, Director

Shri Ashwani Kumar Rathore, Director

Shri Umesh C. Tripathi , Director

Shri Ban Mali Khemka, Director

Smt. Reema Kalhan, Director

Shri A.K. Monga, CFO

Shri Abhinav Tyagi, Company Secretary (upto 26.10.2020)

Smt Deepika Malhotra, Company Secretary (w.e.f. 05.12.2020)

ii) Associate

Shivani Textiles Limited

Pasupati Olefin Limited

Sulabh Impex Limited

| Particulars | Rs. in Lacs | | |
|-----------------------|--|-------------------|-------------------|
| | Key Management Personnel and Relatives | Associate | Total |
| Remuneration paid | 44.29 (33.27) | - (-) | 44.29 (33.27) |
| Sitting Fee paid | 0.90 (1.10) | - (-) | 0.90 (1.10) |
| Sales | - (-) | 49.00 (9.88) | 49.00 (9.88) |
| Job Work Charges paid | - (-) | 110.40 (22.10) | 110.40 (22.10) |
| Purchases | - (-) | 6.42 (-) | 6.42 (-) |

PASUPATI SPINNING AND WEAVING MILLS LIMITED

| | | | |
|--|--------|------------|------------|
| Loans received | - | 78.65 | 78.65 |
| | (-) | (315.25) | (315.25) |
| Loans refunded | - | 253.38 | 253.38 |
| | (-) | (99.12) | (99.12) |
| Advances given | - | - | - |
| | (-) | (448.22) | (448.22) |
| Balance outstanding at the end of year | | | |
| Loans Outstanding | - | 1,391.04 | 1,391.04 |
| | (-) | (1,556.58) | (1,556.58) |
| Amount Payable | 1.33 | - | 1.33 |
| | (1.09) | (-) | (1.09) |
| Amount Receivable | - | 344.77 | 344.77 |
| | (-) | (448.22) | (448.22) |

Note: - Previous year figures have been given in brackets.

- 43 The company's business activity falls within a single primary reportable segment viz. Textiles and Textile Articles. Accordingly, pursuant to Ind AS 108 "Operating Segments" issued by the Institute of Chartered Accountants of India segmental information is not required to be given

44 MANAGERIAL REMUNERATION

| Particulars | Rs. in Lacs | |
|----------------|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| Salary | 14.27 | 5.79 |
| Other Benefits | 9.30 | 8.39 |

Note : Sh. Ramesh Kumar Jain, Chairman & Managing Director has not been paid salary w.e.f. 1.4.2011. Other benefits are being paid.

- 45 In view of the accumulated losses incurred by the company exceeding its net worth, the company made a reference under Section 15(1) of Sick Industrial Companies (Special provisions) Act, 1985 to the Board for Industrial and Financial Reconstruction (BIFR). The company was declared a sick Industrial company within the meaning of section 3(1)(o) of the said Act by BIFR on 14.7.2005 and Bank of Baroda was appointed as the operating agency (OA) to examine viability of the company and formulate rehabilitation scheme. The OA filed a draft rehabilitation scheme with BIFR which was approved by BIFR vide its order dated 17.2.2012. The company has substantially implemented the scheme sanctioned by BIFR and taken credit for relief and concessions granted by BIFR in the accounts resulting in positive net worth. Application for de-registration has been made to BIFR/NCLT.

- 46 Pursuant to outbreak of coronavirus disease (COVID-19) worldwide and its declaration as global pandemic, the Government of India declared lockdown on March 24, 2020 which led the temporary suspension of operations of the Company and has impacted the overall business activities of the Company. The Government started lifting the lockdown from May 2020 onwards but due to commencement of second wave of COVID-19, lockdown was again imposed in April 2021. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period. After resumption of operations, the management has made detailed assessment of its liquidity position and has prepared future cash flow projections and also assessed the recoverability of its assets and factored assumptions used in the annual impairment assessment of its cash generating units, using various internal and external information. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

- 47 Balance of sundry creditors, sundry debtors, investments and loans and advances are subject to confirmation and reconciliation. In the opinion of the management the balances of debtors and advances are good and recoverable and no further provision is required.

- 48 Previous year figures have been regrouped and / or re-arranged wherever considered necessary

- 49 Exceptional item represents unsecured loan from a company no more payable written back

- 50 The borrowings taken during the year have been used for the purpose for which taken.

- 51 During the year Property, Plant and Equipment has not been revalued.

- 52 The company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, where any proceeding has been initiated or pending against the company.

- 53 The total of current assets declared in the quarterly return QIS2/FFR1 filed by the company with banks during the year are generally in agreement with the books of accounts and there are no material discrepancies.

- 54 During the year the company was not declared as a wilful defaulter by any bank or financial institution or any other lender.

- 55 During the year there are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

PASUPATI SPINNING AND WEAVING MILLS LIMITED

56 During the year COVID loan of Rs. 16.80 lacs from Punjab National Bank was repaid in full for which satisfaction of charge is yet to be registered with ROC.

27 During the year the company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

58 Accounting Ratio's

| S.No | Ratio | Numerator | Denominator | Current year | Previous Year | % of change | Reason if change above 25% |
|------|----------------------------------|--|------------------------------|--------------|---------------|-------------|---|
| (a) | Current Ratio | Current Assets | Current Liabilities | 1.22 | 1.03 | 0.19 | Substantial improvement in |
| (b) | Debt-Equity Ratio | Total Debts(incl. fixed payment obligations) | Shareholder's Equity | 0.30 | 0.06 | 0.24 | Substantial improvement in performance |
| (c) | Debt Service Coverage Ratio | Net operating Income(EBIT) | Current Debt obligations | 1.42 | 1.92 | (0.50) | Due to repayment of Emergency Covid Loans |
| (d) | Return on Equity Ratio (%) | Net income after tax and dividend on preference shares | Average Shareholder's Equity | 0.41 | (35.76) | 36.17 | Substantial improvement in performance |
| (e) | Inventory turnover ratio | Cost of Goods Sold | Average inventory | 3.02 | 1.95 | 1.07 | Substantial improvement in |
| (f) | Trade Receivables turnover ratio | Net Credit Sales | Average Accounts Receivables | 3.38 | 2.43 | 0.95 | Substantial improvement in |
| (g) | Trade payables turnover ratio | Net Credit Purchase | Average Accounts Payables | 10.23 | 14.86 | (4.63) | Substantial improvement in |
| (h) | Net capital turnover ratio | Net Annual Sales | Average Working Capital | 3.61 | 2.16 | 1.44 | Substantial improvement in |
| (i) | Net profit ratio (%) | Profit After Tax | Net Annual Sales | 0.04 | (5.03) | 5.06 | Substantial improvement in |
| (j) | Return on Capital employed (%) | EBIT | Capital Employed | 11.63 | 2.07 | 9.56 | Substantial improvement in |
| (k) | Return on investment (%) | Net Return on Investments | Cost of Investment | 3.32 | 3.08 | 0.25 | Substantial improvement in |

59 During the year no Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

60 During the year 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 directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

61 During the year the company has not received funds 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 directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

62 During the year no amount has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

63 During the year CSR activities under section 135 of the Companies Act, 2013 was not applicable to the company.

64 There was no trade or investment in Crypto currency or Virtual Currency during the financial year.

65 Due to COVID 19, realisation from customers was disrupted. The management is taking suitable steps and is confident of affecting the recoveries. Hence, provision of Rs.20.24 lacs (previous year Rs.7.82 lacs is considered sufficient by the management and the balance debtors are considered good)

66 VALUE OF IMPORTED/INDIGENOUS RAW MATERIALS, STORES & SPARES CONSUMED

| Class of Goods | For the period 01.04.2021 to 31.03.2022 | | For the period 01.04.2020 to 31.03.2021 | |
|----------------------------------|---|-------------|---|-------------|
| | % | Rs. in Lacs | % | Rs. in Lacs |
| Raw Materials | | | | |
| Imported | - | - | - | - |
| Indigenous | 100.00 | 3,815.84 | 100.00 | 3,789.22 |
| Total | 100.00 | 3,815.84 | 100.00 | 3,789.22 |
| Stores, Dyes & Packing materials | | | | |
| Imported | 3.33 | 42.91 | 0.65 | 5.43 |
| Indigenous | 96.67 | 1,247.11 | 99.35 | 835.59 |
| Total | 100.00 | 1,290.02 | 100.00 | 841.02 |

PASUPATI SPINNING AND WEAVING MILLS LIMITED

67 OTHER INFORMATIONS

| Particulars | Rs. in Lacs | |
|--|---|---|
| | For the period 01.04.2021 to 31.03.2022 | For the period 01.04.2020 to 31.03.2021 |
| C.I.F. value of Imports | | |
| Stores & Spares | 53.73 | 5.94 |
| Expenditure in foreign currency | | |
| Travelling (does not include cost of air tickets) | 3.79 | - |
| Commission & Brokerage | 19.60 | 33.80 |
| Earnings in Foreign currency | | |
| FOB Value of Exports (Does not include export through merchant exporters) | 1,127.11 | 751.49 |
| | | |

As per our report of even date annexed

For Suresh Kumar Mittal & Co.,
Chartered Accountants
Reg. No. 500063N

Ramesh Kumar Jain
Chairman & Managing Director
DIN No. 00575142

Vidit Jain
Joint Managing Director
DIN No. 01347588

Ankur Bagla
Partner
Membership No. 521915
Place: New Delhi
Date : 30.05.2022

Deepika Malhotra
Company Secretary

A K Monga
Chief Financial Officer

PASUPATI SPINNING & WEAVING MILLS LTD.

Regd Office & Works: Village Kapriwas (Dharuhera) Distt. Rewari (Haryana)
Head Office: 127-128, Tribhuvan Complex, Ishwar Nagar, Mathura Road, New Delhi-110065
Website-www.pasupatitextiles.com, Email-ho@pasupatitextiles.com

Ph: 011--47632200

CIN- L74900HR1979PLC009789

PROXY FORM

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

| | |
|---------------------|---|
| CIN: | L74900HR1979PLC009789 |
| Name of the company | Pasupati Spinning & Weaving Mills Limited |
| Registered office | Village Kapriwas (Dharuhera) Distt. Rewari, Haryana |

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

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

1. Name:
Address:
E-mail Id:
Signature:, or failing him/her

2. Name:
Address:
E-mail Id:
Signature:, or failing him/her

3 Name:
Address:
E-mail Id:
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual general meeting of the company, to be held on Thursday, the 29th September, 2022, At 10.00 A.M. at

Village Kapriwas (Dharuhera) Rewari, Haryana, and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Description | For | Against |
|----------------|--|-----|---------|
| 1. | Consideration and adoption of Annual Audited Account & Reports for the Financial Year ended 31 st March, 2022, Reports of the Board of Directors and the Auditors. | | |
| 2. | To appoint a director in place of Mr. Vidit Jain (DIN-01347588) who retires by rotation, and being eligible, offers himself for re-appointment. | | |
| 3. | To appoint M/s B.K. Shroff & Company, Chartered Accountants as Statutory Auditors | | |
| 4. | To ratify the remuneration of the cost auditors. | | |
| 5. | To approve the related party transactions. | | |
| 6. | To re-appoint Mr. CM Sharma as Whole Time Director liable to retire by rotation | | |
| 7. | To approve increase in limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to persons / bodies corporate | | |
| 8. | To approve revision / increase in remuneration of Mr. Vidit Jain, Whole Time Director | | |

Signed this ----- day of ----- 2022

Signature of shareholder-----

Signature of Proxy Holder(s)-----

| |
|---|
| Affix revenue Stamp of Rs. 1/- |
|---|

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

Notes:

1. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding

more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.

2. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

PASUPATI SPINNING & WEAVING MILLS LTD
CIN L74900HR1979PLC009789
Regd. Office & Works: Village Kapriwas (Dharuhera) Distt. Rewari (Haryana)

Head Office: 127-128, Tribhuvan Complex, Ishwar Nagar, Mathura Road, New Delhi-110065
Tel: 011-47632200, Website: www.pasupatitextiles.com
E-mail:cs@pasupatitextiles.com

ATTENDANCE SLIP

I hereby record my presence at the 42nd Annual General Meeting being held on Thursday, the 29th September, 2022 at 10.00 AM at Village Kapriwas (Dharuhera), Distt. Rewari, Haryana.

Name of the Shareholder-----
-

(In block letters)

Folio No./ DPID* No. and Client I D No.* -----

No. of shares held -----

(Signature of the shareholder/ Proxy)

*Applicable for Members holding shares in electronic form. Note:-

1 Member/Proxy holder desiring to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.

2. Member/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for Reference at the meeting.