



**Pashupati**  
Mfg. of Cotton Yarn Cotspin Limited

CIN NO: U17309GJ2017PLC098117

02/09/2019

CIN: L17309GJ2017PLC098117

To,  
The National Stock Exchange of India Limited,  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (E), Mumbai-400051

**SUB.: Submission of Annual Report for the financial year 2018-19 in accordance to the provisions of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**  
**Scrip Symbol: PASHUPATI**

Dear Sir,

In compliance with Regulation 34(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are sending herewith Annual Report of the Company along with Notice of AGM for the financial year 2018-19 which is being dispatched/sent to the shareholders by the permitted mode(s).

The Annual Report including AGM Notice is also available on the Company's website [www.pashupaticotspin.com](http://www.pashupaticotspin.com).

Kindly take the above information on your record.

Thanking You,

Yours faithfully,

**For, PASHUPATI COTSPIN LIMITED**

**Authorized Signatory**

**Encl: As stated**



Office & Factory : Kadi-Detroj road, At & Po.: Balasar, Ta.: Kadi-382715. Gujarat-India  
Corp Office : D-707, Ganesh Meridian, Opp. Gujarat High Corut S.G.Highway, Ahmedabad-380060. Gujarat-India  
Phone : (O) +91.2764.262200,262088 | Email : [accounts@pashupaticotton.com](mailto:accounts@pashupaticotton.com)

**GROWTH WITH VISION**

**Financial Year 2018-2019**

**PASHUPATI**  
GROWTH WITH VISION

***PASHUPATI COTSPIN LIMITED***  
***2<sup>ND</sup> ANNUAL REPORT***

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## **ABOUT US**

The cornerstone on which **Pashupati Group** stands unique is the strength of its TEAM that has worked cohesively since the Group's inception. With unified commitment, the young and energetic '**skilled** experts' in the team, have always strived for a common goal. No wonder, today the Group narrates a story of triumph.

The business trajectory of **Pashupati** has not been smooth but the final result is a testimony to the statement - 'Individual skills and expertise win games but team skills and expertise win championships.'

## **OUR MISSION & MOTTO**

### **MISSION:**

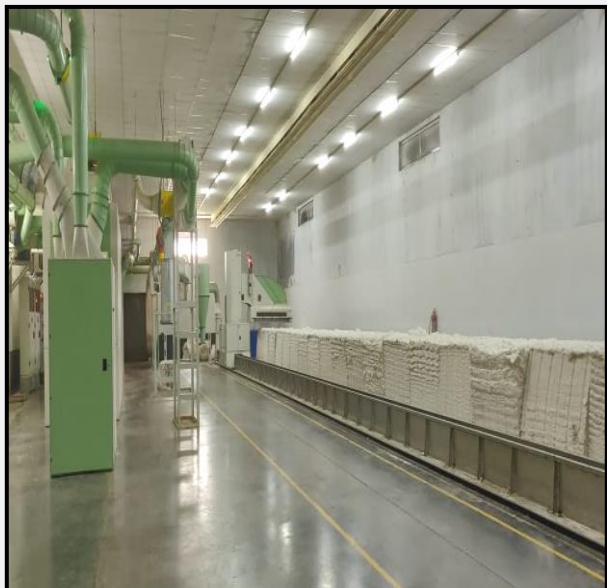
"To use the strength of our unity is to achieve the highest standards of success that spells quality and is sustainable amidst the toughest competition."

### **MOTTO:**

To constantly redefine 'QUALITY' on the premise of best practices and world class standards

To create eco-cultured industry environment for betterment of workers, society and industry.

## *OUR PRODUCT RANGE*



## ***CORPORATE INFORMATION***

### **BOARD OF DIRECTORS**

**Mr. Saurin Jagdish Bhai Parikh**  
Chairman & Managing Director

**Mr. Tushar Rameshchandra Trivedi**  
Wholetime Director

**Mr. Dakshesh Jayantilal Patel**  
Non-Executive Director

**Mr. Sandip Ashwinbhai Parikh**  
Independent Director

**Mrs. Sheela Kirtankumar Roy**  
Independent Director

**Mr. Mahendrabhai Gulabdas Patel**  
Independent Director  
(Up to 10.09.2018)

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. Bijal Nareshbhai Thakkar

### **CHIEF FINANCIAL OFFICER (CFO)**

Mr. Hareshkumar Rameshchandra Shah

### **AUDITORS**

**M/s. M. N. Shah & Co.**

Chartered Accountants,  
Statutory Auditor

### **COST AUDITOR**

**M/s. Ashish Bhavsar & Associates**

Cost Accountants

### **SECRETARIAL AUDITOR**

**M/s. Vishwas Sharma & Associates**

Practicing Company Secretary

### **BANKER**

Oriental Bank of Commerce  
Yes Bank Limited

### **CORPORATE IDENTITY NUMBER (CIN)**

L17309GJ2017PLC098117

### **REGISTERED OFFICE**

Survey No.404 At& Post Balasar, Kadi-Detroj  
Road, Kadi Mahesana-382715 Phone: 02764-  
262200

### **E- MAIL & WEBSITE**

[cs@pashupaticotspin.com](mailto:cs@pashupaticotspin.com)  
[www.pashupaticotspin.com](http://www.pashupaticotspin.com)

### **REGISTRAR AND SHARE TRANSFER AGENT (RTA)**

Sharex Dynamic (India) Private Ltd  
Unit-1, Luthra Industrial Premises, Safed  
Pool, Andheri Kurla Road, Andheri (East),  
Mumbai-400 072

### **COMMITTEES**

#### **1. Audit Committee**

Mr. Sandip A. Parikh	Chairman
Mrs. Sheela K. Roy	Member
Mr. SaurinJ.Parikh	Member

#### **2. Nomination and Remuneration Committee**

Mrs. Sheela K. Roy	Chairman
Mr. Sandip A. Parikh	Member
Mr. Dakshesh J. Patel	Member

#### **3. Stakeholders Relationship Committee**

Mrs. Sheela K. Roy	Chairman
Mr. Tushar R. Trivedi	Member
Mr. Dakshesh J. Patel	Member

#### **4. Corporate Social Responsibility Committee**

Mr. SaurinJ.Parikh	Chairman
Mrs. Sheela K. Roy	Member
Mr. Tushar R. Trivedi	Member

#### **5. Warrant Allotment Committee**

Mr. SaurinJ.Parikh	Chairman
Mr. Dakshesh J. Patel	Member
Mrs. Sheela K. Roy	Member

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## *Message from the Chairman*

**Dear Shareholders,**

I, feel privileged to address you through this Chairman Message. It is my desire and wish that this association of ours shall strengthen our hands in order to reach glorious heights. It gives me immense pleasure to inform you that your Company has well-performed this year, not just in financial terms, but also in terms of achieving accomplishments for customers, employees, shareholders and other stakeholders at large. We are happy to report a solid performance in FY 2018-19. Your Company crossed two important milestones in FY 2018-19. Its annual revenue crossed Rs. 53909.99 lacs and the Board has recommended Final Dividend for the FY 2018-19.

We have undertaken several strategic initiatives to drive improvement across operating parameters and created a more efficient and sustainable business framework.

- As a part of Cotton industries which is basically agriculture product, the system is unorganized but we want to create a whole organized system to improve the market sustainability, for that from 01/10/2018 we have divided ginning and spinning industries and made ginning unit as vertical unit with new GST number.
- We all know the risk of fire is always associated with cotton, and we also faced the fire accident on 26/05/2018 but the whole fire loss was fully insured and claim will also come in near future.
- We have allotted Equity Warrants through Preferential Issue to the allottees.
- For the Go Green initiative we have installed the solar roof top panel to increase the solar energy and reduced the electricity consumption which is burning issue for our county faces now.
- We are doing CSR activities through Pashupati Healthcare Foundation for cancer awareness programs.
- Started from Limited Liability Partnership (LLP) and then converted to Public Limited Company and since inception we are reaching new heights in financial performance. This Year we achieved operating revenue of Rs. 1458.92 lacs and Net Profit of Rs. 946.18 lacs this all is result of our excellent production capacity, administrative management skills and business ethics which we adhere to.
- Every company is to grow with their employees, we also believe that our employees are most valuable assets for the company; we are providing facilities like training, entertainment programs, living facilities to our employees.
- We live in a country which is known for its rich cultures and we are celebrating our Independence Day and republic day every year and doing flag hosting ceremony with our Board Members, employees and guests.
- The Company is also taking some initiative like Swachhta Abhiyan (cleanliness), go green (nursery & plantation), blood donation camp (on Independence Day and Republic Day), get

together (With employees and their families), Employee training (Shankh Nad, Yoga), Staff Uniform, Employees motivation (By Best employee awards), Employees children motivation (Giving Awards & certificates to top ranked students of employees).

- Looking ahead

The opportunities ahead are huge. By staying true to its mission and its values, and by continually investing in building newer capabilities, your Company is positioned well to become the foremost partner of choice to all forward thinking enterprises in their growth and transformation journeys.

We would also like to thank the Board, management, employees and all other stakeholders for their significant contribution.

Finally, as always, I would like to reiterate our commitment towards delivering consistent results and enhancing shareholder value.

**Warm regards,**

**Saurin Jagdish Bhai Parikh**  
**Chairman & Managing Director**  
**(DIN 02136530)**



**NOTICE**  
**(CIN: L17309GJ2017PLC098117)**

**NOTICE** is hereby given that the 02<sup>nd</sup> (Second) Annual General Meeting of the Shareholders of PASHUPATI COTSPIN LIMITED will be held on Thursday, 26<sup>th</sup> September, 2019 at the registered office at Survey No.404 At & Post Balasar, Kadi-Detroj Road, Kadi Mahesana-382715 at 04.00 p.m. to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Standalone audited Financial Statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Tushar Rameshchandra Trivedi (DIN: 06438707) who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare Final Dividend of Rs. 0.50 (Fifty Paise Only) (5%) per equity share for the Financial Year ended March 31, 2019 as recommended by the Board of Directors.

**SPECIAL BUSINESS:**

**4. Ratification of Remuneration of Cost Auditor of the Company.**

To consider and if thought fit, to give your assent/dissent to the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, M/s Ashish Bhavsar & Associates, Cost Accountants, Ahmedabad, the Cost Auditor appointed by the Board of Directors, to conduct the audit of the Cost Records of the Company for the financial year ending 31<sup>st</sup> March, 2019 be paid the remuneration of Rs.35,000/- plus applicable taxes and out of pocket expenses incurred by them during the course of Audit.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to take such steps and actions as may be necessary for implementing the above resolution.”

**5. To approve related party transactions to be entered by the Company with related parties:-**

To consider and if thought fit, to give your assent/dissent to the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to provisions

of regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, and also pursuant to the approval of the Audit Committee and the Board of Directors vide resolutions passed/to be passed at their respective meetings, 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 any Committee of the Board), to approve all the material related party transactions (including any modifications, alterations or amendments thereto) to be entered into by the Company in the ordinary course of business and on arm's length basis with related party/ies and for the maximum amounts per annum, for 5 (five) consecutive years as mentioned herein below:

Sr . N o.	Nature of the transaction as per section 188 of the companies act, 2013	Name of the director/KMP who is related and nature of their relationship	Name of the related party	Receipts (Rs. In Cr.)	Payment (Rs. In Cr.)
1.	Sale of Goods	Mr. Saurin Parikh and Mr. Dakshesh Patel Directors of Company are also Partners in the all three firms.	Pashupati Cotton Industries	200	-
			Madhav Oil Industries	200	-
			Pashupati Oil Industries	200	-
		Mr. Saurin Parikh Director of the Company is also Director and Share holder in the Company.	S Raja Export Private Limited	350	-
		Mr. Saurin Parikh, Mr. Tushar Trivedi and Mr. Dakshesh Patel all Directors alongwith their relatives are partners of the LLP	Shree Pashupati Fabric LLP	200	-
2.	Purchase of raw materials/goods	Mr. Saurin Parikh and Mr. Dakshesh Patel Directors of Company are also Partners in the all three firms.	Pashupati Cotton Industries	-	200
			Madhav Oil Industries	-	200
			Pashupati Oil Industries	-	200
		Mr. Saurin Parikh Director of the Company is also Director and Share holder in the Company	S Raja Export Private Limited	-	350
		Mr. Saurin Parikh, Mr. Tushar Trivedi and Mr.	Shree Pashupati Fabric LLP	-	200

		Dakshesh Patel all Directors alongwith their relatives are partners of the LLP			
3.	Labour & Job Work	Mr. Saurin Parikh and Mr. Dakshesh Patel Directors of Company are also Partners in the all three firms.	Pashupati Cotton Insuatrics	-	0.75
			Madhav Oil Industries	-	0.75
			Pashupati Oil Industries	-	1.50
		Mr. Saurin Parikh, Mr. Tushar Trivedi and Mr. Dakshesh Patel all Directors alongwith their relatives are partners of the LLP	Shree Pashupati Fabric LLP	-	0.75

**RESOLVED FURTHER THAT** the transaction may be entered into subject to the compliance of criteria mentioned under Rule 15 of the Companies (Meetings of Board and its Power) Rules, 2014 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company/ or Committee thereof be and is hereby authorised to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company”.

**Regd Office:**  
**SURVEY NO.404, AT& POST BALASAR,**  
**KADI-DETROJ ROAD, KADI**  
**MAHESANA-382715, GUJARAT**

**Date: 19/08/2019**  
**Place: Ahmedabad**

**By Order of the Board of Directors**  
**For, PASHUPATI COTSPIN LIMITED**

**Sd/-**  
**Saurin Jagdish Bhai Parikh**  
**Chairman & Managing Director**  
**(DIN: 02136530)**

***Notes:-***

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.  
Duly completed instrument of proxies in order to be effective must be reached the registered office of the Company not less than 48 hours before the scheduled time of the meeting. 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, provided a member holding more 10%, of the total share capital may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
2. The statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to the Special Business to be transacted at the meeting, is annexed hereto.
3. Electronic Copy of the Annual Report for FY 2018-19 is being sent to all the members whose E-mail IDs are registered with the Company/Depository Participants(s) for Communication purpose unless any member has requested for a Physical Copy of the same.
4. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to ensure that the authorized representative carries a certified copy of the Board resolution, Power of Attorney or such other valid authorizations, authorizing them to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 19<sup>th</sup> September, 2019 to Thursday, 26<sup>th</sup> September, 2019 (both days inclusive).
6. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.
7. At the first AGM held on September 17, 2018 the members approved appointment of M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Sixth AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the Second AGM.
8. Members/Proxies are requested to bring their attendance slip duly filled in long with copies of their annual report.
9. The Company will be paid Dividend to those Shareholders, who will hold shares on the last date of book-closure i.e. September, 26<sup>th</sup> 2019. If the final dividend, as recommended by the Board of Directors, is approved at the AGM.

- I. to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Thursday, September 26<sup>th</sup>, 2019.
10. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and memberships/ chairmanships/ chairmanships of Board Committees as stipulated under Listing Obligation and Disclosure Regulations 2015 are provided in the annexure to the notice calling Annual General Meeting.
11. Members who hold the shares in the dematerialized form are requested to notify any change of address or bank mandates to their Depositories Participants with whom they are maintaining their demat accounts.
12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company/ Registrar of any change in the address or demise of any member as soon as possible. Members are also advised not to leave their demat accounts dormant for long. Periodic statement of holding should be obtained from concerned Depository Participant and holdings should be verified.
13. The Company is having agreements with NSDL and CDSL to enable Members to have the option of dealing and holding the shares of the Company in electronic form. The ISIN of the equity shares of the Company is **INE124Y01010**.
14. 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 accounts.
15. As per Notification issued by Ministry of Corporate Affairs dated 19<sup>th</sup> of March, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter IX as per SEBI (ICDR) Regulations, 2018 are exempted from e-voting provisions. Also, no such provision is available in SME Equity Listing Agreement. Company is covered under Chapter IX as it is a SME Company and listed on NSE Emerge- the SME platform of National Stock Exchange of India Limited. Therefore Company is not providing e-voting facility to its shareholders.
16. Members are requested to address all correspondence, including change in their addresses, to the Company or to the Registrar and Share Transfer Agent, M/s. Sharex Dynamic (India) Private Limited, Unit No. 1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400072, E-mail: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com); Website [www.sharexindia.com](http://www.sharexindia.com). Members whose shareholding is in electronic mode are requested to approach their respective depository participants for effecting change of address.
17. The Shareholders are requested to update the Contact address and e-mail address and are requested to notify immediately any change in their address, exclusively on separate letter without clubbing it with any other request, for quicker attention directly to the Company's Share Transfer Agent.

18. All documents referred to in the accompanying notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Annual General Meeting.
19. Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
20. Notice of this Annual General Meeting, Audited Financial Statements for 2018-19 along with Directors' Report and Auditors' Report are available on the website of the Company - [www.pashupaticotspin.com](http://www.pashupaticotspin.com).
21. The route map showing directions to reach the venue of the 02<sup>nd</sup> AGM is annexed as per requirement of SS-2 on General Meetings.
22. As a part of "Green Initiative in the Corporate Governance", the Ministry of Corporate has permitted the companies to serve the documents, namely, Notice of General Meeting, Balance Sheet, Statement of Profit & Loss, Auditors' Report, Directors' Report etc. to the members through e-mail.
23. Pursuant to the prohibition imposed vide Section 118 of the Companies Act, 2013 read with Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, no gifts/coupons shall be distributed at the Meeting.

**BRIEF PROFILE OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 02<sup>ND</sup> ANNUAL GENERAL MEETING OF THE COMPANY**

(In pursuance of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

<b>Name of Director</b>	<b>Tushar Rameshchandra Trivedi</b>
<b>DIN</b>	06438707
<b>Date of Birth</b>	18/07/1972
<b>Date of Appointment</b>	03/07/2017
<b>Relationship Between Directors <i>inter se</i></b>	Nil
<b>Expertise in Specific functional area</b>	He has more than 24 years of experience in the field of production planning and operation supervision.
<b>Qualification</b>	Diploma (Mechanical)
<b>Other Board Membership*</b>	Nil
<b>Committee Membership in other public companies</b>	Nil
<b>Number of Shares held in the Company</b>	2,25,000

*\*Pvt. Companies excluded.*

**Regd Office:**  
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**MAHESANA-382715, GUJARAT**

**Date: 19/08/2019**  
**Place: Ahmedabad**

**By Order of the Board of Directors**  
**For, PASHUPATI COTSPIN LIMITED**

**Sd/-**  
**SAURIN JAGDISH BHAI PARIKH**  
**Chairman & Managing Director**  
**(DIN: 02136530)**



***EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013*****Item No. 4**

The Board at its meeting held on 10<sup>th</sup> September, 2018 on the recommendation of Audit Committee, has appointed M/s Ashish Bhavsar & Associates, Cost Accountant, Ahmedabad as the Cost Auditor to conduct the audit of cost records of the Company for the financial year 2018-19 on a remuneration of Rs. 35,000/- (excluding Taxes) plus reimbursement of out of pocket expenses and conveyance.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the shareholders of the Company. The Board recommends the aforesaid resolution for approval of the members.

None of the Directors, Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested in the aforesaid resolution except to the extent of their shareholding.

**Item No. 5**

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain the prior approval of Board of Directors and in case of;

1. Sale, purchase or supply of any goods or materials directly or through appointment of agents exceeding ten percent of the turnover of the Company or rupees one hundred crore, whichever is lower as mentioned in Clause (a) and Clause (e) respectively of sub-section (1) of Section 188.
2. Leasing of property of any kind exceeding ten percent of the net worth or exceeding ten percent of turnover of the Company or rupees one hundred crore, whichever is lower as mentioned in clause (c) of sub-section (1) of Section 188.
3. availing or rendering of any services directly or through appointment of agents exceeding ten percent of the turnover of the Company or rupees fifty Crore, whichever is lower, as mentioned in clause (d) and clause (e) of sub-section (1) of Section 188.

Prior approval of the shareholders by way of an Ordinary Resolution must be obtained:

1. Sale, purchase or supply of any goods or materials;
2. Leasing of property of any kind;
3. Availing or rendering of any services;

In the light of the provisions of the Companies Act, 2013 and ("the Act") and/or the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements)Regulations, 2015 ("Listing Regulations"), the Board of Directors of your Company has approved the proposed transactions along with annual limit for 5 (Five) consecutive years including financial year 2019-20 that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013) the name of the related parties, name of the Director or Key Managerial

Personnel who is related, if any and nature of relationship is mentioned in the resolution. The respective transactions may carry out on arm's Length basis and all factors relevant to the respective transactions may consider by the Board. The Company will seek fresh approval of shareholders under applicable provisions on completion of 5 (five) consecutive years.

None of the Directors except Mr. Saurin Jagdish Bhai Parikh, Mr. Tushar Rameshchandra Trivedi, and Mr. Dakshesh Jayantilal Patel along with their relatives are interested in the said resolution except to the extent of their Shareholding. The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Shareholders.

**Regd Office:**  
***SURVEY NO.404, AT& POST BALASAR,***  
***KADI-DETROJ ROAD, KADI***  
***MAHESANA-382715, GUJARAT***

**Date: 19/08/2019**  
**Place: Ahmedabad**

***By Order of the Board of Directors***  
***For, PASHUPATI COTSPIN LIMITED***

**Sd/-**  
***SAURIN JAGDISH BHAI PARIKH***  
***Chairman & Managing Director***  
***(DIN: 02136530)***

## ***DIRECTORS' REPORT***

**Dear Members,**

Your Directors take pleasure in presenting the 02<sup>nd</sup> Annual Report on business and operations along with Audited Financial Statements and the Auditor's report of your Company for the financial year ended 31<sup>st</sup> March, 2019.

### **1. Financial Results**

The Financial Performance of the company for the year ended 31<sup>st</sup> March; 2019 is summarized as below:

(Standalone) (Rs. in Lakh)

<b>Particulars for the year ended</b>	<b>March 31,2019</b>	<b>For the Period from July 03, 2017 To March 31, 2018</b>
Net revenue from Operations (Sales)	53782.78	33442.28
Profit Before Depreciation and Tax	2739.87	1512.44
Less: Depreciation	1280.95	834.74
<b>Profit Before Extra ordinary Items and Tax</b>	<b>1458.92</b>	<b>677.70</b>
Extra Ordinary Items	369.72	-
<b>Profit Before Tax</b>	<b>1089.19</b>	<b>677.70</b>
Tax Expense		
-Current Tax	234.78	138.52
Less: MAT Credit Receivable	(76.98)	138.52
-Deferred Tax	(14.78)	(741.33)
Profit After Tax	946.18	(63.63)
EPS (Basic)	9.20	(0.69)
EPS (Diluted)	9.20	(0.69)

### **2. Overview Of Company's Financial Performance:**

During the year, your Company has registered turnover of Rs. 53782.78 Lakhs, registering a remarkable growth compared to the previous year turnover of Rs. 33442.28 Lakhs for the FY 2017-18. The Profit after tax is Rs. 946.18 Lakhs for the FY2018-19 as compared to Rs. (63.63) Lakhs for the FY 2017-18. There is notable increase in profit after tax during the current year in comparison to that of previous year. Your directors are confident about the performance of the Company in the coming years. No material changes and commitments have occurred after the close of the financial year till the date of this report.

### **3. Dividend**

Your Directors are pleased to recommend a Final Dividend of Re. 0.50 (Rupee Fifty Paisa) (5%) per equity share of face value of Rs.10/- each for the financial year ended on 31<sup>st</sup> March, 2019 which shall be paid subject to approval of members at the ensuing 2<sup>nd</sup> Annual General Meeting.

The Final Dividend, subject to approval of Members at the Annual General Meeting on 26<sup>th</sup> September, 2019, will be paid to the Members whose names appear in the Register of Members, as on the date of Book Closure/Record Date of the Company for the purpose of 02<sup>nd</sup> AGM and Payment of Final Dividend.

### **4. Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

Since there was no unpaid/unclaimed dividend, the provision of Section 125 of the Companies Act, 2013 do not apply.

### **5. Change in the nature of business, if any-**

During the year, there is no change in the nature of business of the Company.

### **6. Amounts Transferred To Reserves:**

During the year under review, the Company has not transferred any amount to General Reserve.

### **7. Subsidiary, Joint Ventures and Associate Companies**

The Company does not have any subsidiary, Joint venture, or Associate Company.

### **8. Public Deposit**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

### **9. Particulars of loan, Guarantees or Investment made under Section 186**

During the year, the Company has made an investments into one Limited Liability Partnership (LLP) under the provisions of Section 186 of the Companies Act, 2013 and has also provided loans to persons or provided security in connection with the loan to any other body corporate or person and the particulars of such investments and loans, falling under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes no. 11 and 16 respectively to financial statements of the Company.

### **10. Extract of the Annual Return**

Pursuant to Section 92(3) of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 containing details as on the Financial Year ended 31<sup>st</sup> March, 2019 as required in the prescribed format is appended as "**Annexure A**" to the Board's Report which forms an integral part of this Report, is attached to the report.

## **11. Directors & Key Management Personnel**

### ***I. Composition of Board & Board Meetings***

The Board of Directors of the Company has an optimum combination of Executive, Non Executive and Independent Directors. As on the date of this report, the Board comprises of 5(Five) Directors, out of which 2 are Executive Directors, 1 is Non Executive Director and 2 are Independent Directors that includes one Woman Independent Director. The Chairman of the Board is an executive Director.

The Board of Directors duly met Ten (10) times on 19/05/2018, 28/05/2018, 02/08/2018, 10/09/2018, 13/11/2018, 17/11/2018, 30/11/2018, 28/01/2019, 02/02/2019 and 28/03/2019 during the year. The Composition, category and attendance of each Director at the Board and Annual General Meeting and Number of other Directorship and Chairmanship / Membership of Committee of each Director in various companies is as follows:-

<b>Name of Director</b>	<b>Designation</b>	<b>Category</b>	<b>No of Board Meetings held during the year</b>	<b>No of Board Meetings attended during the year</b>	<b>Attendance at the Last AGM</b>
Mr. Saurin Jagdish Bhai Parikh	Chairman & Managing Director	Promoter	10	10	Yes
Mr. Tushar Rameshchandra Trivedi	Whole Time Director	Promoter	10	10	Yes
Mr. Dakshesh Jayantilal Patel	Non-Executive Director	Promoter	10	10	Yes
Mr. Sandip Ashwinbhai Parikh	Non-Executive Director	Independent	10	10	Yes
Mr. Mahendrabhai Gulabdas Patel*	Non-Executive Director	Independent	4	4	No
Mrs. Sheela Kirtankumar Roy	Non-Executive Director	Independent	10	10	Yes

\*ceased as an Independent Director of the Company w.e.f. 10.09.2018

### ***II. APPOINTMENTS:***

During the year under review, no Director has been appointed by the company.

### ***III. CESSATIONS:***

- During the year under review, Mr. Mahendrabhai Gulabdas Patel (DIN: 00104706), Director of the Company has resigned from the directorship of the Company with effect from 10.09.2018.

The Board places on record its appreciation for contributions and guidance provided by Mr. Mahendrabhai Gulabdas Patel during his tenure as a Director of the Company.

#### ***IV. Retirement by Rotation***

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules, and Companies Articles of Association, Mr. Tushar Rameshchandra Trivedi (DIN-06438707), Whole Time Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Necessary resolution for his re-appointment is placed before the shareholder for approval.

#### ***V. Profile of Directors seeking appointment / reappointment***

As required under regulation 36(3) of SEBI (LODR), 2015, particulars of the Directors retiring and seeking reappointment at the ensuing Annual General Meeting is annexed to the notice convening 02<sup>nd</sup> Annual General Meeting.

#### ***VI. Key Managerial Personnel***

As on the date of this report, the following persons are the Key Managerial Personnel(s) of the Company:

- a) Mr. Saurin Jagdish Bhai Parikh, Chairman & Managing Director
- b) Mr. Tushar Rameshchandra Trivedi, Whole Time Director
- c) Mr. Hareshkumar Rameshchandra Shah, Chief Financial Officer
- d) Ms. Bijal Nareshbhai Thakkar, Company Secretary & Compliance Officer

#### ***VII. Declaration from Independent Director***

All the Independent Directors of the Company have given their declarations stating that they meet the criteria of independence as prescribed under the Section 149(6) of the Companies Act, 2013 read with the rules made there under and in the opinion of the Board, the Independent Directors meet the said criteria.

During the year under review the Independent Directors duly met pursuant to the provisions as specified in Schedule IV of the Companies Act, 2013 and the quorum was present throughout the meeting.

#### **12. BOARD COMMITTEES**

Your Company has five Committees of the Board, namely:

- I. Audit Committee
- II. Nomination and Remuneration Committee
- III. Stakeholders' Relationship Committee
- IV. Corporate Social Responsibility Committee
- V. Warrant Allotment Committee

Details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in detail as below:

### **I. Audit Committee**

The Audit Committee is duly constituted vide Board Resolution dated 26/07/2017 in accordance with SEBI (LODR) Regulations 2015 and Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time. It adheres to the terms of reference which is prepared in compliance with Section 177 of the Companies Act, 2013, and SEBI (LODR) Regulations 2015. The constituted Audit Committee comprises following members:

<b>Name</b>	<b>Category</b>	<b>Position</b>	<b>Number of meetings held</b>	<b>Number of meetings attended</b>
Mr. Sandip Ashwinbhai Parikh	Independent Director	Chairman	5	5
Mrs. Sheela Kirtankumar Roy	Independent Director	Member	5	5
Mr. Saurin Jagdish Bhai Parikh	Managing Director	Member	5	5

Two third of the members are Independent Directors and all the members are financially literate. The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations. The Audit Committee shall oversee financial reporting process and disclosures, review financial statements, internal audit reports, related party transactions, financial and risk management policies, auditors qualifications, compliance with Accounting Standards etc. and oversee compliance with Stock Exchanges and legal requirements concerning financial statements and fixation of audit fee as well as payment for other services etc.

Five meetings were held during the year 2018-19 on 19/05/2018, 28/05/2018, 10/09/2018, 13/11/2018 and 28/02/2019. The Company Secretary acts as Secretary to the Audit Committee and no personnel has been denied access to the audit committee.

### **II. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is constituted vide Board Resolution dated 26/07/2017 in accordance with SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time. The Nomination and Remuneration Committee comprise the following:

<b>Name</b>	<b>Category</b>	<b>Position</b>
Mr. MahendrabhaiGulabdas Patel*	Independent Director	Chairman
Mr. Sandip Ashwinbhai Parikh	Independent Director	Member
Mr. DaksheshJayantilal Patel	Non Executive Director	Member
Mrs. Sheela Kirtankumar Roy**	Independent Director	Chairman

\*Ceased to be Chairman & Member of the Committee w.e.f. 10.09.2018

\*\*Inducted as a Chairman & Member of the Committee w.e.f. 10.09.2018



As on the date of this report, the Nomination and Remuneration Committee comprises of three members' viz. Mrs. Sheela Kirtankumar Roy, Mr. Sandip Ashwinbhai Parik and Mr. Dakshesh Jayantilal Patel.

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013 formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration of Directors, Key Managerial Personnel and other employees. The said policy is available on the Website of the Company [www.pashupaticotspin.com](http://www.pashupaticotspin.com).

### **III. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee is constituted vide Board Resolution dated 26/07/2017 in compliance with the requirements of Section 178 of the Companies Act, 2013. The constituted Stakeholders Relationship Committee comprises the following:

<b>Name</b>	<b>Category</b>	<b>Position</b>	<b>No. of meetings held</b>	<b>No. of meetings attended</b>
Mrs. Sheela Kirtankumar Roy	Independent Director	Chairman	4	4
Mr. Mahendrabhai Gulabdas Patel*	Independent Director	Member	4	1
Mr. Tushar Rameshchandra Trivedi	Whole Time Director	Member	4	4
Mr. Dakshesh Jayantilal Patel**	Non Executive Director	Member	3	3

\*Ceased to be Member of the Committee w.e.f. 10.09.2018

\*\*Inducted as a Member of the Committee w.e.f. 10.09.2018

As on the date of this report, the Stakeholders Relationship Committee comprises of three members' viz. Mrs. Sheela Kirtankumar Roy, Mr. Tushar Rameshchandra Trivedi and Mr. Dakshesh Jayantilal Patel.

The Stakeholders Relationship Committee looks into shareholders' complaints related to transfer of shares, non-receipt of balance sheet besides complaints from SEBI, Stock Exchanges, Court and various Investor Forums. It oversees the performance of the Registrars and Transfer Agent, and recommends measures for overall improvement in the quality of investor services. The Company is in compliance with the SCORES, which has initiated by SEBI for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints.

Four meetings were held during the year 2018-19 on 05/06/2018, 25/09/2018, 28/12/2018 and 20/03/2019.

### **IV. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee is constituted in compliance with the requirements of Section 135 of the Companies Act, 2013, to undertake the below mentioned tasks:

- A. To recommend the policy on Corporate Social Responsibility (CSR) and Implementation of the CSR Projects or program to be undertaken by the company as per the CSR Policy for consideration and approval by the Board of Directors.
- B. Recommend the amount of expenditure to be incurred on the corporate social responsibility activities; and
- C. Monitor the implementation of the Company's corporate social responsibility policy.

As per Section 135 (1) of the Companies Act, 2013 Corporate Social Responsibility is not applicable to the Company as the Company has net loss during the immediately preceding financial year i.e. in 21017-18. But the Company has voluntarily adopted to do Corporate Social Responsibility activities.

During the financial year ended 31<sup>st</sup> March, 2019, the Company incurred CSR expenditure of Rs. 9,82,449 (Rupees Nine Lakhs Eighty Two Thousand Four Hundred Forty Nine Only). The CSR initiative of the Company is mainly under promotion of Healthcare specially relating to cancer awareness.

The Corporate Social Responsibility Committee comprises the following:

Name	Category	Position	No. of meetings held	No. of meetings attended
Mr. Saurin Jagdish Bhai Parikh	Managing Director	Chairman	4	4
Mrs. Sheela Kirtankumar Roy	Independent Director	Member	4	4
Mr. Tushar Rameshchandra Trivedi	Whole Time Director	Member	4	4

Three meetings were held during the year 2018-19 on 01/04/2018, 25/09/2018, 10/12/2018 and 01/03/2019.

The Company's CSR Policy statement and Annual Report on the CSR activities undertaken during the financial year ended 31<sup>st</sup> March, 2019, in accordance with section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in "**Annexure B**" to this Report.

#### **V. Warrant Allotment Committee**

During the year under review, the Company, pursuant to 62 (1) (c) read with Section 42 of Companies Act, 2013 and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Special Resolution passed in Extra-Ordinary General Meeting dated 29<sup>th</sup> December, 2018, had issued 50,00,000 (Fifty Lakh only) Share Warrants carrying an option/entitlement to subscribe to Equity shares of Rs.10/- each..

The Board of Directors in their meeting held on 28.01.2019 formed a committee named **Warrant Allotment Committee** to delegate all its power pertaining to allotment of 50,00,000 share warrants to the proposed allottees and conversion of such warrants into equity shares. Following directors are the members of the said committee.

Name	Category	Position	No. of meetings held	No. of meetings attended
Mr. Saurin Jagdish Bhai Parikh	Managing Director	Chairman	1	1
Mr. Dakshesh Jayantilal Patel	Non-Executive Director	Member	1	1
Mrs. Sheela Kirtankumar Roy	Independent Director	Member	1	1

The scope and function of the Committee and its terms of reference shall include the following;

**A. Tenure:**

The Warrant Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings:**

The committee shall meet as and when the need arise. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Committee shall be called by at least five days' notice in advance.

**C. Terms of Reference:**

- To call the balance amount i.e. 75% from the warrant holders
- To convert warrants in to Equity Shares on receipt of the balance amount of warrants
- To make application for listing and trading approval to NSE
- To issue Share to the allottees in dematerialize form
- To do application for corporate action with NSDL & CDSL as and when required in the matter of allotment and issue of shares on conversion of warrants
- To do application for Lock-in of shares issued on conversion of warrants
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting

**13. Compliance Officer**

The Compliance Officer of the Company is Ms. Bijal Nareshbhai Thakkar, who is also designated as Company Secretary of the Company.

**14. Statements on Formal Annual Evaluation of Board**

Nomination and Remuneration Committee annually evaluates the performance of individual Directors, Committees, and of the Board as a whole in accordance with the formal system adopted by it. Further, the Board also regularly in their meetings held for various purposes evaluates the performance of all the Directors, committees and the Board as a whole. The Board considers the recommendation made by Nomination and Remuneration Committee in regard to the evaluation of board members and also tries to discharge its duties more effectively. Each Board member's contribution, their participation was evaluated and the domain knowledge they bring. They also

evaluated the manner in which the information flows between the Board and the Management and the manner in which the board papers and other documents are prepared and furnished.

**15. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of report.

**16. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concerns status and Company's operations in future.

**17. Changes in Authorised Share Capital of the Company**

During the period under review, the Authorised share capital of the Company has been increased from Rs. 11,00,00,000 (Rupees Eleven Crore Only) divided into 1,10,00,000 (One Crore Ten Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each to Rs. 15,50,00,000/- (Rupees Fifteen Crore fifty lakhs Only) divided into 1,55,00,000 (One Crore Fifty Five Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each by creation of additional Equity Share Capital of Rs. 4,50,00,000/- (Rupees Four Crore fifty lakhs Only) divided into 45,00,000 (Forty Five Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each to rank pari passu with the existing Equity Shares of the Company by way of passing an Ordinary Resolution in the Extra Ordinary General Meeting dated 29<sup>th</sup> December, 2018.

Authorised Capital	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	Shares	Capital	Shares	Capital
Equity Shares of Rs 10/- each	1,55,00,000	15,50,00,000	1,10,00,000	11,00,00,000

**18. Preferential Issue**

During the year under review the Company, pursuant to 62 (1) (c) read with Section 42 of Companies Act, 2013 and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, had passed Special resolution at Extra-Ordinary General Meeting held on 29.12.2018 to issue of 50,00,000 (Fifty Lakh only) Warrants carrying an option/entitlement to subscribe to Equity shares of Rs.10/- each.

The Company has constituted Warrant Allotment Committee in the Board Meeting dated 28.01.2019 to allot warrants, and the said Committee in its meeting held on 28.01.2019 allotted 50,00,000 share warrants at Rs.59/- per warrant convertible to Equity shares of Rs. 10/- each at a premium of Rs. 49/- per share to the allottees.

**19. Extra-Ordinary General Meetings**

During the period under review, 2 (Two) Extra-Ordinary General Meetings were held. The Company passed the following resolution through Extra-Ordinary General Meetings.

<b>Name of Resolution</b>	<b>Type of Resolution</b>
To Increase The Authorised Share Capital of The Company	Ordinary Resolution
Issue of Warrants, Convertible Into Equity Shares On Preferential Basis	Special Resolution
Authorizing Board to grant loans and advances under section 185 of the Companies Act, 2013 to entities in whom Director/s is/are interested.	Special Resolution
Approval of Inter-corporate loans, Investments, Guarantee or security and acquisition under section 186 of the Companies Act, 2013	Special Resolution

## **20. Auditors**

### **1. Statutory Auditors**

M/s. Mahendra N. Shah & Co., Chartered Accountants, the Statutory Auditors of the Company, were appointed at the 01<sup>st</sup> Annual General Meeting held on 17<sup>th</sup> September, 2018 to hold office for a period of 5 (Five) years i.e. from the conclusion of 01<sup>st</sup> (First) Annual General Meeting (AGM) till the conclusion of 06<sup>th</sup> (Six) Annual General Meeting to be held in the year 2023 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

In accordance with the Companies Amendment Act, 2017, enforced on 7<sup>th</sup> May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not to be ratified at every Annual General Meeting.

There are no qualifications, reservations or adverse remarks made by M/s. Mahendra N. Shah & Co., Chartered Accountants, the Statutory Auditors of the Company, in their report.

### **2. Cost Auditors**

Pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 framed thereunder and the Cost Audit orders issued from time to time, the Board of Directors in their meeting held on 10.09.2018 has appointed M/s. Ashish Bhavsar & Associates, Cost Accountants (FRN: 000387) as a Cost Auditors to conduct the audit of cost records of the Company for the Financial Year 2018-2019. The Company has received consent from M/s. Ashish Bhavsar & Associates, Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for the Financial Year 2018-2019 along with a certificate confirming their independence and arm's length relationship.

The Ordinary Resolution seeking approval from members for remuneration payable to the said Cost Auditor forms a part of the Notice of this Annual General Meeting.

### **3. Secretarial Auditor**

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s. Vishwas Sharma & Associates, Practicing Company Secretaries, Ahmedabad to conduct Secretarial Audit for the Financial Year 2018-2019. The secretarial audit of the Company has been conducted on a concurrent basis in respect of the matters as set out in the said rules and Secretarial Audit Report given by M/s. Vishwas Sharma & Associates, Practicing Company Secretaries, Secretarial Auditor of the Company forms part of this report and is marked as **"Annexure-C"**.

There are no qualifications, reservations or adverse remarks made by M/s. Vishwas Sharma & Associates, Practicing Company Secretaries, Secretarial Auditor of the Company, in their report.

#### **4. Internal Auditor**

Pursuant to provisions of Section 138 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the Board of Directors has appointed M/s Nisarg J. Shah & Co., Chartered Accountants, Ahmedabad, (FRN: 128310W) as an Internal Auditors of the Company for the Financial Year 2018-2019.

Further, there were no audit qualifications, reservation, adverse remark or disclaimer in the Internal Auditor's Report provided by M/s Nisarg J. Shah & Co., for the Financial Year 2018-2019.

#### **21. Personnel**

The information required under Section 197 (12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Report and marked as "**Annexure-D**". No employee of the Company was in receipt of the remuneration exceeding the limits prescribed in the rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **22. Management's Discussion and Analysis Report**

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (2) (e) of the Listing Regulations is given as "**Annexure-E**" to this report.

#### **23. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

##### **A. CONSERVATION OF ENERGY:**

A statement containing the necessary information required under Section 134(3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are given as "**Annexure F**" to this report.

##### **B. TECHNOLOGY ABSORPTION:**

- i. the efforts made towards technology absorption : **None**
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution : **None**
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - a) the details of technology imported : **None**
  - b) the year of import : **N.A.**
  - c) whether the technology been fully absorbed: **N.A.**
  - d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof : **N.A.**
  - e) the expenditure incurred on Research and Development : **Nil**

##### **C. Foreign exchange Earnings & Outgo**

- Foreign Exchange Earning: NIL
- Foreign Exchange Outgo: Rs. 5,00,576/-



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

All related party transactions which were entered into during the financial year were on an arm's length basis and in the ordinary course of business.

The details of related party transactions are annexed to this Board Report in Form AOC-2 and Marked as **"Annexure G"** to this report.

**25. Statement regarding the development and implementation of Risk Management Policy**

The Company has not developed and implemented any risk management policy as the risk threatening the business activity carried out by the Company during the year are minimal.

**26. Adequacy of Internal Financial Control**

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Act. For the year ended March 31, 2019, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

During the year, no reportable material weakness was observed.

**27. Directors' Responsibility Statement**

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

(a) In the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures.

(b) 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 and loss of the Company for that period under review.

(c) 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.

(d) The directors have prepared the annual accounts on a going concern basis.

(e) 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.

(f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



### **28. Listing**

The Equity shares of the Company are listed on SME platform of NSE (NSE EMERGE) and the Company has paid the annual listing fees for the year 2019-20.

### **29. Prevention of Sexual Harassment at Workplace**

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment.

Your Directors declared and confirm that, during the year under review, there is no case filed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **30. Human resources**

Your company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the company's vision. Your company appreciates the spirit of its dedicated employees.

### **31. Corporate Governance**

Your Company has been complying with the principals of good Corporate Governance over the years and is committed to the highest standards of compliance. Pursuant to regulation 15(2) of the SEBI (LODR) Regulations 2015, the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C, D and E of schedule V shall not apply to the listed entity which has listed its specified securities on the SME Exchange.

Therefore, the Corporate Governance Report is not applicable on the Company and therefore not provided by the Board.

### **32. Independent Directors' Meeting**

The Independent Directors met on May 30, 2019 to discuss the performance evaluation of the Board, Committees, Chairman and the individual Directors.

The Independent Directors reviewed the performance of the non-independent Directors and Board as whole. The performance of the Chairman taking into account the views of executive Directors and non-executive Directors and assessed the quality, quantity and timeline of flow of information between company management and Board.

### **33. Secretarial Standards:**

The Company has complied with Secretarial Standards issued by the Institute of Company.

**34. Acknowledgement**

Your directors take this opportunity to express their sincere appreciation to the shareholders, customers, bankers, suppliers and other business associates for the excellent support and cooperation extended by them.

Your directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments, Stock Exchanges, SEBI, RBI and other Regulatory Bodies.

*For and on behalf of the Board of Directors*

***Date: 19/08/2019***

***Place: Ahmedabad***

***Saurin Jagdish Bhai Parikh***  
***Chairman & Managing Director***  
***(DIN: 02136530)***

**Annexure-"A"**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN OF PASHUPATI COTSPIN LIMITED**

*As on financial year ended on 31.03.2019*

*Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014*

**I. REGISTRATION & OTHER DETAILS:**

Sr No.	CIN	L17309GJ2017PLC098117
1	Registration Date	03/07/2017
2	Name of the Company	Pashupati Cotspin Limited
3	Category/Sub-category of the Company	Company Limited by shares
4	Address of the Registered office & contact details	Survey No.404 At & Post Balasar, Kadi-Detroj Road, Kadi Mahesana-382715, Gujarat
5	Whether listed company	Yes
6	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Sharex Dynamic (India) Private Ltd Unit-1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400 072.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Preparation and spinning of cotton fiber including blended cotton	13111	67.00
2.	Cotton ginning, cleaning and bailing	01632	33.00

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

Sr. No	Name & Address of the Company	CIN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section under Companies Act, 2013
NIL					



#### IV. SHARE HOLDING PATTERN

Category of Shareholder	No. of Shares held at the beginning of the year [As on 01-04-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	6675000	-	6675000	64.91	6675000	-	6675000	64.91	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporation	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	6675000	-	6675000	64.91	6675000	-	6675000	64.91	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	700800	-	700800	6.81	457600	-	457600	4.45	(2.36)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-



i)Individual shareholders holding nominal share capital up to Rs. 1 lakh	342400	-	342400	3.33	339200	-	339200	3.30	(0.03)
ii)Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2156200	-	2156200	20.97	2437800	-	2437800	23.70	2.73
c)Others (specify) HUF	116800	-	116800	1.14	83200	-	83200	0.81	(0.33)
Non Resident Indians	1600	-	1600	0.02	1600	-	1600	0.02	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	291200	-	291200	2.83	289600	-	289600	2.82	(0.01)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	3609000	-	3609000	35.09	3609000	-	3609000	35.09	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	<b>3609000</b>	-	<b>3609000</b>	<b>35.09</b>	<b>3609000</b>	-	<b>3609000</b>	<b>35.09</b>	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>10284000</b>	-	<b>10284000</b>	<b>100</b>	<b>10284000</b>	-	<b>10284000</b>	<b>100</b>	-

**B) Shareholding of Promoter-**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (01/04/2018)			Shareholding at the end of the year (31/03/2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Saurin Jagdishbhai Parikh	1725000	16.77	-	1725000	16.77	-	-
2	Falguni Mitesh Parikh	1125000	10.94	-	1125000	10.94	-	-
3	Hariprabha Aravindbhai Parikh	975000	9.48	-	975000	9.48	-	-
4	Renukaben Jagdishchandra Parikh	975000	9.48	-	975000	9.48	-	-
5	Ashish Rameshchandra Trivedi	600000	5.83	-	600000	5.83	-	-
6	Bhaveshkumar Jayantilal Patel	525000	5.11	-	525000	5.11	-	-
7	Dakshesh Jayantilal Patel	525000	5.11	-	525000	5.11	-	-
8	Tushar Rameshchandra Trivedi	225000	2.19	-	225000	2.19	-	-
9	Minaben Daksheshbhai Patel	-	-	-	-	-	-	-

**C) Change in Promoter's Shareholding (please specify, if there is no change)**

Sr. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	6675000	64.91	6675000	64.91
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No change			
	At the end of the year	6675000	64.91	6675000	64.91

**D) Shareholding Pattern of top ten Shareholders:  
 (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year(01/04/2018)		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>MUKESHKUMAR VITTHALBHAI PATEL</b>				
	At the beginning of the year	600000	5.83	600000	5.83
	Increase/Decrease in Shareholding during the year	Nil			
	At the end of the year	600000	5.83	600000	5.83
<b>2.</b>	<b>ANS PVT LIMITED</b>				
	At the beginning of the year	288000	2.80	288000	2.80
	Sell on 11/05/2018	25600		262400	2.55
	Purchase on 01/06/2018	1600		264000	2.57
	Purchase on 22/06/2018	3200		267200	2.60
	Purchase on 06/07/2018	17600		284800	2.77
	Purchase on 24/08/2018	1600		286400	2.79
	Purchase on 22/03/2019	3200		289600	2.82
	At the end of the year	289600	2.82	289600	2.82
<b>3.</b>	<b>GUJCOT ENTERPRISES LLP</b>				
	At the beginning of the year	225600	2.19	225600	2.19
	Increase/Decrease in Shareholding during the year	Nil			
	At the end of the year	225600	2.19	225600	2.19
<b>4.</b>	<b>TORALBEN URDEEP BRAHMBHATT</b>				
	At the beginning of the year	225000	2.19	225000	2.19
	Increase/Decrease in Shareholding during the year	Nil			





	At the end of the year	225000	2.19	225000	2.19
<b>5.</b>	<b>PARAK TRADEWING LLP</b>				
	At the beginning of the year	219200	2.13	219200	2.13
	Increase/Decrease in Shareholding during the year	NIL			
	At the end of the year	219200	2.13	219200	2.13
<b>6.</b>	<b>CHIRAG DIPAKCHANDRA DESAI</b>				
	At the beginning of the year	140800	1.37	140800	1.37
	Purchase on 21/12/2018	27200		168000	1.63
	Purchase on 11/01/2019	8000		176000	1.71
	At the end of the year	176000	1.71	176000	1.71
<b>7.</b>	<b>MIHIR JAGDISH GANDHI</b>				
	At the beginning of the year	57600	0.560	57600	0.560
	Purchase on 04/05/2018	81600		139200	1.35
	At the end of the year	139200	1.354	139200	1.35
<b>8.</b>	<b>ANITA NIMESH SHAH</b>				
	At the beginning of the year	128000	1.24	128000	1.24
	Increase/Decrease in Shareholding during the year	NIL			
	At the end of the year	128000	1.24	128000	1.24
<b>9.</b>	<b>JAYESHKUMAR MANILAL PATEL</b>				
	At the beginning of the year	110400	1.07	110400	1.07
	Increase/Decrease in Shareholding during the year	NIL			
	At the end of the year	110400	1.07	110400	1.07
<b>10.</b>	<b>TARUNA KIRTIKUMAR JAIN</b>				
	At the beginning of the year	99200	0.96	99200	0.96
	Increase/Decrease in Shareholding during the year	NIL			



	At the end of the year	99200	0.96	99200	0.96
11.	<b>SANJAY GIJUBHAI AMIN</b>				
	At the beginning of the year	92800	0.902	92800	0.902
	Increase/Decrease in Shareholding during the year	NIL			
	At the end of the year	92800	0.902	92800	0.902

**E) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b><u>DIRECTORS</u></b>				
<b>1</b>	<b>Saurin Jagdish Bhai Parikh</b>				
	At the beginning of the year	1725000	16.77	1725000	16.77
	Date wise Increase/Decrease in Shareholding during the year	Nil			
	At the end of the year	1725000	16.77	1725000	16.77
<b>2</b>	<b>Tushar Rameshchandra Trivedi</b>				
	At the beginning of the year	225000	2.19	225000	2.19
	Date wise Increase / Decrease in Shareholding during the year	Nil			
	At the end of the year	225000	2.19	225000	2.19
<b>3</b>	<b>Dakshesh Jayantilal Patel</b>				
	At the beginning of the year	525000	5.11	525000	5.11
	Date wise Increase / Decrease in Shareholding during the year	Nil			
	At the end of the year	525000	5.11	525000	5.11
<b>4</b>	<b>Sandip Ashwinbhai Parikh</b>	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in	-	-	-	-



	Shareholding during the year				
	At the end of the year	-	-	-	-
<b>5</b>	<b>Sheela Kirtankumar Roy</b>	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
	<b><u>Key Managerial Personnel</u></b>				
<b>6</b>	<b>Hareshkumar Rameshchandra Shah</b>	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>7</b>	<b>Bijal Nareshbhai Thakkar</b>	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

## V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1258792976	162882309	-	1421675285
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	<b>1258792976</b>	<b>162882309</b>	-	<b>1421675285</b>
Change in Indebtedness during the financial year				
* Addition				
* Reduction	(193415783)	(31350251)	-	(224766034)
Net Change	1065377193	131532058	-	1196909251
Indebtedness at the end of the financial year			-	

i) Principal Amount	1065377193	131532058	-	1196909251
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1065377193</b>	<b>131532058</b>	<b>-</b>	<b>1196909251</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		<b>Saurin J. Parikh (MD)</b>	<b>Tushar R. Trivedi (WTD)</b>	
1	Gross salary	-	2,40,000	2,40,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	NIL
2	Stock Option	-	-	NIL
3	Sweat Equity	-	-	NIL
4	Commission -as % of profit - others, specify...	-	-	NIL
5	Others, please specify	-	-	NIL
	<b>Total (A)</b>	-	<b>2,40,000</b>	<b>2,40,000</b>
	Ceiling as per the Act			

### B. Remuneration to other directors

Sr No.	Particulars of Remuneration	Name of Directors			Total Amount
		<b>Mr. Sandip A. Parikh</b>	<b>Mrs. Sheela K. Roy</b>	<b>Mr. Dakshesh J. Patel</b>	
1	Independent Directors	✓	✓	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	✓	-
	Fee for attending board		-	-	-

	committee meetings	-			
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	Rs. 1,00,000/- per meeting			

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

Sr No	Particulars of Remuneration	Key Managerial Personnel		
		CFO Mr. Hareshkumar Shah	CS Ms. Bijal Thakkar	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,00,000	2,13,600	5,13,600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>3,00,000</b>	<b>2,13,600</b>	<b>5,13,600</b>

**VII.PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NONE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

*For and on behalf of the Board of Directors*

**Date: 19/08/2019**  
**Place: Ahmedabad**

**Sd/-**  
**Saurin Jagdish Bhai Parikh**  
**Chairman & Managing Director**  
**(DIN: 0213530)**

## **Annexure-“B”**

### **CORPORATE SOCIAL RESPONSIBILITY**

- 1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects and programs:**

The Company has adopted a Corporate Social Responsibility (“CSR”) Policy in accordance with the applicable provisions of Companies Act, 2013 and allied rules (hereinafter referred as “the Act”). This Policy is a guideline for Company's CSR activities intended to support local communities on a variety of socially desirable activities with a view to enable high impact and ensure measurable outcomes of the funds deployed towards such activities. The Company believes that economic value and social value are interlinked. A firm creates economic value by creating social value.

The CSR policy of the Company is stated in [www.pashupaticotspin.com](http://www.pashupaticotspin.com)

- 2. CSR Committee:**

The CSR Committee has been entrusted with responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013; recommending to the Board the amount of expenditure to be incurred; monitoring the implementation of framework of CSR Policy and ensuring that implementation of the project and programme is in compliance with the CSR Policy of the Company.

- 3. Composition of the CSR Committee as on 31<sup>st</sup> March, 2019:**

In accordance with the provisions of section 135 of Companies Act, 2013 read with Rule 5 of Companies (CSR Policy) Rules, 2014, the Company has constituted its CSR Committee, which presently comprises of three Directors.

<b>Name</b>	<b>Category</b>	<b>Position</b>
Mr. Saurin Jagdish Bhai Parikh	Managing Director	Chairman
Mrs. Sheela Kirtankumar Roy	Independent Director	Member
Mr. Tushar Rameshchandra Trivedi	Whole Time Director	Member

- 4. Average Net Profit of the Company for the last three financial years: Not Applicable\***

- 5. Prescribed CSR Expenditure: Not Applicable\***

- 6. Details of CSR spent for the financial year:**

- a) Total amount spent for the financial year: Rs. 9,82,449/-
- b) Amount unspent, if any: Not Applicable\*
- c) Manner in which the amount spent during the financial year is detailed below:

\*As per Section 135 (1) of the Companies Act, 2013 Corporate Social Responsibility is not applicable to the Company as the Company has net loss during the immediately preceding financial year i.e. in 2017-18. But the Company has voluntarily adopted to do Corporate Social Responsibility activities.

The CSR activities/projects are implemented in accordance with the provisions of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014:

S. No	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the Projects or programs Sub-heads: (1) Direct expenditure on projects or Programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	Cancer Awareness	Promoting Health Care	The Company has carried out Cancer Awareness Programme in various parts of State of Gujarat and India.	No	Rs. 9,82,449/-	Rs. 9,82,449/-	Through Pashupati Healthcare Foundation (Formerly Known as Human Wellness Foundation)

***For and on behalf of the Board of Directors***

***Date: 19/08/2019***  
***Place: Ahmedabad***

***Saurin Jagdish Bhai Parikh***  
***Chairman & Managing Director***  
***(DIN: 02136530)***



**Annexure-“C”**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2019  
[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,**  
**PashupatiCotspin Limited**  
Kadi, Gujarat.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PASHUPATI COTSPIN LIMITED** (CIN: L17309GJ2017PLC098117) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2019** ('Audit Period') 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2019** according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the rules made there under.
- 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 the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
- 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, 2018.
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ***(not applicable to the company during the audit period)***
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ***(not applicable to the company during the audit period);***
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ***(not applicable to the company during the audit period);***
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ***(not applicable to the company during the audit period);***

I have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances of other specific applicable Acts, Laws and Regulations to the Company as mentioned hereunder;

- a) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- b) The Factories Act, 1948
- c) The Minimum Wages Act, 1948, and rules made there under
- d) Payment of Gratuity Act, 1972
- e) Payment of Bonus Act, 1965

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) 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.

**I 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 the 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.

Board takes decision by majority of directors while the dissenting directors' views are captured and recorded as part of the minutes.

**I further report that:**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and guidelines.

**I further report that** during the audit period the Company, pursuant to 62 (1) (c) read with Section 42 of Companies Act, 2013 and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, had passed Special Resolution by way of Extra-Ordinary General Meeting dated 29<sup>th</sup> December, 2018 for issue of 50,00,000 (Fifty Lakh only) Warrants carrying an option /entitlement to subscribe to Equity shares of Rs.10/- each.

**I further report that** during the audit period the Company has Authorized Board to grant loans and advances under section 185 of the Companies Act, 2013 to entities in whom Director/s is/are interested by passing a Special Resolution in the Extra Ordinary General Meeting dated 15<sup>th</sup> March, 2019.

**I further report that** during the audit period the Company has taken the approval of Inter-corporate loans, Investments, Guarantee or security and acquisition under section 186 of the Companies Act, 2013 up to maximum amount of Rs. 200 Crore (Rupees Two Hundred Crore only) by passing a Special Resolution in the Extra Ordinary General Meeting dated 15<sup>th</sup> March, 2019.

**I further report that** there were no other instances of:

- (i) Rights/debentures/sweat equity.
- (ii) Redemption/buy-back of securities.
- (iii) Merger/ amalgamation etc.
- (iv) Foreign technical collaborations.

For, **Vishwas Sharma and Associates,**  
Company secretaries,

Vishwas Sharma  
Proprietor  
ACS: 33017  
COP No.:16942

**Date: 19/08/2019**

**Place: Ahmedabad**

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

### ***Annexure to Secretarial Audit Report***

To,  
The Members,  
**PashupatiCotspin Limited**  
Kadi, Gujarat.

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

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

**For, Vishwas Sharma and Associates,  
Company Secretaries,**

**Vishwas Sharma**  
**Proprietor**  
**ACS: 33017**  
**COP No.:16942**

**Date: 19/08/2019**  
**Place: Ahmedabad**

**Annexure-“D”**

***Disclosures Regarding Remuneration Required Under Section 197(12) of the Companies Act, 2013 Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:***

Sr.No.	Requirements	Disclosure	
I.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	WTD	1.02 times
II.	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	No increase	
III.	The percentage increase in the median remuneration of employees in the financial year	No increase	
IV.	The number of permanent employees on the rolls of the Company as on 31 <sup>st</sup> March, 2019	377	
V.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Nil	
VI.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is confirmed	

***For and on behalf of the Board of Directors***

***Date: 19/08/2019***  
***Place: Ahmedabad***

***Sd/-***  
***Saurin Jagdish Bhai Parikh***  
***Chairman & Managing Director***  
***(DIN: 02136530)***

## **Annexure-“E”**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

#### **INDUSTRY STRUCTURE & DEVELOPMENT**

The textile industry occupies a unique place in India. One of the earliest to come into existence in India, it accounts for 14% of the total Industrial production, contributes to nearly 30% of the total exports and is the second largest employment generator after agriculture. Textile Industry is providing one of the most basic needs of people and the holds importance; maintaining sustained growth for improving quality of life. It has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; it is a major contribution to the country's economy. Its vast potential for creation of employment opportunities in the agricultural, industrial, organised and decentralised sectors & rural and urban areas, particularly for women and the disadvantaged is noteworthy.

The Company is engaged in the business of processing of Kapas (raw cotton) by way of Ginning of cotton, spinning of cotton yarn and delineating Process. The products manufactured at our Company include Cotton bales, Cotton yarn and Black Cotton seeds (Delineate Seeds). By setting up of the Ginning and Spinning unit our Company has entered into a forward integration of the Textile industry by manufacturing of cotton yarn to cope up with the changes in the fashion consciousness, development in the cotton textile sector and synchronizing with the initiatives provided by the Central and the state Government.

#### **SWOT ANALYSIS**

##### **Strengths**

- Well Established manufacturing facility
- Experienced Promoter & Management Team
- Strategic location of the manufacturing facility

##### **Weaknesses**

- Seasonal availability of raw Cotton.
- Dependence on suppliers for products availability

##### **Opportunities**

- Large growth potential.
- Increasing demand of the product in international market and domestic market
- Government incentive for the growth of the Textile sector

##### **Threats**

- Market Competition
- Frequent changes in market trends

#### **COMPETITION**

The customer base for the cotton yarn manufactured by us includes local fabric producers and corporate buyers. The market for cotton yarn is highly competitive and fragmented, and we face competition from various local as well as well established manufacturers. Moreover, as we seek to

diversify into new geographical areas globally, we may face competition from existing players that have presence in respective markets. In order to counter the competition, our focus would be to provide products that would be of the superior quality, competitive pricing and timely available as per the requirements of our customer.

The textile industry in India will face intensified competition in both their export and domestic markets. However, the migration of textile capacity will be influenced by objective competitive factors and will be hampered by the presence of distorting domestic measures and weak domestic infrastructure in several developing and least developed countries.

There are six major challenges for the Indian textile industry. To remain competitive an industry will need to deal with these challenges.

- Goods and Service Tax
- Increase Labor Wages and Worker's Salary
- Access to Latest Technology
- Environmental Challenges
- Lack of Institutional Support

To deal with extensive industrial competition, the textile industry in India needs focus on the following matters:

- Identify a need in the industry and satisfy it with a product or service
- Improve on existing products or services
- Focus on the needs of customers
- Do not underestimate competitors
- Good Marketing Strategies
- Good Industry working culture

### **MARKETING STRATEGY**

We intend to focus on the following marketing strategies for yarn:

1. Direct sales to hosiery units.
2. Direct sales to textile mills (including power loom sector).
3. Exports to various countries.
4. Sales through brokers / business house.

### **GENERAL ECONOMIC AND BUSINESS CONDITIONS**

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect Textile Industry in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

### **FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:-**

**Our results of operations could potentially be affected by the following factors amongst others:**

1. Disruption in our cotton textile business.
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;

3. Inability to successfully obtain registrations in a timely manner or at all;
4. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
5. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
6. Disruption in supply of Raw Materials at our manufacturing facilities;
7. Recession in the market;
8. Changes in laws and regulations relating to the industries in which we operate;
9. Occurrence of Environmental Problems & Uninsured Losses;
10. Our ability to successfully implement our growth strategy and expansion plans;
11. Our ability to meet our capital expenditure requirements;
12. Our ability to attract, retain and manage qualified personnel;
13. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
14. The timely completion of the Company's orders;
15. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
16. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties;
18. The performance of the financial markets in India and globally;
19. Any adverse outcome in the legal proceedings in which we are involved;
20. Our ability to expand our geographical area of operation;
21. Concentration of ownership among our Promoters

#### INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has an adequate internal control system commensurate with its size and the nature of its business in order to achieve efficiency in operation and optimum utilization of resources. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

#### FINANCIAL AND OPERATIONAL PERFORMANCE

(Standalone) (Amount in lakh.)

Particulars for the year ended	March 31,2019	For the Period from July 03, 2017 To March 31, 2018
Net revenue from Operations (Sales)	53782.78	33442.28
Profit Before Depreciation and Tax	2739.87	1512.44
Less: Depreciation	1280.95	834.74
<b>Profit Before Extra ordinary Items and Tax</b>	<b>1458.92</b>	<b>677.70</b>
Extra Ordinary Items	369.72	-
<b>Profit Before Tax</b>	<b>1089.19</b>	<b>677.70</b>



Tax Expense		
-Current Tax	234.78	138.52
Less: MAT Credit Receivable	(76.98)	138.52
-Deferred Tax	(14.78)	(741.33)
Profit After Tax	(946.18)	(63.63)
EPS (Basic)	9.20	(0.69)
EPS (Diluted)	9.20	(0.69)

## **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The industrial relations remained cordial throughout the year. The employees of the Company have extended a very productive cooperation in the efforts of the management to carry the Company to greater heights. Continuous training down the line is a normal feature in the Company to upgrade the skills and knowledge of the employees and workmen of the Company.

## **CAUTIONARY STATEMENT**

Statement in this report describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include economic conditions affecting demand / supply and price condition in the domestic markets in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

***For and on behalf of the Board of Directors***

***Date: 19/08/2019***

***Place: Ahmedabad***

***Saurin Jagdish Bhai Parikh***  
***Chairman & Managing Director***  
***(DIN: 02136530)***

## **Annexure – “F”**

### **CONSERVATION OF ENERGY**

The information under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2019 is given here below and forms part of the Directors' Report.

#### **❖ The steps taken for conservation of energy:**

In line with the Company's commitment towards conservation of energy, the company continues with its efforts aimed at improving energy efficiency through improved operational and maintenance practices.

#### **The steps taken in this direction are as under:**

- Installation of 1 Mega Watt (mw) Solar Roof Top Plant.

A **Rooftop PV System** is a photovoltaic system which generates electricity from solar panels mounted on the rooftop of a residential or commercial building or structure.

#### **Benefits of Installation of Solar Roof Top Plant:**

- Reduction in Electricity bill.
- Reduction in Pollution.
- Saving in land requirement and costs. Panels will be placed in your rooftop. So, they don't require additional land.

#### **Approx Savings per Month:**

- **Calculation:**

Average Units Generated per year (a)	36,27,000KWH
Cost per Unit (b)	Rs. 7/-
Cost of Energy Saved (a*b) (c)	Rs. 2,53,89,000/-
Recovery Period for Project (d)	6 Years
Cost of Capital Finance per year (e)	Rs. 1,80,00,000/-
Total Savings per year (c-e) (f)	Rs. 73,89,000/-
Total Savings per month (f/12)	Rs. 6,15,750/-

Due to installation of 1 Mega Watt (mw) Solar Roof Plant the approx savings of Company is Rs. 6,15,750/- per month.

#### **The steps taken by the Company for utilizing alternate sources of energy:**

- Generation of Green Energy

**Green Energy** is energy that can be extracted, generated, and/or consumed without any significant negative impact to the environment.

❖ **The capital investment on energy conservation equipments :**

**Rs.4,30,06,252/-**

*For and on behalf of the Board of Directors*

***Date: 19/08/2019***

***Place: Ahmedabad***

***Saurin Jagdish Bhai Parikh***  
***Chairman & Managing Director***  
***(DIN: 02136530)***

**Annexure - "G"**

**FORM NO. AOC-2**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**(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:-**

Sr. No.	Name(s) of the related party and nature of relationship	Nature of Contracts/ Arrangements/ Transactions	Duration of The Contracts/ Arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) 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
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
NIL								

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of Contracts/ Arrangements/ Transactions	Duration of The Contracts/ Arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:
	(a)	(b)	(c)	(d)	(e)	(f)
1.	Pashupati Cotyarn LLP	Purchase of Goods	On yearly basis	Rs. 1,22,06,11,485/-	06/02/2018	-
2.	Pashupati Cotyarn LLP	Sale of Goods	On yearly basis	Rs. 86,89,57,188/-	06/02/2018	-
3.	Pashupati Cotyarn LLP	Job Work	On yearly basis	Rs. 1,35,35,910 /-	06/02/2018	-
4.	Shree Pashupati Fabric LLP	Sale of Goods	On yearly basis	Rs. 25,08,05,514/-	06/02/2018	-
5.	S Raja Export Pvt Ltd	Sale of Goods	On yearly basis	Rs. 1,34,15,05,053/-	06/02/2018	-

***For and on behalf of the Board of Directors***

***Date: 19/08/2019***  
***Place: Ahmedabad***

***Saurin Jagdish Bhai Parikh***  
***Chairman & Managing Director***  
***(DIN: 02136530)***

**INDEPENDENT AUDITORS' REPORT**

**TO  
THE MEMBERS OF  
PASHUPATI COTSPIN LIMITED**

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of **PASHUPATI COTSPIN LIMITED** (the 'Company') which comprise the Balance Sheet as at **March 31, 2019**, and the statement of Profit and Loss 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, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Sec. 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, and its cash flows for the year then ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	RESPONSE TO KEY AUDIT MATTER
<p><b><u>Measurement and Recognition of State Subsidy Receivable</u></b></p> <p>In terms of the Textile Policy of Government of Gujarat (GOG), the company is eligible for subsidy in the form of refund of state tax (SGST) on sales made from its plant located at Kadi for eligible products.</p> <p>The Government of Gujarat, made certain amendments to modalities for sanction and disbursement of the refund of such taxes under the new GST regime.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>We have performed the following procedures in relation to the Recognition of State Subsidy Receivable with respect to State Tax (SGST) :</p> <ul style="list-style-type: none"> <li>➤ Evaluating the design and testing the operating effectiveness of the relevant controls over recognition and assessment of recoverability of the grant recognized under the Textile Policy of GOG.</li> <li>➤ Discussion with company's legal team , management and external legal counsel ,as applicable for their assessment of entitlement of benefits under such scheme</li> <li>➤ Engaging our internal specialists to assess relevant historical and recent update passed by the relevant authorities to evaluate the appropriateness of the conclusion reached by the management</li> <li>➤ Our tests of detail focused on transactions occurring within proximity of the year end in eligible products, obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in Textile Policy by GOG.</li> </ul>

**Information other than Financial Statements& Auditors Report thereon.**

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Board's Report including Annexures to Board's Report (but does not include the standalone financial statements, and our auditor's reports thereon).

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

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 and cash flows of the Company in accordance with the Accounting Standard and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively or ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements:-**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement, dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to or separate report in "Annexure B".
- 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/provided 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) Rule, 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 the financial position of its financial statements – Refer Note (1) of Part B to Notes to accounts;
- 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 no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For and on behalf of**  
**Mahendra N. Shah & Co.**  
**Chartered Accountants**  
**Firm's Registration No.-105775W**

**CA. Chirag M. Shah**  
**Partner**  
**Membership No.-F 045706**

**Place: Ahmedabad**  
**Date: 30<sup>th</sup> May, 2019**

### ***Annexure A to Independent Auditors' Report***

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the financial statements of the Company for the year ended March 31, 2019:

#### **1. In respect of Fixed Assets:**

- a) The Company is in the process of maintaining proper records which shows full particulars, including quantitative details and situation of fixed assets;
- b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of five years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. According to information and explanation given to us, no material discrepancies were noticed on such verification.
- c) According to the audit process and based on records of the company, the title deeds of immovable properties are held in the name of the company.

#### **2. In respect of Inventories:**

According to information and explanation given to us, Physical verification of inventories has been conducted at reasonable interval by the Management and no material discrepancies were noticed on physical verification during the year.

3. According to information and explanation given to us, the Company has granted Unsecured Loans to Limited Liability partnerships which are covered in the Register maintained under section 189 of the Act. In this respect
  - a) In our opinion and according to the information given to us, the terms and conditions of the loans given by the Company are not prima facie prejudicial to the interest of the company.
  - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and/or receipts of interest have been regular as per stipulations.
  - c) There are no overdue amounts as at the year-end in respect of both principal and interest.
4. In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
5. According to information and explanation given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. According to the information and explanation given to us the central government has prescribed maintenance of cost records under sub section (1) of section 148 of the Companies

Act, 2013. We are of the opinion, that prima facie, the company has maintained prescribed accounts and records. However we have not, made a detailed examination of the same.

**7. According to information and explanations given to us in respect of statutory dues and on the basis of our examination of the books of account, and records,**

a) the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, GST, Duty of Customs, and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.

b) According to the information and explanations given to us, there are no material dues of income tax, GST and duty of customs which have not been deposited with the appropriate authorities on account of any dispute, except in respect to income tax, the following dues have not been deposited by the company on account of disputes according to information and explanation given to us:

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Disallowance of Excess Depreciation	54,44,720	AY 2014-15	CIT (A)

**8. The company has not defaulted in repayment of dues to Financial Institutions or banks or debenture holders.**

**9. According to the information and explanations given by the management, the company has raised moneys by way of further public offer and term Loans raised during the year were, prima facie, utilized by the Company for the purpose for which they were raised.**

**10. According to the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.**

**11. According to the information and explanations given by the management, the managerial remuneration has been paid or provided in due compliance of section 197 read with Schedule V to the Companies Act;**

**12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.**

**13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.**

- 14.** According to the information and explanations given by the management, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15.** According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company and hence not commented upon.
- 16.** In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company and hence not commented upon.

**For and on behalf of**  
**Mahendra N. Shah & Co.**  
**Chartered Accountants**  
**Firm's Registration No.-105775W**

**CA. Chirag M. Shah**  
**Partner**  
**Membership No.-F 045706**

**Place: Ahmedabad**  
**Date: 30<sup>th</sup> May, 2019**

## ***Annexure - B to the Independent Auditors' Report***

### **Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of Sec.143 of the Companies Act, 2013("the Act")**

We have audited the internal financial controls over financial reporting of **PASHUPATI COTSPIN LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 on Audit of Internal Financial Controls Over Financial Reporting (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 Institute of Chartered Accountants of India. 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 systems 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 purpose in accordance with generally accepted principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company. (2) 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 (3) 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, to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reports issued by the Institute of Chartered Accountants of India.

**For and on behalf of**  
**Mahendra N. Shah & Co.**  
**Chartered Accountants**  
**Firm's Registration No.-105775W**

**CA. Chirag M. Shah**  
**Partner**  
**Membership No.-F 045706**

**Place: Ahmedabad**  
**Date: 30<sup>th</sup> May, 2019**



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019

(In Rs.)

PARTICULARS		Note No.	As at 31.03.2019	As at 31.03.2018
<b>A</b>	<b>EQUITY &amp; LIABILITIES</b>			
<b>1</b>	<b>SHARE HOLDERS FUND</b>			
	(a) Share Capital	2(a)	102,840,000	102,840,000
	(b) Reserves & Surplus	2(b)	512,716,998	418,098,667
	(c) Money Received Against Share Warrants	2(c)	73,750,000	-
<b>2</b>	<b>NON CURRENT LIABILITIES</b>			
	(a) Long Term Borrowings	3	599,068,720	796,043,410
	(b) Deferred Tax Liability	4	87,788,131	89,266,504
	(c) Long Term Provisions	5	2,236,612	3,745,391
<b>3</b>	<b>CURRENT LIABILITIES</b>			
	(a) Short Term Borrowings	6	597,840,531	628,049,692
	(b) Trade Payables	7		
	(i) Total Outstanding dues to Micro, Small & Medium Enterprise		38,739,526	-
	(ii) Total Outstanding dues to other than Micro, Small & Medium Enterprise		31,649,485	33,376,329
	(c) Other Current Liabilities	8	356,773,435	285,872,648
	(d) Short Term Provisions	9	30,395,738	13,851,940
	<b>TOTAL</b>		<b>2,433,799,177</b>	<b>2,371,144,580</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>NON CURRENT ASSETS</b>			
	(a) Property Plant & Equipment			
	(i) Tangible Assets	10	1,094,316,039	1,208,313,610
	(ii) Capital Work-In-Progress		43,006,252	-
	(b) Non Current Investments	11	59,089,426	-
	(c) Long Term Loans and Advances	12	9,319,586	2,383,620
<b>2</b>	<b>CURRENT ASSETS</b>			
	(a) Inventories	13	607,229,548	638,789,705
	(b) Trade Receivables	14	280,736,220	276,796,055
	(c) Cash and Cash Equivalents	15	18,366,991	16,766,395
	(d) Short Term Loans and Advances	16	189,798,078	137,944,875
	(e) Other Current Assets	17	131,937,036	90,150,320
	<b>TOTAL</b>		<b>2,433,799,177</b>	<b>2,371,144,581</b>
	<b>Significant Accounting Policies and Notes to Accounts</b>	<b>1</b>	<b>0</b>	<b>0</b>

As per our attached report of even date

For Mahendra N. Shah & Co.  
Chartered Accountants  
FRN: 105775W

Chirag M. Shah  
Partner  
M. No.: F 045706

Place: Ahmedabad  
Date: 30.05.2019

For PashupatiCotspin Limited

Saurin Parikh  
Chairman & Managing Director  
DIN: 02136530

Haresh Shah  
Chief Financial Officer

Place: Ahmedabad  
Date: 30.05.2019

Tushar Trivedi  
Whole Time Director  
DIN: 06438707

Bijal Thakkar  
Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(In Rs.)

	Note No.	For the Period From 01.04.2018 To 31.03.2019	For the Period From 03.07.2017 To 31.03.2018
<b>INCOME</b>			
<b>1</b> Revenue from Operations (Gross)	18	5,378,277,684	3,344,228,329
Less: Excise Duty		-	-
Revenue from Operations (Net)		5,378,277,684	3,344,228,329
<b>2</b> Other Income	19	12,721,182	7,714,378
<b>3 Total Revenue</b>		<b>5,390,998,866</b>	<b>3,351,942,707</b>
<b>4 EXPENDITURE</b>			
(a) Cost of Materials Consumed	20.a	4,331,879,323	3,152,152,528
(b) Changes in Inventories of Finished Goods	20.b	218,038,215	(323,031,593)
(c) Employee Benefits Expense	21	97,672,145	58,871,095
(d) Finance Costs	22	162,548,113	100,708,477
(e) Depreciation	10	128,095,002	83,473,919
(f) Other Expenses	23	306,874,545	211,998,377
<b>Total Expenses</b>		<b>5,245,107,343</b>	<b>3,284,172,803</b>
<b>5 Profit Before Tax &amp; Exceptional Item</b>		<b>145,891,523</b>	<b>67,769,904</b>
Exceptional Item		(36,972,360)	-
<b>6 Profit Before Tax</b>		<b>108,919,163</b>	<b>67,769,904</b>
<b>Tax Expense:</b>			
(a) Current Tax		23,477,542	13,851,940
Less: MAT Credit Receivable		(7,698,336)	(13,851,940)
(b) Deferred Tax Asset/(Reversal)		(1,478,373)	(74,132,882)
<b>7 Profit\ (Loss) After Tax</b>		<b>94,618,330</b>	<b>(6,362,978)</b>
<b>Earnings per equity share:</b>			
<b>(1) Basic</b>		<b>9.20</b>	<b>(0.69)</b>
<b>(2) Diluted</b>		<b>9.20</b>	<b>(0.69)</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	<b>1</b>		

As per our attached report of even date

For Mahendra N. Shah & Co.  
Chartered Accountants  
FRN: 105775W

Chirag M. Shah  
Partner  
M. No.: F 045706

For PashupatiCotspin Limited

Saurin Parikh  
Chairman & Managing Director  
DIN: 02136530

Haresh Shah  
Chief Financial Officer

Tushar Trivedi  
Whole Time Director  
DIN: 06438707

Bijal Thakkar  
Company Secretary

Place: Ahmedabad  
Date: 30.05.2019

Place: Ahmedabad  
Date: 30.05.2019

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

Particulars	2018-19		2017-18	
	Rupees	Rupees	Rupees	Rupees
<b>A) Cash Flow From Operating Activities</b>				
Net Profit before tax as per Profit & Loss A/c		108,919,163		67,769,905
Adjustments :				
Depreciation and amortization	128,095,002		83,473,919	
Loss on Sale of Fixed Assets /Exceptional Item			3,109,045	
Interest Income	(4,600,466)		(3,351,644)	
Finance Cost	162,548,113	286,042,649	100,708,477	183,939,797
Operating Profit before working capital		394,961,812		251,709,702
Adjusted for :				
i) Trade Receivables, Loans & Advances	(89,881,749)		(335,739,591)	
ii) Stock	31,560,157		(328,809,743)	
iii) Trade Payable & Liabilities	99,470,947	41,149,355	180,007,857	(484,541,477)
Cash generated from operations		436,111,168		(232,831,775)
Extraordinary Income			-	
Direct Tax Paid				
				(232,831,775)
Extra Ordinary Item				-
<b>Net Cash from Operating Activities (a)</b>		<b>436,111,168</b>		<b>(232,831,775)</b>
<b>B) Cash Flow from Investing Activities :</b>				
Purchase of Fixed Assets	(57,103,683)		(248,470,407)	
Capital Work In Progress			375,635,512	
Loans	(66,025,392)			
Interest Received	4,600,466		3,351,644	
<b>Net Cash used in Investing Activities (b)</b>		<b>(118,528,609)</b>		<b>(245,118,763)</b>
<b>C) Cash Flow from Financing Activities</b>				
Proceeds from/(Repayment) of Long Term Borrowings (Net)	(227,183,850)		290,306,603	
Issue Of Share Capital /warrant	73,750,000		208,800,000	
Interest Paid	(162,548,113)		(100,708,477)	
Dividend paid including distribution tax			-	
<b>Net Cash from financing Activities</b>		<b>(315,981,963)</b>		<b>398,398,126</b>
<b>Net Increase in cash &amp; cash equivalents (a+b+c)</b>		<b>1,600,596</b>		<b>(79,552,412)</b>
Opening Balance of Cash & Cash equivalents		16,766,395		48,159,403
Closing Balance of Cash & Cash equivalents		18,366,991		16,766,395
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>		<b>1,600,596</b>		<b>(31,393,008)</b>

As per our attached report of even date

For Mahendra N. Shah &amp; Co.

Chartered Accountants

FRN: 105775W

Director Chirag M. Shah

Partner

M. No.: F 045706

Place: Ahmedabad

Date: 30.05.2019

For PashupatiCotspin Limited

Saurin Parikh

Chairman &amp; Managing Director

DIN: 02136530

Haresh Shah

Chief Financial Officer

Place: Ahmedabad

Date: 30.05.2019

Tushar Trivedi

Whole Time

DIN: 06438707

Bijal Thakkar

Company Secretary

**NOTE 1****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:-****A) SIGNIFICANT ACCOUNTING POLICIES****1) Information:**

PASHUPATI COTSPIN LIMITED is a listed company incorporated in India. The Company is engaged in Cotton Ginning and manufacture, processing of yarn.

**2) Basis of Preparation:**

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects. The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in preparation of financial statements are consistent with those of previous year.

**3) Use of Estimates:**

The presentation of financial statements in conformity with the GAAP requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates is recognized in the period in which the results are known / materialized.

**4) Property Plant & Equipments:**

Property Plant & Equipments are stated at Cost or at Revalued Amount, net of GST Credit less Accumulated Depreciation. All costs including financing costs till commencement of commercial production and Exchange rate variations relating to the Borrowing are capitalized / adjusted to the Property Plant & Equipments.

**5) Depreciation:**

- I. Depreciation on Property Plant & Equipments is provided on the Straight Line Method (SLM) Method on the basis of Useful Life prescribed in Schedule II to the Companies Act, 2013.
- II. Depreciation on additions to the Property Plant & Equipments and the assets sold or disposed off, during the year is provided on pro-rata basis, at their respective rates with reference to the date of acquisition/installation or date of sale/disposal.

**6) Inventories:**

**(Inventories were taken as valued & certified by the partners.)**

- a) Raw Material – At lower of Cost or Net Realizable Value
- b) Stock in Process - At lower of Cost or Net Realizable Value
- c) Finished Goods - At lower of Cost or Net Realizable Value
- d) Stores, Spares, Lubricants- At lower of Cost or Net Realizable Value
- e) Material In Transit - At Cost
- f) Waste (Cotton and Yarn) - At Net Realizable value

**7) Foreign Currency Transactions:**

- a) Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing on the date of the balance sheet. All exchange differences other than those relating to the acquisition of Property Plant & Equipments from outside India are dealt with in the statement of profit and loss. Exchange gain or loss relating to Property Plant & Equipments acquired from outside India is adjusted in the cost of respective Property Plant & Equipments.
- b) In case of forward contracts, the gain/loss on contracts are treated as periodical expense or revenue. Any profit or loss arising on the cancellation or renewal of a forward exchange contract is recognized as income or expense for the year, except in case of a forward exchange contract relating to liabilities incurred for acquiring Property Plant & Equipments from outside India, in which case, such profit or loss is adjusted in the cost of Property Plant & Equipments.
- c) Exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the statement of profit and loss in the reporting period in which the exchange rates change.

**8) Retirement Benefits:**

- a) The company has made provision of Gratuity liability of employees on basis of actuarial valuation report.
- b) Leave encashment has been charged to the Revenue Account on the basis of policy of the company.
- c) The company contribution to Provident Fund is charged to Revenue Account.

**9) Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**10) Revenue Recognition:**

Income and Expenditure are recognized and accounted on Accrual Basis. Revenue from Sale of goods is recognized on delivery of the goods, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to customers & no effective ownership is retained. However;

- a) Revenue in respect of insurance/other claims etc is recognized only when it is reasonably certain that the ultimate collection will be made.
- b) Dividend income is recognized when the right to receive is established.

- c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.
- d) Interest received on delayed payment is accounted on receipt basis.
- e) Lease Rent Income is recognized on accrual basis as per the terms of the Agreement.
- f) All benefits, claims, entitlements etc. under TUF subsidy, Goods & Service Tax, Electricity, Government Textile Policy Benefits are recognized as per the terms of the scheme and on accrual basis.

**11) Segment Accounting:**

The company manufactures and deals in single product i.e. Cotton Yarn only and therefore, Accounting Standard 17 on Segment Reporting is not applicable.

**12) Investments:**

Long Term Investments are carried at cost. Temporary diminution in value of such investments, if any, is ignored.

**13) Provisions and contingencies:**

A provision is recognized when the company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a probable obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

**14) Taxation:**

**a) Direct Taxes:**

Tax expense for the year, comprising Current Tax if any and Deferred Tax are included in determining the net profit for the year.

A provision is made for deferred tax for all timing differences arising between taxable incomes and accounting income at currently enacted tax rates.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**b) Indirect Taxes:**

The liabilities are provided or considered as contingent depending upon the merit of each case and/or receiving the actual demand from the department.

**15) Impairment Loss:**

Impairment Loss, if any, is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is that which is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. Net Selling Price is the amount obtainable from sale of the asset on arms length basis between knowledgeable and willing parties less the cost of disposal.

**B). NOTES ON ACCOUNTS:****1. Contingent Liabilities:**

- a) Income Tax Demands for A.Y. 2014-15 of Rs. 54,44,720. (P.Y. 54,44,720/-) against which Company has preferred appeals before appropriate authorities.
  - b) Bank guarantees amounting to Rs. 3,93,02,964/-(P.Y. Rs. 3,93,02,964/-) in favor of DGFT& Customs, Rs. 2,41,12,137/-(P.Y. Rs. 2,41,12,137/-) in favor of Uttar Gujarat Vij Company Limited.
  - c) The Company has availed benefit of concessional duty on Machineries imported under Export Promotion Capital Goods Scheme During the year 2013-14 to 2018-19. The Company's obligation for export was fixed of Rs. 130,92,66,687/- out of which as on reporting date, the company has made Export through Merchant Exporter under EPCG Scheme of Rs. 58,71,73,901/-. Hence, Export Obligation for duty Saved Amount of Rs. 72,20,92,785/- (P.Y. Rs. 21,00,18,268/-)
2. In terms of Accounting Standard 28 – Impairment of Assets issued by ICAI the Management has reviewed its Property Plant & Equipments and the difference between the carrying amount and recoverable value of relevant assets was not material. Hence, provision for impairment loss is not considered necessary to be made in the books.
  3. In respect of the loss & Unabsorbed Depreciation incurred by the Company for the current year, deferred tax asset is recognized in the books of Rs. 14,78,373/-, since the company has certainty that they will be realized in the near future.
  4. Earlier the Company was formed as “Pashupati Cotspin LLP” and was functioning and carrying out its business activities in LLP and all the interest in the LLP have vested to the Company by virtue of the conversion of LLP into Limited Company under Part I Chapter XXI of Section 366 of Companies Act, 2013. Therefore Previous year figures strictly not comparable.
  5. Disclosure on Corporate Social Responsibility (CSR) activities u/s 135 of the Companies Act, 2013 is as under:

As per Section 135 (1) of the Companies Act, 2013 Corporate Social Responsibility is not applicable to the Company as the Company has net loss during the immediately preceding financial year i.e. in 2017-18. But the Company has voluntarily adopted to do Corporate Social Responsibility activities.

During the financial year ended 31<sup>st</sup> March, 2019, the Company incurred CSR expenditure of Rs. 9,82,449 (Rupees Nine Lakhs Eighty Two Thousand Four Hundred Forty Nine Only). The CSR initiative of the Company is mainly under promotion of Healthcare specially relating to cancer awareness.

6. The following disclosure has been made on the information available with the Company, for suppliers who are registered as micro and small enterprises under ‘MSMED’ Act



Particulars	As at March 31, 2019	As at March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each period: Principal Interest	3,87,39,526	Nil
The amount of interest paid by the buyer in terms of Section-16 of the MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during each period	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the period.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil
<b>Total</b>	<b>3,87,39,526</b>	<b>Nil</b>

There are no Micro, Small & Medium Enterprises to whom the company owes, which are outstanding for more than 45 days as at March 31, 2019. This information is disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 which has been determined to the extent such parties have been identified on the basis of the information available with the company.

## 7. Earnings Per Share:

Particular	2018-19	2017-18
Net profit attributable to Shareholders	9,46,18,330	(63,62,977)
Weighted average number of equity shares	1,02,84,000	1,02,84,000
Basic earnings per share of Rs.10/- each (in Rs)	9.20	(0.69)

## 8. Related Party Disclosure:

### A. LIST OF RELATED PARTIES AND RELATIONSHIP:

Bhaveshkumar Jayantilal Patel	Relative of Directors
Ashish Rameshchandra Trivedi	Relative of Directors
Hariprabha Aravindbhai Parikh	Relative of Directors
Renukaben Jagdishchandra Parikh	Relative of Directors
Falguni Mitesh Parikh	Relative of Directors
Minaben Daksheshbhai Patel	Relative of Directors
Miteshbhai JagdishBhai Parikh	Relative of Directors
M/s S. Raja Export Private Limited	



M/s Pashupati Oil Industries (converted into Pashupati Cotyarn LLP on 21/06/2018)	
M/s Madhav Oil Industries	
M/s Pashupati Cotton Industry	
M/s Shree Pashupati Fabric LLP	
M/s Pashupati Solar Private Limited	
M/s Pashupati Healthcare Foundation	
M/s Global park Developer LLP	
M/s Pashupati Fashion LLP	
M/s Universal Industrial Park LLP	
M/s Pashupati Agro Green Industries	

## B. KEY MANAGERIAL PERSONNEL

Saurin Jagdish Bhai Parikh	Managing Director
Tushar Rameshchandra Trivedi	Whole time Director
Hareshkumar Rameshchandra Shah	Chief Financial Officer (CFO)
Bijal Nareshbhai Thakkar	Company Secretary & Compliance Officer

## C. RELATED PARTIES TRANSACTIONS (Rs.):

Transactions	Associates/Related Party	Enterprises owned or Significantly influenced by Key Managerial Personnel	Key Managerial Personnel
Purchase of Goods	1,22,06,11,486 (4,01,46,131)	NIL	NIL
Sale of Goods	2,46,12,67,754 (1,32,72,42,211)	NIL	NIL
For Various Expenses	1,35,35,910 (86,24,150)	NIL	NIL
Interest Income	4,84,224 (0,00,000)	NIL	NIL
Loan Received	15,64,25,000 (1,65,09,24,660)	NIL	51,97,000 (75,00,000)
Loan Repaid	10,30,05,000 (45,29,11,487)	NIL	1,95,72,000 (1,51,84,600)
Interest Expenses	1,36,43,221 (3448194)	NIL	32,93,843 (24,00,256)
Remuneration	NIL	NIL	2,40,000 (1,80,000)
Investment-FIXED CAPITAL	37,50,000	NIL	NIL
Investment-CURRENT CAPITAL	5,15,89,426	NIL	NIL
Rent	0,00,000 (16,37,625)	NIL	NIL

## 9. Disclosure pursuant to Accounting Standard - 15 [Revised] 'Employee Benefits':

A. The Company has, with effect from 1st April, 2007, adopted Accounting Standard 15, Employee Benefits [Revised 2005] [the 'Revised AS 15']. In accordance with the transitional provisions governing gratuity valuation – defined benefit plan – long term liability based on actuarial valuation is as follows:

B. The Amount (in Rs.) as certified by the Approved Value is as under:

Period	From: 01/04/2018 To: 31/03/2019	From: 01/04/2017 To: 31/03/2018
Present value of the obligation at the beginning of the period	35,78,539	23,33,148
Interest cost	2,50,498	1,63,320
Current service cost	8,44,173	12,13,594
Past Service Cost	0	0
Benefits paid (if any)	0	0
Actuarial (gain)/loss	(20,11,635)	(1,31,523)
Present value of the obligation at the end of the period	26,61,575	35,78,539

### Key results (The amount to be recognized in the Balance Sheet):

Period	As on: 31/03/2019	As on: 31/03/2018
Present value of the obligation at the end of the period	26,61,575	35,78,539
Fair value of plan assets at end of period	0	0
Net liability/(asset) recognized in Balance Sheet and related analysis	26,61,575	35,78,539
Funded Status	(26,61,575)	(35,78,539)

### Expense recognized in the statement of Profit and Loss:

Period	From: 01/04/2018 To: 31/03/2019	From: 01/04/2017 To: 31/03/2018
Interest cost	2,50,498	1,63,320
Current service cost	8,44,173	12,13,594
Past Service Cost	0	0
Expected return on plan asset	(0)	(0)
Net actuarial (gain)/loss recognized in the period	(20,11,635)	(1,31,523)
Expenses to be recognized in P&L	(9,16,964)	12,45,391

**Experience adjustment:**

Period	From: 01/04/2018 To: 31/03/2019	From: 01/04/2017 To: 31/03/2018
Experience Adjustment (Gain)/loss for Plan liabilities	(20,11,635)	1,74,456
Experience Adjustment Gain/(loss) for Plan assets	0	0

**The assumptions employed for the calculations are tabulated:**

Discount rate	7.00 % per annum	7.00% per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	0	0
Withdrawal rate (Per Annum)	30.00% p.a.	30.00% p.a.

**Benefits valued:**

Normal Retirement Age	60 Years	60 Years
Salary	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period	5 Years of service	5 Years of service
Benefits on Normal Retirement	15/26 * Salary * Past Service (yr)	15/26 * Salary * Past Service (yr)
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	2000000.00	2000000.00

**Current Liability (\*Expected payout in next year as per schedule III of the Companies Act, 2013):**

Period	As on: 31/03/2019	As on: 31/03/2018
Current Liability (Short Term)*	4,24,963	69,189
Non Current Liability (Long Term)	22,36,612	35,09,350
Total Liability	26,61,575	35,78,539

**Sensitivity Analysis:** Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As on: 31/03/2019
Defined Benefit Obligation (Base)	26,61,575 @ Salary Increase Rate : 5%, and discount rate :7%
Liability with x% increase in Discount Rate	25,85,897; x=1.00% [Change (3)% ]
Liability with x% decrease in Discount Rate	27,41,738; x=1.00% [Change 3% ]
Liability with x% increase in Salary Growth Rate	27,42,538; x=1.00% [Change 3% ]
Liability with x% decrease in Salary Growth Rate	25,83,816; x=1.00% [Change (3)% ]
Liability with x% increase in withdrawal Rate	26,29,620; x=1.00% [Change (1)% ]
Liability with x% decrease in withdrawal Rate	26,94,344; x=1.00% [Change 1% ]

### Reconciliation of liability in balance sheet

Period	From: 1/4/2018To: 31/3/2019
Opening gross defined benefit liability/ (asset)	35,78,539
Expenses to be recognized in P&L	(9,16,964)
Benefits paid (if any)	0
Closing gross defined benefit liability/ (asset)	26,61,575

		2018-19	2017-18
<b>10.</b>	<b>AUDITORS' REMUNERATION:-</b>	<b>3,00,000</b>	<b>1,75,000</b>
	1. Audit Fees (Including Service Tax)	0	0
	2. Tax Audit	0	0
	3. Traveling expenses	0	0
	<b>TOTAL</b>	<b>3,00,000</b>	<b>1,75,000</b>
<b>11.</b>	<b>DETAILS OF GOODS IMPORTED:-</b>		
	<b>1. CIF value of goods imported:</b>		
	(a) Cotton	0	6,78,48,360
	(b) Machineries, Spares and Stores	5,00,576	1,22,495
	(c) Plant and Machinery	0	5,44,59,183
	<b>TOTAL</b>	<b>5,00,576</b>	<b>1,22,43,0038</b>
	<b>2. CONSUMPTION:-</b>		
	(a.) <u>Raw Materials:</u>		
	(i) Imported goods	0	6,78,48,360
	(ii) <u>Indigenous goods:</u>		
	Cotton	4,33,18,79,323	3,08,43,04,168
	Cotton yarn	0	0
	<b>TOTAL</b>	<b>4,33,18,79,323</b>	<b>3,152,152,528</b>
	Imported	0	2.15%
	Indigenous	100%	97.85%
	(b.) <u>Machinery Spares and Stores:</u>		
	(i) Imported goods	5,00,576	5,45,81,678
	(ii) Indigenous goods	2,70,25,377	2,09,23,333
	<b>TOTAL</b>	<b>2,75,25,953</b>	<b>7,55,05,011</b>
	Imported	1.82%	72.29%
	Indigenous	98.18%	27.71%
<b>12.</b>	<b>Export Sales :</b>		

		Exports: Direct(FOB Value)	0	0
		Through Merchant Exporters	1,29,29,35,727	0
			<b>1,29,29,35,727</b>	<b>NIL</b>
<b>13.</b>		<b><u>Expenditure in Foreign Currency:</u></b>		
		Purchase of Plant and Machinery, Stores, Spares and Cotton	0	12,24,30,038
		Travelling and Others	0	0
		Interest on Foreign Currency Loan	0	0
		Freight	0	0
		Commission	0	0
		<b>TOTAL</b>	<b>NIL</b>	<b>12,24,30,038</b>
	<b>3.</b>	<b>Remittances of Dividend in Foreign Currency</b>	<b>NIL</b>	<b>NIL</b>

#### 14. Long Term Borrowing:

##### Nature of Security :

- Term loan from Oriental Bank of Commerce Ltd. is secured by hypothecation of movable Current Assets and also secured way of mortgage of immovable properties (excluding cost of land) and hypothecation of Movable Properties and Collateral Security of Directors and their relatives.
- Term loan from Yes Bank Ltd. is secured by exclusive hypothecation of Solar Power Project assets created out of Bank Term Loans and Personal Guarantee of Directors.
- Term loan from HDFC Bank Ltd. is secured by exclusive hypothecation of Car.

##### Term of Repayment:

Particulars	Amount outstanding as on 31st March, 2019	Financial year 2019-20	Financial year 2020-21	Financial year 2021-22	Financial year 2022-23	Financial year 2023-24	Financial year 2024-25 & Onwards
OBC Bank Ltd	60,26,18,647	15,91,71,616	16,38,18,286	7,52,76,286	6,25,74,286	6,19,14,286	7,22,33,332
Yes Bank Ltd	2,89,19,194	78,87,054	78,87,054	78,87,054	52,58,036	-	-
HDFC Bank Ltd	41,98,309	11,40,818	12,35,506	12,95,096	5,26,889	-	-
<b>Total</b>	<b>63,57,36,150</b>	<b>16,81,99,488</b>	<b>17,29,40,846</b>	<b>8,44,58,436</b>	<b>6,83,59,210</b>	<b>6,19,14,286</b>	<b>7,22,33,332</b>

As per our Attached Report of even date

For Mahendra N. Shah & Co.  
Chartered Accountants  
FRN : 105775W

Chirag M. Shah  
Partner  
M.No. F 045706

Date : 30<sup>th</sup> May, 2019  
Place : Ahmedabad

For, PashupatiCotspin Limited

Saurin Parikh  
Chairman & Managing Director  
DIN : 02136530

Haresh Shah  
Chief Financial Officer

Date : 30<sup>th</sup> May, 2019  
Place : Ahmedabad

Tushar Trivedi  
Whole Time Director  
DIN : 06438707

Bijal Thakkar  
Company Secretary

**Note No. 2(a)**

Share Capital	As at 31 March 2019		As at 31 March 2018	
	Number	Rs	Number	Rs
<b><u>Authorised Share Capital</u></b>				
Equity Shares of Rs 10/- each	1,55,00,000	15,50,00,000	1,10,00,000	15,50,00,000
<b><u>Issued</u></b>				
Equity Shares of Rs 10/- each	1,02,84,000	102,840,000	1,02,84,000	102,840,000
<b><u>Subscribed &amp; Paid up</u></b>				
Equity Shares of Rs. 10/- each fully paid	1,02,84,000	102,840,000	1,02,84,000	102,840,000
<b>Total</b>	<b>1,02,84,000</b>	<b>102,840,000</b>	<b>1,02,84,000</b>	<b>102,840,000</b>

**Note No. 2.1**

Equity Shares outstanding at the beginning of the year	1,02,84,000	102,840,000	-	-
Shares Issued during the year	0	0	1,02,84,000	102,840,000
Shares bought back during the year	0	0	-	-
Shares outstanding at the end of the year	<b>1,02,84,000</b>	<b>102,840,000</b>	<b>1,02,84,000</b>	<b>102,840,000</b>

**Note No. 2.2**

Details of Shareholders holding more than 5% Shares.

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ashishbhai Rameshchandra Trivedi	600000	5.83	600000	5.83
Bhaveshbhai Jayantibhai Patel	525000	5.11	525000	5.11
Daksheshbhai Jayantibhai Patel	525000	5.11	525000	5.11
Falguniben Miteshbhai Parikh	1125000	10.94	1125000	10.94
Hariprabhaben Arvindbhai Parikh	975000	9.48	975000	9.48
Mukeshbhai Vithalbhai Patel	600000	5.83	600000	5.83
Renukaben Jagdishbhai Parikh	975000	9.48	975000	9.48
Saurinbhai Jagdishbhai Parikh	1725000	16.77	1725000	16.77

**Note No. 2.3**

There are no unpaid calls from Directors or officers.

**Note No. 2.4**

Equity shares rank paripasu & subject to right, preference and restrictions under the Companies Act.

**Note No. 2B**

	<b>Reserves &amp; Surplus</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>(i)</b>	<b>Share Securities Premium</b>		
	Opening Balance	18,09,60,000	-
(+)	Additions during the year	-	18,09,60,000
(-)	Utilised during the year	-	-
	<b>Closing Balance (a)</b>	<b>18,09,60,000</b>	<b>18,09,60,000</b>
<b>(ii)</b>	<b>General Reserves</b>		
	Opening Balance	-	-
(-)	Capitalised by Issue of Bonus Shares	-	-
(+)	Current Year Transfer	-	-
	<b>Closing Balance (b)</b>	<b>-</b>	<b>-</b>
<b>(iii)</b>	<b>Surplus in Statement of Profit &amp; Loss</b>		
	Opening balance	2,37,138,667	184,422,637
	Net Profit For the current year	94,618,331	(6,362,978)
	Proposed Dividends	-	-
	Corporate Dividend Tax	-	-
	Depreciation of Earlier years	-	-
	Transfer to Reserves	-	59,079,008
	<b>Closing Balance (c)</b>	<b>331,756,998</b>	<b>237,138,667</b>

**Note No. 2C**

	<b>Money Received Against Share Warrants</b>		
	Opening Balance	7,37,50,000	-
(+)	Additions during the year (Warrant Application Money)	-	-
(-)	Utilised during the year	<b>7,37,50,000</b>	<b>-</b>

The Company has allotted 50,00,000 (fifty lakhs) share warrants at Rs. 59/- per warrant convertible into Equity shares of Rs. 10/- each at a premium of Rs. 49/- per share to the Promoter(s)/Promoter Group and to Non-Promoters of the Company on the preferential basis.

The Company has received the upfront payment of 25% of the total consideration as per the terms of the issue on these 50,00,000 share warrants and the balance 75% will be received within a period of 18 months from the date of issue. The upfront amount of 25% would stand forfeited if the option to acquire the Equity Shares is not exercised by the Equity Warrant holder(s) within a period of 18 months from the date of issue.

**Note 3: Long Term Borrowings**

	<b>(In Rs)</b>	
	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>A. Secured Loan *</b>		
From Banks	635,736,150	800,808,080

Less: Current Maturities of long term debt	(168,199,488)	(170,064,797)
<b>Total</b>	<b>467,536,662</b>	<b>630,743,283</b>
<b>B. Unsecured Loan</b>		
From Members ##	131,532,058	165,300,127
<b>Total</b>	<b>599,068,720</b>	<b>796,043,410</b>

**Notes:**

\*Refer note no.13 of Notes to Accounts for information regarding terms of repayment and security.

## The Company has taken unsecured loan from the Directors and Members to meet the conditions stipulated by the banker of the bank.

**Note 4:Deferred Tax Liability**

**(In Rs)**

	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Deferred Tax Liability	89,266,504	89,266,504
Less : Reversal of Deferred Tax Liability	(1,478,373)	-
<b>Total</b>	<b>87,788,131</b>	<b>89,266,504</b>

**Note 4.1:Components of Deferred Tax Liability (Net)**

**(In Rs)**

<b>Particulars</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Depreciation	101,872,784	71,705,195
Employee benefits	(930,061)	(411,764)
Other Timing Differences	(13,154,593)	17,973,072
<b>Total</b>	<b>87,788,131</b>	<b>89,266,504</b>

**Note 5: Long Term Provisions**

**(In Rs)**

	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Provision- Others</b>		
Provision for Gratuity	2,236,612	3,745,391
<b>Total</b>	<b>2,236,612</b>	<b>3,745,391</b>

**Note 6: Short Term Borrowings**

**(In Rs)**

	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Working Capital Loan From Bank( Secured)	597,840,531	628,049,692
<b>Total</b>	<b>597,840,531</b>	<b>628,049,692</b>

**Note 6.1:**

Primary secured by way of hypothecation of stocks of raw material,work in progress,finishes goods,stores,spares & receivables & further secured way of mortgage of immovable properties (excluding cost of land) and hypothecation of Movable Properties and Collateral Security of Directors and Their Relatives.



**Note 7: Trade Payables**
**(In Rs)**

	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Trade Payables</b>		
For Supply of Goods	10,798,145	11,025,843
For Others	59,590,866	22,350,486
<b>Total</b>	<b>70,389,011</b>	<b>33,376,329</b>

Refer Note No -6 of Part B of Notes to accounts for MSMED Disclosure

**Note 8: Other Current Liabilities**
**(In Rs)**

	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
(i) Statutory Remittances	17,982,513	52,730,192
(ii) Current Maturities Of Long Term Borrowings	168,199,488	170,064,797
(iii) Other Payables	23,443,996	19,464,393
(iv) Advance from Customer	147,147,439	43,613,266
<b>Total</b>	<b>356,773,435</b>	<b>285,872,648</b>

**Note 9: Short Term Provisions**
**(In Rs)**

	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Provision for Income Tax	23,477,542	13,851,940
Provision for Gratuity	424,963	-
Provision for Bonus	6,493,233	-
<b>Total</b>	<b>30,395,738</b>	<b>13,851,940</b>

**Note: 10 Property Plant & Equipment:**

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK		
	Balance as on 01.04.2018	Additions During the Year	Adjustment \Deductions\ Reclassifications During the year	Balance as on 31.03.2019	As on 01.04.2018	Provided During the year	Amount Transferred to Retained Earnings	Adjustment \Deductions During the year	As on 31.03.2019	As on 31.03.2019	As on 31.03.2018
<b>Tangible Assets</b>											
Bridges, culverts, bunders, etc.	9,78,675	-		9,78,675	1,28,458	30,960		-	1,59,418	8,19,257	8,50,216
Computer software	3,46,200	4,09,551		7,55,751	1,90,248	77,993		-	2,68,241	4,87,510	1,55,952
Computer	9,46,893	1,60,372	65,000	11,72,265	5,06,942	1,76,853		-	6,83,795	4,88,470	4,39,951
Electrical Installation	4,61,92,840	-	(1,84,97,007)	2,76,95,833	1,13,45,514	24,12,987		2,94,195	1,40,52,695	1,36,43,138	3,48,47,326
Factory Building	26,64,88,381	23,00,276	2,53,49,711	29,41,38,368	2,19,46,523	97,22,322			3,16,68,845	26,24,69,523	24,45,41,858
Office Equipments	5,79,541	7,36,650	-	13,16,191	3,50,683	1,31,986		-	4,82,669	8,33,522	2,28,858
Plant & Machinery	1,20,39,59,978	83,29,816	(69,17,704)	1,20,53,72,090	30,67,87,203	11,36,77,285		(2,94,195)	42,01,70,294	78,52,01,796	89,71,72,775
Tubewell	6,30,670	-		6,30,670	5,15,038	84,098		-	5,99,137	31,534	1,15,631
Vehicle	1,40,91,043	21,60,766		1,62,51,809	35,17,329	17,80,518			52,97,847	1,09,53,962	1,05,73,714
Land	1,93,87,328	-		1,93,87,328	-	-	-	-	-	1,93,87,328	1,93,87,328
<b>Total</b>	<b>1,55,36,01,549</b>	<b>1,40,97,431</b>	<b>0</b>	<b>1,56,76,98,980</b>	<b>34,52,87,939</b>	<b>12,80,95,002</b>	<b>-</b>	<b>0</b>	<b>47,33,82,941</b>	<b>1,09,43,16,039</b>	<b>1,20,83,13,609</b>
<b>Previous Year</b>	<b>96,14,86,848</b>	<b>62,41,05,919</b>	<b>3,19,91,218</b>	<b>1,55,36,01,549</b>	<b>36,19,23,681</b>	<b>8,34,73,919</b>	<b>8,83,13,536</b>	<b>1,17,96,125</b>	<b>34,52,87,940</b>	<b>1,20,83,13,610</b>	<b>-</b>

**Note 11: Non Current Investment**
**(In Rs)**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Other Investment</b>		
Investment in Other Corporate Entities **#	59,089,426	-
<b>Total</b>	<b>59,089,426</b>	<b>-</b>

\*\* It includes Share of profit for the current year

# These includes amount invested and deposited in LLP in which Company is Partner.

**(In Rs)**

Name of the Company	As at 31.03.2019	As at 31.03.2018
<b>Pashupati Cotyarn LLP</b>	<b>59,089,426</b>	<b>-</b>

**Note 12: Long Term Loans & Advances**
**(In Rs)**

	As at 31.03.2019	As at 31.03.2018
Unsecured, Considered Good		
Deposits others	422,559	422,559
Capital Advances	8,897,027	1,961,061
<b>Total</b>	<b>9,319,586</b>	<b>2,383,620</b>

**Note 13: Inventories**
**(At Lower of Cost or Net Realizable Value)**
**(In Rs)**

	As at 31.03.2019	As at 31.03.2018
Raw Materials	192,256,208	5,778,150
Finished Goods	367,545,594	574,686,557
WIP	27,741,530	34,007,156
Stores , Spares & Packing Material	19,686,216	24,317,842
<b>Total</b>	<b>607,229,548</b>	<b>638,789,705</b>

**Note 14: Trade Receivables**
**(In Rs)**

	As at 31.03.2019	As at 31.03.2018
<b>Unsecured, Considered Good</b>		
Trade receivables outstanding for a period less than six months from the date they are due for payment	219,859,397	35,277,855
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	60,876,824	241,518,200
<b>Total</b>	<b>280,736,220</b>	<b>276,796,055</b>

There is Trade Receivable due from Directors, Officers Or Company in which Directors are Director.  
**(In Rs)**

Name of the Company	As at 31.03.2019	As at 31.03.2018
PashupatiCotyarn LLP	3,249,625	-
Shree Pashupati Fabric LLP	64,327,573	-

#### Note 15: Cash and Cash Equivalents

**(In Rs)**

	As at 31.03.2019	As at 31.03.2018
<b>(a) Balances with Banks</b>		
<b>In Current Accounts</b>	976,320	143,170
<b>(b) Cash on Hand</b>	1,566,530	1,736,714
<b>2. Fixed Deposits Under Lien #</b>		
(i) Against Borrowings	6,677,217	6,288,871
(ii) Against Guarantees	9,146,924	8,597,640
<b>Total</b>	<b>18,366,991</b>	<b>16,766,395</b>

# Fixed Deposit with Maturity of more than 12 Months.

#### Note 16: Short Term Loans and Advances

**(In Rs)**

	As at 31.03.2019	As at 31.03.2018
<b>Unsecured, Considered Good</b>		
(a) Loans and Advances		
(i) Advance to Suppliers	28,611,740	4,784,968
(ii) Others	71,310,404	37,693,037
(b) Balances with Government Authorities	89,875,935	95,466,870
<b>Total</b>	<b>189,798,078</b>	<b>137,944,875</b>

# There is Advance due from LLP in which Director of Company is Partner.

**(In Rs)**

Name of the Company	As at 31.03.2019	As at 31.03.2018
Global Park Developers LLP	26,661,075	-

#### Note 17: Other Current Assets

**(In Rs)**

	As at 31.03.2019	As at 31.03.2018
Textile Benefit Receivable	131,937,036	90,150,320

#### Note 18: Revenue from Operations

**(In Rs)**

	For the year 2018-19	For the year 2017-18
Yarn Sales	1,903,691,276	1,067,874,290
Yarn Waste Sales	178,217,268	124,732,915

Cotton Sales	3,136,376,422	2,074,228,910
<b>TOTAL</b>	<b>5,218,284,966</b>	<b>3,266,836,115</b>
Less: Rebate & Goods returned	(7,959,614)	-
<b>NET SALES</b>	<b>5,210,325,351</b>	<b>3,266,836,115</b>
Other Operating Revenues	167,952,333	77,392,214
<b>Total</b>	<b>5,378,277,684</b>	<b>3,344,228,329</b>

**Note 19: Other Income**
**(In Rs)**

		<b>For the year 2018-19</b>	<b>For the year 2017-18</b>
1	Interest Income	4,600,466	3,351,644
2	Other Income	8,120,716	4,362,734
	<b>Total</b>	<b>12,721,182</b>	<b>7,714,378</b>

**Note 20.a: Cost of Materials Consumed**
**(In Rs)**

	<b>For the year 2018-19</b>	<b>For the year 2017-18</b>
Opening Stock	5,778,150	-
Add: Purchases	4,518,357,381	3,157,930,678
Less: Closing Stock	(192,256,208)	5,778,150
<b>Total</b>	<b>4,331,879,323</b>	<b>3,152,152,528</b>

**Note 20.b: Changes in Inventories of Finished Goods**
**(In Rs)**

	<b>For the year 2018-19</b>	<b>For the year 2017-18</b>
<b><u>Inventories at the End of the Year:</u></b>		
Finished Goods	367,545,594	574,686,557
Stores, Spares & Packing Material	19,686,216	24,317,842
Work in process	27,741,530	34,007,156
	<b>414,973,340</b>	<b>633,011,555</b>
<b><u>Inventories at the Beginning of the Year:</u></b>		
Finished Goods	574,686,557	288,597,112
Stores, Spares & Packing Material	24,317,842	11,208,859
Work in process	34,007,156	10,173,991
	<b>633,011,555</b>	<b>309,979,962</b>
<b>Total</b>	<b>218,038,215</b>	<b>(323,031,593)</b>

**Note 21: Employee Benefits Expense**
**(In Rs)**

	<b>For the year 2018-19</b>	<b>For the year 2017-18</b>
Salaries and Wages	79,240,031	55,206,776
Bonus	14,047,341	
Gratuity Expenses	-	1,245,391
Contributions to Provident and Other Funds	484,046	596,103
Staff Welfare Expenses	3,900,727	1,822,825
<b>Total</b>	<b>97,672,145</b>	<b>58,871,095</b>

**Note 22: Finance Cost**
**(In Rs)**

	<b>For the year 2018-19</b>	<b>For the year 2017-18</b>
<b>Bank Charges Exp.</b>	195,666	310,242
<b>Bank Interest Exp.</b>	160,769,916	92,895,777
<b>Loan processing fees and other charges</b>	1,582,531	7,502,458
<b>Total</b>	<b>162,548,113</b>	<b>100,708,477</b>

**Note 23: Other Expenses**
**(In Rs)**

	<b>For the year 2018-19</b>	<b>For the year 2017-18</b>
Transportation Expenses	5,279,716	4,705,020
Brokerage & Commission Expenses	4,901,894	5,114,540
Jobwork Expenses	12,891,343	8,213,476
Legal & Consultancy Charges	3,497,417	1,056,531
Power and Fuel	209,975,254	150,772,633
Donation	156,579	1,801,949
Repairing & Maintenance :-		
Machinery (including spares)	30,075,208	20,256,346
Building	1,899,388	28,769
others	3,970,236	973,371
Labour Expenses	-	3,062,736
CSR Expenses	982,449	-
Insurance	2,765,132	936,199
Travelling Expenses	182,865	305,299
Loading & Unloading Expenses	9,602,070	3,398,775
Loss on Sale of Fixed Assets	-	3,109,045

Quality Claim & Weight Shortage Claims	2,721,531	715,322
Rent,Rates& Taxes	367,128	14,400
Auditors Remuneration (Refer Note Below)	300,000	175,000
Stationery, Printing, Postage & Telephone	854,985	704,273
General Expenses	16,451,349	6,654,694
<b>Total</b>	<b>306,874,545</b>	<b>211,998,377</b>

**Note:**

**(In Rs)**

	<b>For the year 2018-19</b>	<b>For the year 2017-18</b>
<b>Payments to the Auditors comprises :</b>		
As Auditors - Statutory Audit	300,000	175,000
Taxation Matters		
Out of pocket expenses		
<b>Total</b>	<b>300,000</b>	<b>175,000</b>

**PASHUPATI COTSPIN LIMITED**  
**(CIN: L17309GJ2017PLC098117)**

**Survey No.404 At& Post Balasar, Kadi-Detroj Road, Kadi Mahesana-382715 Gujarat.**

**\*ATTENDANCE SLIP\***

DPID/ CLIENT ID: \_\_\_\_\_

Registered Folio No.: \_\_\_\_\_

No of Shares held: \_\_\_\_\_

Name(s) and address of the Shareholders/Proxy in Full:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I, Certify that I am a Shareholder/ Proxy of the Shareholder of the Company. I/We hereby accord my/our presence at the **02<sup>nd</sup> Annual General Meeting** of the Company being held on Thursday, September 26, 2019 at 04.00 PM at the registered office of the Company at Survey No.404 At & Post Balasar, Kadi-Detroj Road, Kadi Mahesana-382715.

\_\_\_\_\_  
Signature of Shareholder/ Proxy

NOTE: Please fill in the Attendance Slip and hand it over at the entrance of the Hall.



**Form No. MGT-11**
**Proxy form**

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

CIN:	L17309GJ2017PLC098117
Name of the company:	PASHUPATI COTSPIN LIMITED
Registered office:	Survey No. 404 At & Post Balasar, Kadi-Detroj Road, Kadi Mahesana-382715, Gujarat.

Name of the member(s):

Registered address:

Email 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:	

2.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

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 02<sup>nd</sup> Annual general meeting of the company, to be held on Thursday, 26<sup>th</sup> September, 2019 at 04.00 P.M. at the registered office of the Company situated at Survey No. 404 At & Post Balasar, Kadi-Detroj Road, Kadi Mahesana-382715, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
<b>Ordinary Business</b>	
1.	To receive, consider and adopt the audited Financial Statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon;
2.	To appoint a Director in place of Mr. Tushar Rameshchandra Trivedi (DIN: 06438707) who retires by rotation and being eligible, offers himself for re-appointment.
3.	To declare Final Dividend of Re. 0.50 (Fifty Paise Only) (5%) per equity share for the financial year ended March 31, 2019 as recommended by the Board of Directors.
<b>Special Business</b>	
4.	Ratification of Remuneration of Cost Auditor of the Company.
5.	To approve related party transactions to be entered by the Company with related parties

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

Signature of shareholder

Signature of Proxy holder(s)

**Notes:**

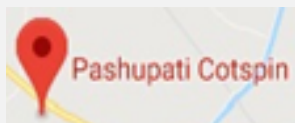
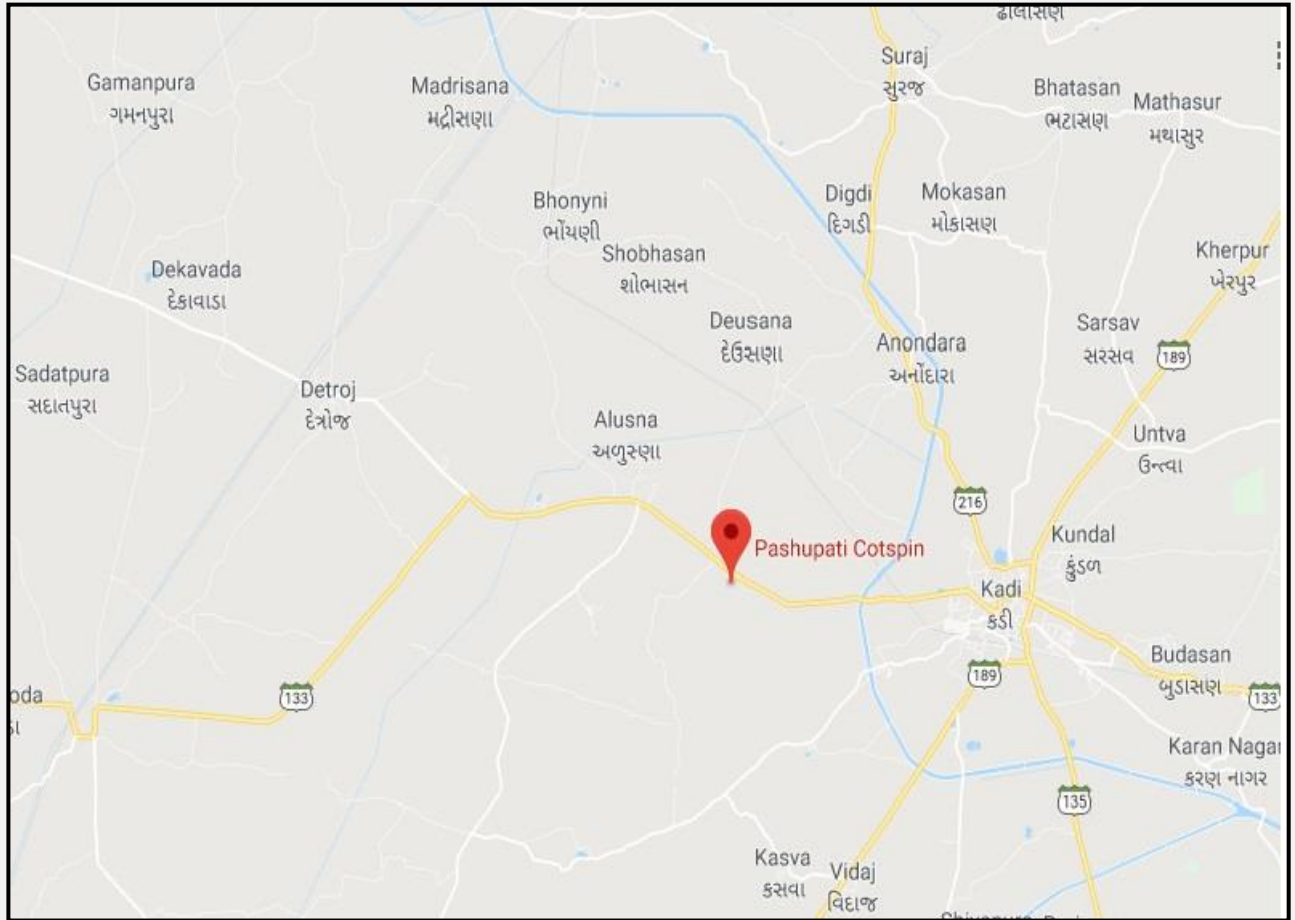
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. The Proxy need not be a member of the Company.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

**\*\* This is only optional. Please put 'X' in the appropriate Column against the resolutions indicated in the Box. If you leave the 'For' or ' Against ' Column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.**

3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.



**ROUTE MAP TO ANNUAL GENERAL MEETING VENUE**



**Survey No.404 At & Post Balasar,  
Kadi-Detroj Road,  
KadiMahesana-382715,**