

PASHUPATI COTSPIN LIMITED

(CIN: L17309GJ2017PLC098117)

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

Email: cs@pashupaticotspin.com PhoneNo. +91-02764-262200 Website: www.pashupaticotspin.com

POSTAL BALLOT NOTICE

[PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 READ WITH RULE 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

Dear Member(s),

Notice is hereby given in terms of the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (“**the Rules**”) (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**Listing Regulations**”) and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs (“**MCA**”) for holding general meetings/conducting postal ballot process through e-voting vide General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 in view of COVID-19 pandemic (“**MCA Circulars**”), that the resolution appended below is proposed to be passed by the Members of PashupatiCotspin Limited (“**the Company**”) through postal ballot by way of electronic voting (“**Postal Ballot**”).

The draft resolution proposed to be passed by way of Postal Ballot and the Explanatory Statement setting out the material facts concerning the said resolution and the reasons thereof, are annexed hereto for your consideration.

The Board of Directors of the Company has appointed CS Devesh Khandelwal, Practising Company Secretary (Membership No. FCS: 4202; COP No: 6897) as ‘**Scrutinizer**’ for conducting the Postal Ballot process in a fair and transparent manner.

In compliance with the requirements of the MCA Circulars, Members are required to communicate their assent or dissent through the remote e-voting system only. You are requested to carefully read all the instructions given in the Notes. E-voting shall **commence on Thursday, 11th November, 2021 at 9.00 A.M. (IST) and end on Friday, 10th December, 2021 at 5.00 P.M. (IST)**. The Scrutinizer shall submit his report to the Chairman of the Company or to any other person authorised by him after completion of scrutiny of the e-Voting and, the results of the voting shall be declared **not later than 5.30 P.M. (IST) on Saturday, 11th December, 2021** at the Registered Office of the Company. The results along with the Scrutinizer’s Report will be placed on the Company’s website i.e. www.pashupaticotspin.com and on the e-voting website of National i.e. www.evoting.nsdl.com. The same shall simultaneously be communicated to the Stock Exchanges where the shares of the Company are listed.

1. APPROVAL OF INTER-CORPORATE LOANS, INVESTMENTS, GUARANTEE OR SECURITY AND ACQUISITION UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

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

“RESOLVED THAT in supersession to the special resolution passed earlier by the members at the Extra Ordinary General Meeting held on 15th March, 2019 and pursuant to the provisions of Section 186 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as may be amended from time to time and Articles of Association of the Company, approval of the members of the Company be and is hereby given to the Board of Directors of the Company (hereinafter called **‘the Board’** which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) for giving any loans/any other form of debt to any person or other body corporate, giving guarantee or providing any security in connection with the loan/any other form of debt to any person or body corporate and /or acquiring by way of subscription, purchase or otherwise the securities and/or contribution of any other body corporate whether Indian or overseas up to maximum amount of Rs.300 Crore (Rupees Three Hundred Crore only) outstanding at any point of time notwithstanding that the aggregate amount of all the loans/guarantees/ securities/investments so far made together with the proposed loans /guarantees/securities/investments to be made, exceeds the prescribed limits under the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions and steps in respect of the above loans, guarantees, securities and investment including the timing, amount and other terms and conditions of such loans, guarantees, securities and investment and varying the same either in part or in full as it may deem appropriate, and to do and perform all such acts, deeds, matters and things as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard including power to sub-delegate in order to give effect to the aforesaid resolution.”

2. AUTHORIZING BOARD TO GRANT LOANS AND ADVANCES UNDER SECTION 185 OF THE COMPANIES ACT, 2013 TO ENTITY IN WHOM DIRECTOR/S IS/ARE INTERESTED:

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

“RESOLVED THAT pursuant to the provisions of Section 185 of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017, approval of members of the Company be and is hereby accorded for making of loan(s) including loan represented by way of Book Debt (the **“Loan”**) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/ to be taken by **M/s.PashupatiTexspin Export LLP** (Formerly known as M/s. Shree Pashupati Fabric LLP)being entity covered under the category of ‘a person in whom any of the director of the company is interested’ as specified in the explanation to Sub-section 2 of the said Section, of an aggregate outstanding amount not exceeding Rs. 100 Crores (Rupees One Hundred Crores only)at any point in time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as “**the Board**”, which term shall be deemed to include any committee thereof) be and is hereby authorized to negotiate, finalize and agree to the terms and conditions of the aforesaid Loan/Guarantee/security, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deed and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.”

3. 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 provision 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. No.	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 Partnersin the firm.	Pashupati Cotton Industries	500	-
2.	Sale of Goods	Mr. Saurin Parikh and Mr.Dakshesh Patel Directors of Company are also Partnersin the firm.	PashupatiCotyarnLLP(formerly known as PashupatiOilIndustries	500	-
3.	Sale of Goods	Mr. Saurin Parikh,	PashupatiTexspinExport LLP (Formerly known as Shree	600	-

		Mr.Tushar Trivedi and Mr.Dakshesh Patel all Directors Alongwith their relatives arepartners of the LLP	PashupatiFabric LLP)		
4.	Purchase of Raw Material / Goods	Mr. Saurin Parikh and Mr.Dakshesh Patel Directors of Company are also Partnersin the firm.	Pashupati Cotton Industries	-	500
5.	Labour & Job Work	Mr. Saurin Parikh, Mr.Tushar Trivedi and Mr.Dakshesh Patel all Directors Alongwith their relatives arepartners of the LLP	PashupatiTexspinExportLLP (Formerly known as Shree PashupatiFabric LLP)	-	5
6.	Rent on Machinery	Mr. Saurin Parikh, Mr.Tushar Trivedi and Mr.Dakshesh Patel all Directors Alongwith their relatives arepartners of the LLP	PashupatiTexspinExport LLP (Formerly known as Shree PashupatiFabric LLP)	-	3

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.”

4. AUTHORIZING BOARD TO GRANT LOANS AND ADVANCES UNDER SECTION 185 OF THE COMPANIES ACT, 2013 TO ENTITY IN WHOM DIRECTOR/S IS/ARE INTERESTED:

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

“**RESOLVED THAT** pursuant to the provisions of Section 185 of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017, approval of members of the Company be and is hereby accorded for making of loan(s) including loan represented by way of Book Debt (the “**Loan**”) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/ to be taken by **M/s. Pashupati Cotyarn LLP** being entity covered under the category of ‘a person in whom any of the director of the company is interested’ as specified in the explanation to Sub-section 2 of the said Section, of an aggregate outstanding amount not exceeding Rs.75 Crores (Rupees Seventy-Five Crores only) at any point in time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as “**the Board**”, which term shall be deemed to include any committee thereof) be and is hereby authorized to negotiate, finalize and agree to the terms and conditions of the aforesaid Loan/Guarantee/security, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deed and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.”

By the order of the Board
For, **PASHUPATI COTSPIN LIMITED**

Sd/-
SAURIN JAGDISH BHAI PARIKH
CHAIRMAN & MANAGING DIRECTOR
DIN: 02136530

Date: 26th October, 2021
Place: Kadi

Registered Office:-
Survey No.404 At& Post Balasar,
Kadi-Detroj Road, Kadi Mahesana-382715

Notes:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (“the Act”) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (“the Rules”), as amended, setting out the material facts concerning the said Special Resolution and the reasons thereof is annexed hereto and forms part of this Postal Ballot Notice (“**Notice**”).
2. As per Section 110 and other applicable provisions of the Act read with Rule 22 of the Rules, cut-off date for the purpose of reckoning the Voting rights is Friday, 29th October, 2021 (“**Cut-off Date**”). A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.
3. This Notice along with the instructions regarding e-voting is being sent only by e-mail to all those Members, whose e-mail address is registered with the Company or with the Depositories/Depository Participants and whose names appear in the Register of Members/list of Beneficial Owners as on the Cut-off Date, in accordance with the guidelines prescribed by the Ministry of Corporate Affairs (“**MCA**”) for holding general meetings/conducting postal ballot process through e-voting vide General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 (“**MCA Circulars**”). The Notice shall also be uploaded on the website of the Company i.e. www.pashupaticotspin.com and on the e-voting website of National Securities Depository Limited (“**NSDL**”) i.e. www.evoting.nsd.com.

All the Members of the Company as on the Cut-off Date (including those Members who may not have received this Notice due to non-registration of their e-mail address with the Company or the Depositories/Depository Participants) shall be entitled to vote in accordance with the process specified in Note No. 8. As per the MCA Circulars and in view of non-availability of postal and courier services, physical copy of Postal Ballot Notice, Postal Ballot Form and pre-paid business reply envelope are not being sent to the Members for this Postal Ballot.

4. In compliance with the provisions of Sections 108 and 110 of the Act read with the Rules made thereunder, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**the Regulations**”) and in accordance with the MCA Circulars, the Company has engaged NSDL as the agency for facilitating remote e-voting to enable the Members to cast their votes electronically (“**remote e-voting**”). In accordance with the MCA Circulars, the Members can vote only through remote e-voting.
5. Dispatch of the Notice shall be deemed to be completed on **Wednesday, 10th November, 2021**.
6. E-voting shall **commence on Thursday, 11th November, 2021 at 9.00 A.M. (IST) and end on Friday, 10th December, 2021 at 5.00 P.M. (IST)**. The e-voting module shall be disabled by NSDL for voting thereafter.
7. The Company has appointed CS Devesh Khandelwal, Practising Company Secretary (Membership No. FCS: 4202; COP No: 6897) as ‘**Scrutinizer**’ for conducting the Postal Ballot process in a fair and transparent manner.
8. **The remote e-voting process shall be as under:**
 - A. Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL	<p>i. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>ii. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>iii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p>i. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>ii. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>iii. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>iv. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link</p>

	in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

LOGIN METHOD FOR SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE AND SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Helpdesk details
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For Members who hold shares in demat account with NSDL .	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
For Members who hold shares in demat account with CDSL .	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individualshareholders are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c. How to retrieve your ‘initial password’?
 - i. If your email ID is registered in your demat account with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a. Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

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

ITEM NO.1:

As per the provisions of Section 186 read with the Rules framed thereunder and other applicable provisions, if any, of the Companies Act, 2013, no Company shall directly or indirectly, without prior approval by means of Special Resolution passed at a General Meeting,

- give any loan to any person or other body corporate;
- give any guarantee or provide security in connection with a loan to any other body corporate or person; and
- acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding limit of:-
 - 60% of its paid-up share capital, free reserves and securities premium account or
 - 100% of its free reserves and securities premium account, whichever is more.

In order to support its business activities, the Company may be required to give loans/ any other form of debt to any person or other body corporate and/or give guarantee and/or provide security in connection with a loan/any other form of debt to any other body corporate or person and to make investment or acquire by way of subscription, contribution, purchase or otherwise the securities of any other body corporate in excess of the limits prescribed herein above.

It is therefore necessary to obtain approval of the shareholders by means of Special Resolution, authorizing the Board to exercise aforesaid powers, up to maximum amount of Rs. 300 (Rupees Three Hundred Crore) outstanding at any point of time notwithstanding that the aggregate amount of all the loans/guarantees/securities/investments so far made together with the proposed loans/guarantees/securities/investments to be made, exceeds the prescribed limits under the Companies Act, 2013.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 1 of the notice.

The Board recommends the Special Resolution set out at Item No. 1 of the Notice for approval by the shareholders.

ITEM NO.2:

M/s. PashupatiTexspin Export LLP (Formerly known as M/s. Shree Pashupati Fabric LLP) and hereinafter also known as “The LLP” wherein your Company is also one of the Partner. In PashupatiTexspin Export LLP, your Company holds 10% of total contribution, further Mr. SaurinJagdish Bhai Parikh (DIN: 02136530) Managing Director, Mr. TusharRameshchandra Trivedi (DIN: 06438707) Whole-Time Director and Mr. DaksheshJayantilal Patel (DIN: 07859419) and other related party of the Company holds 79% in aggregate of total contribution.

PashupatiTexspin Export LLP’s principal business activity consists of to carry on in India or elsewhere the business of manufacturing, processing, weaving, knitting, producing, dyeing, texturizing, sizing, coloring, printing, mercerizing, reeling, winding, throwing, embroidering.

PashupatiTexspin Export LLP need funds for its short term and long term working capital requirements. Therefore to meet its funding requirements PashupatiTexspin Export LLP has obtained various credit facilities from AXIS Bank aggregating Rs.45,00,00,000/-(Fourty Five

Crores) and all partners of the LLP has to provide their Guarantee to secure the credit facility taken by the LLP. All other partners has already given their personal Gurantee, thus your company on being partner of the said LLP is supposed to give its corporate guarantee to the Bank.

In addition to Corporate Guarantee to AXIS Bank, the Company may be required to make loan(s) including loan represented by way of Book Debt (the “**loan**”) to, and/or give guarantee(s) and/or provide security (ies) in connection with any loan, taken/ to be taken by PashupatiTexspin Export LLP and therefore seek permission of the shareholders for upto Rs.100.00 Cr. at any point in time. The said Loan(s)/guarantee(s)/security(ies) shall be utilised by PashupatiTexspin Export LLP for their principal business activities and the matters connected and incidental thereto (the “Principal Business Activities”).

The Company being one of the Partner in the LLP is and/or will require to make loan(s) including loan represented by way of Book Debt (the “**Loan**”) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/ to be taken by **M/s. PashupatiTexspin Export LLP** (Formerly known as M/s. Shree Pashupati Fabric LLP), and therefore, the said transaction is not covered under the provisions of section 185 of the Companies Act, 2013, but keeping in mind the better corporate government practice, the Board deems that PashupatiTexspin Export LLP is the entity covered under the category of ‘**a person in whom any of the director of the company is interested**’ as specified in the explanation to Sub-section 2 of the Section 185 of Companies Act, 2013 and hence consent of the members is being sought by way of a special resolution pursuant to Section 185 of the Companies Act, 2013 (as amended by the Companies (Amendment) Act, 2017) for making of Loan(s) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/ to be taken by PashupatiTexspin Export LLP of an aggregate outstanding amount not exceeding Rs. 100 Crores (Rupees One Hundred crores only) at any point in time on the terms mentioned in the resolution set out at item no. 2 and necessary delegation of authority to the Board for this purpose. Your Directors recommend the resolution set out at Item no. 2 to be passed as a special resolution by the members.

Following are the brief particulars of Loan proposed to be given or guarantee to be given or security to be provided by your Company to the respective LLP i.e. PashupatiTexspin Export LLP.

Name of the Entity	Particulars of loans to be given, or guarantee to be given or security to be provided	Purpose
PashupatiTexspin Export LLP	Aggregate amount of loans to be given or guarantee to be given or securities to be provided shall not exceed an amount of Rs.100 Croresat any point in time.	Sale and purchase of goods/ services or any other expense including working capital requirements and for Capex to support its Principal Business Activities.

Except Mr. SaurinJagdish Bhai Parikh, Mr. TusharRameshchandra Trivedi and Mr. DaksheshJayantilal Patel along with their relatives, none of the other Directors or the Key Managerial Personnel or their relatives except to their share holding is in any way interested or concerned, financially or otherwise in this Resolution.

ITEM NO.3:

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 2020-21 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. 3 of the Notice for approval by the Shareholders.

ITEM NO. 4

M/s. PashupatiCotyarn LLP and hereinafter also known as “The LLP” wherein your Company is also one of the Partner. In PashupatiCotyarn LLP, your Company holds 18% of total contribution, further Mr. Saurin Jagdish Bhai Parikh (DIN: 02136530) Managing

Director, Mr. Tushar Rameshchandra Trivedi (DIN: 06438707) Whole-Time Director and Mr. DaksheshJayantilal Patel (DIN: 07859419) and other related party of the Company holds 71 % in aggregate of total contribution.

PashupatiCotyarn LLP’s principal business activity consists of Manufacture of Oil, Delinting process of cotton seed, TFO and other textile activities.

The Shareholders of the Company has already authorized the Board of Directors under the provisions of section 185 of the Companies Act, 2013 vide Special Resolution passed through Postal Ballot of which result was declared on 15th March, 2021 for Pashupati Cotyarn LLP upto Rs.25.00 Crores at any point in time. The Board of your Company now seek to increase the said limit of Rs.25.00 Crores to Rs.75.00 Crores. The Company may be required to make loan(s) including loan represented by way of Book debts (“the loan”) to, and/or give guarantee(s) and/or provide security(ies) in connection with any, including loan represented by way of Book Debt, if any (the “loan”) taken/to be taken by **Pashupati Cotyarn LLP**. The said loan(s)/guarantee(s)/security(ies) shall be utilized for their principal business activities and the matters connected and incidental thereto(the “Principal Business Activities”)

The Company being one of the Partner in the LLP is and/or will require to make loan(s) including loan represented by way of Book Debt (the “**Loan**”) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/ to be taken by **M/s. Pashupati Cotyarn LLP**, and therefore, the said transaction is not covered under the provisions of section 185 of the Companies Act, 2013, but keeping in mind the better corporate government practice, the Board deems that **Pashupati Cotyarn LLP** is the entity covered under the category of ‘**a person in whom any of the director of the company is interested**’ as specified in the explanation to Sub-section 2 of the Section 185 of Companies Act, 2013 and hence consent of the members is being sought by way of a special resolution pursuant to Section 185 of the Companies Act, 2013 (as amended by the Companies (Amendment) Act, 2017) for making of Loan(s) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/ to be taken by **Pashupati Cotyarn LLP** of an aggregate outstanding amount not exceeding Rs. 75 Crores (Rupees Seventy-Five Crore only) at any point in time on the terms mentioned in the resolution set out at item no. 4 and necessary delegation of authority to the Board for this purpose. Your Directors recommend the resolution set out at Item no. 4 to be passed as a special resolution by the members.

Following are the brief particulars of Loan proposed to be given or guarantee to be given or security to be provided by your Company to the respective LLP i.e. **Pashupati Cotyarn LLP**.

Name of the Entity	Particulars of loans to be given, or guarantee to be given or security to be provided	Purpose
PashupatiCotyarn LLP	Aggregate amount of loans to be given or guarantee to	Sale and purchase of goods/ services or any other expense

	be given or securities to be provided shall not exceed an amount of Rs.75 Crores at any point in time.	including working capital requirements and for Capex to support its Principal Business Activities.
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Except Mr. Saurin Jagdish Bhai Parikh, Mr. Tushar Rameshchandra Trivedi and Mr. DaksheshJayantilal Patel along with their relatives, none of the other Directors or the Key Managerial Personnel or their relatives except to their share holding is in any way interested or concerned, financially or otherwise in this Resolution.

By the order of the Board
For, **PASHUPATI COTSPIN LIMITED**

Sd/-
SAURIN JAGDISH BHAI PARIKH
CHAIRMAN & MANAGING DIRECTOR
DIN: 02136530

Date: 26th October, 2021
Place: Kadi

Registered Office:-
Survey No.404 At& Post Balasar,
Kadi-Detroj Road, Kadi Mahesana-38271