



*Pasupati  
Acrylon Ltd.*

## ANNUAL REPORT 1998-99

## PASUPATI ACRYLON LIMITED

### BOARD OF DIRECTORS

#### Chairman

Mr. Vidya Nand Garg  
(PICUP Nominee)

#### Managing Director

Mr. Vineet Jain

#### Directors

Mr. Vijay Kumar Jain  
Mr. Ramesh Kumar Jain  
Mr. M.M. Kohli  
Mr. Baldev Pasricha  
Mr. B.N. Pasari  
Mr. Vijay Bahuguna  
Mr. Ravinder Kapur  
Mr. R.K. Kumar  
Km. Nita Chowdhury (PICUP Nominee)  
Mr. S.C. Malik (Director Finance)

#### Secretary

Mr. S.D. Jain  
F.C.S., F.C.A.

#### Auditors

M/s. B.K. Shroff & Co.  
New Delhi

#### Bankers

Allahabad Bank  
State Bank of Patiala  
UCO Bank  
Bank of Maharashtra  
State Bank of Hyderabad  
Bank of India  
Sanyal Bank Ltd.  
Canara Bank  
Punjab National Bank

#### Regd. Office & Works

Thakurdwara  
Kashipur Road  
Distt. Moradabad (U.P.)

#### Corporate Office

M-14, Connaught Circus  
(Middle Circle)  
New Delhi-110 001



## NOTICE

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Notice is hereby given that the 16th Annual General Meeting of the Members of Pasupati Acrylon Ltd., will be held on Saturday, the 25th day of September, 1999 at plant premises of Pasupati Acrylon Ltd., Village Thakurdwara, Kashipur Road, Distt. Moradabad (U.P.) at 10.30 a.m. to transact the following business :

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended March 31, 1999, Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Vijay Kumar Jain, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Baldev Pasricha, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. M.M. Kohli, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

## SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications the following Resolution(s) :-

## AS AN ORDINARY RESOLUTION(S)

6. "Resolved that in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the approval of Financial Institutions, consent of the Company be and is hereby accorded to the re-appointment of Shri Vineet Jain, as the Managing Director of the Company, for a period of 5 (five) years with effect from 1st October, 1999, on the terms and conditions including remuneration as set out in the explanatory statement herein, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and to vary the terms and conditions of the said appointment and/or remuneration within the limit specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed

to between the Board and Shri Vineet Jain.

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. "Resolved that in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the approval of Financial Institutions, consent of the Company be and is hereby accorded to the re-appointment of Shri S.C. Malik, as the Director (Finance) of the Company, for a period of 5 (five) years with effect from 1st October, 1999, on the terms and conditions including remuneration as set out in the explanatory statement herein, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and to vary the terms and conditions of the said appointment and/or remuneration within the limit specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri S.C. Malik.

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. "RESOLVED that Shri R.K. Kumar, who was appointed as an Additional Director pursuant to section 260 of the Companies Act and Articles 117 of the Articles of Association of the Company and holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to section 257 of the Companies Act, 1956, proposing his candidature to the office of Director, be and is hereby appointed as Director of the Company".

By order of the Board  
PASUPATI ACRYLON LIMITED

Place : New Delhi  
Dated : July 30, 1999

S.D. Jain  
Company Secretary

Registered Office  
Thakurdwara  
Kashipur Road  
Distt. Moradabad  
Uttar Pradesh



## NOTICE (Contd.)

EDITOR

## NOTES

- 1 (a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member.
- (b) Proxies in order to be effective must be received at the registered office of the Company, not less than 48 hours before the Annual General Meeting.
- (c) Members/proxies should bring the Attendance Slip duly filled in for attending the meeting.
2. Explanatory statement relating to Item No.6 to 8 pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and share Transfer Books of the Company will remain closed from Thursday, the 16th September, 1999 to Saturday, the 25th September, 1999 (both days inclusive).
4. Members who are holding shares in identical names in more than one folio are requested to write to the company to enable the company to consolidate their shareholdings in one folio. Further, members are requested to immediately notify to the Company any change in their address.
5. All documents referred to in the accompanying Notice and the explanatory statement are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
6. In addition to the Registered Office of the Company, the shareholders can contact/write to Company's Corporate Office at M-14, Connaught Circus (Middle Circle), New Delhi-110001, for any communication with the Company.
7. Member(s)/Investor(s) are advised to avail nomination facilities pursuant to Section 109A of the Companies (Amendment) Act, 1999, may at any time nominate a person in the prescribed manner i.e. by sending Form 2B, Rule 4CCC and 5D (enclosed in the last page) duly filled and signed by the Member(s)/Investor(s) to whom his/her shares in or deposits shall vest in the event of his/their death.

Investors may send the enclosed nomination form to the company's Corporate Office directly.



## EXPLANATORY STATEMENT

DIRECTORS REPORT

[Pursuant to Section 173(2) of the Companies Act, 1956.]

## ITEM NO. 6 &amp; 7

The present terms of office of Shri Vineet Jain and Shri S.C. Malik is expiring on 30th September, 1999. The Board of Directors has resolved that, they may be re-appointed for a further period of 5 (five) years from 1st October, 1999.

The broad particulars of remuneration payable to and terms of the respective re-appointments of Shri Vineet Jain and Shri S.C. Malik for a period of 5 (five) years w.e.f. 1st October, 1999 are as under :

(Rs./Per annum)		
Name & Designation	Salary	Perquisites & allowances
Shri Vineet Jain, Managing Director	6,00,000	4,50,000
Shri S.C. Malik, Director (Finance)	5,50,000	3,50,000

The Managing Director and the Director (Finance) of the Company, shall be entitled to the above remuneration also as minimum remuneration, (where in any financial year during the currency of their tenure, the Company has no profits or its profits are inadequate) inclusive of perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses; or allowances for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and his family including dependants; club fee, medical insurance and such other perquisites and/or allowances, upto the amounts specified above for each of them, subject to overall ceiling of remuneration stipulated in Sections 198 and 309 of the Companies Act, 1956. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force).

Company's contribution to Provident Fund and Superannuation Fund, to the extent these singly or together are not taxable under the Income Tax Act 1961. Gratuity payable shall be as per the rules of the Company and encashment of leave as per Company Rules, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

In addition to the salary, perquisites and allowances as above Mr. Vineet Jain, the Managing Director shall also be entitled to receive commission, with effect from financial year commencing 1st April, 2000 provided that the overall remuneration payable by way of salary, perquisites, allowances and commission to the Managing Director shall not exceed in the aggregate, 3% of the net profits of the Company, computed under Section 349 of the Companies Act, 1956 or Rupees Twenty Five lacs per annum whichever is lower.

The respective arrangement may be terminated by either party (Company or the concerned

Whole Time Director) by giving the other Three month's prior notice of termination in writing.

If at any time the Director (Finance) ceases to be a Director of the Company for any cause whatsoever, he shall cease to be Director (Finance) of the Company.

The Director (Finance) is liable to retire by rotation.

If at any time Director (Finance) ceases to be in employment of the Company for any cause whatsoever he shall cease to be a Director of the company.

Application has been made to the Lead Financial Institution for approval of the proposed re-appointments.

Your Directors commend the resolutions set out at Item Nos. 6 & 7 of the Notice for your approval.

The above may also be treated as an abstract of the terms of contract/agreement between company and Shri Vineet Jain and Shri S.C. Malik respectively pursuant to Section 302 of the Companies Act, 1956.

Shri Vineet Jain and Shri S.C. Malik are interested in the resolutions which pertain to their re-appointment and/or remuneration payable to each of them.

Save and except the above, none of the other Directors of the Company is, in any way, concerned or interested in the resolution(s).

## ITEM NO. 8

Mr. R.K. Kumar was appointed as an Additional Director under section 260 of Companies Act, 1956 and would be holding office upto the date of this Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director.

Mr. R.K. Kumar is a Law Graduate and Fellow Member of The Institute of Chartered Accountants of India.

Your Directors consider that Mr. R.K. Kumar's experience and guidance will be of immense value to the Company and accordingly commend his appointment for your approval.

No other Director Except Mr. R.K. Kumar, is concerned or interested in the proposed resolution.

By order of the Board  
PASUPATI ACRYLON LIMITED

Place : New Delhi  
Dated : July 30, 1999

S.D. Jain  
Company Secretary

Registered Office  
Thakurdwara  
Kashiapur Road  
Distt. Moradabad  
Uttar Pradesh



THE STATE OF TEXAS,

1. The first group of variables includes the following:

$$f(x) = \frac{1}{2} \left( 1 + \frac{x}{\sqrt{1+x^2}} \right)$$

1. The first group of people who are not in the labor force are those who are not in the labor force because they are not in the labor force.

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APPROPRIATIONS:

## Debtors' redemption reserves

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...the ...

During the year under review, Company expansion plan to increase the production Messrs. Vijay Kumar Jain, Baldev Pasricha

lenders.	been following changes in the Nominee
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The current year prospects looks to be better

- The main raw-material price i.e. ACN, has

In order to reduce utility cost, an extraction

- Mr. Vidya Nand Garg, Managing Director

The Company accepts fixed deposits from the

Messrs Vijay Kumar Jain, Baldev Pasricha

Mr. R. K. Kumar was appointed as an

In terms of section 257 of the Companies Act:

During the period under review, there have

- The Pradeshiva Industrial & Investment

- Your Directors welcome the appointment of





**DIRECTORS' REPORT (Contd.)**

Company will benefit immensely from his experience, advice and guidance.

Your Directors also place on record the appreciation for the valuable services rendered by Mr.Indu Kumar Pande and Mr.R.K.Kaul during their tenure.

**INDUSTRIAL RELATIONS**

Industrial relations continued to be cordial during the year under review.

**EMPLOYEES**

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended w.e.f. 12.03.1999 form part of this Report.

**AUDITORS AND THEIR REPORT**

M/s.B.K.Shroff & Co., Chartered Accountants, New Delhi retire at the

forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received certificate from them under Section 224(1-B) of the Companies Act, 1956.

The observations made by the Auditors in their report regarding non-provision of technical & know-how fee, the same is being accounted for, when the instalment as per terms of agreement is being paid. Your Directors feel that this policy is being followed consistently and accordingly, is being accounted for on cash basis.

**ENERGY, TECHNOLOGY & FOREIGN EXCHANGE**

A statement giving details of conservation of energy, technology absorption and foreign exchange earning and outgo in terms of the Companies (Disclosure of Particulars in the Report of Board of

Directors) Rules, 1988 is annexed hereto, forming part of this Report.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their deep appreciation of the continued support and co-operation received from Financial Institutions, Consortium Bankers and Shareholders, the State and Central Government, PICUP and Company's Collaborators.

Your Directors also wish to place on record their appreciation of the devoted services of the Company's employees, which have in great way contributed to the Company's progress.

For and on behalf of the Board

Place : New Delhi Vidya Nand Garg  
Dated : July 30, 1999 Chairman

**ANNEXURE TO DIRECTORS' REPORT**

STATEMENT OF PARTICULARS UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.1999.

Sl. No.	Name of Employee	Age	Qualification	Exp. (Yrs.)	Date of Employment	Designation	Remuneration	Last Employment held & designation
<b>A) Employed throughout the Financial Year and in receipt of remuneration aggregating not less than Rs.6,00,000/- per annum.</b>								
1.	Jain Vineet	30	B.B.A.(London)	09	01.01.90	Managing Director	10,31,390	—
2.	Malik S.C.	49	B.Com. (Hons.), F.C.A.	27	16.07.90	Director (Finance)	6,24,708	G.M.(Finance) Perfect Circle Victor Ltd.
3.	Sehgal V.N.	59	B.E.(Chemicals)	38	01.02.88	President	7,70,802	General Manager Haldia Petro Chemicals Ltd.
4.	Walia S.N.	43	B.Sc., LLB,MBA	20	16.01.89	Sr.Vice President (Purchase)	6,35,189	Dy.Manager (Mat.) JCT Mills Ltd.
<b>B) Employed for part of the year under review and were in receipt of remuneration for any part of the year at the rate which in aggregate was not less than Rs.50,000/- per month.</b>								
5.	Bhatia M.L.	62	B.E.(Elec.)	39	07.03.88	Chief Executive	8,72,218	General Manager Kailash Enterprises Private Limited

**Notes**

- The remuneration consists of salary, house rent allowance/actual value of rent free accommodation, L.T.A, medical, contribution to Provident Fund, Superannuation fund and other benefits.
- In respect of an employee, employed for a part of the year, remuneration includes terminal benefits also.
- The conditions of employment of all employees, except that of Managing Director and Director (Finance) are non-contractual.
- None of the employees drawing remuneration in excess of that drawn by the Managing Director or Director (Finance), holds by himself or alongwith his spouse and dependent children more than two percent of the Equity Shares of the Company.
- None of these employees is related to any Director of the Company.

For and on behalf of the Board

Place : New Delhi  
Dated : July 30, 1999

Vidya Nand Garg  
Chairman



**DIRECTORS' REPORT (Contd.)**

(b) (i) (c) DIRECTORS' REPORT

(Additional Information in terms of Notification No. 1029 of 15.12.1988 issued by the Department of Company Affairs)

**[A] CONSERVATION OF ENERGY**

Some of the measures taken by the company for the conservation of energy during the period under report are as under:

- a) i) Waste heat recovery Boiler on D.G. exhaust gas was installed. With this, consumption of coal reduced by about 12 Tons per day.
- ii) Centrifuge were installed in 2 more D.G. sets to reduce consumption of lub oil and lub oil filters.
- iii) 15W 40 C.F. grade lub oil trails taken on one D.G. set to increase the time of 'B' check and inturn reduce consumption of lub oil.
- iv) 18.5 KW rating motor was provided in place of 30KW motor at coal crusher to reduce electrical consumption.
- v) 11 Watt lights provided at many places in place of 40Watt tube rods or 100 Watt incandescent bulbs to reduce power consumption.
- b) The company has schemes for further conservation of energy in future which would involve investment i.e.  
The project to install extraction cum condensing steam turbine is in progress and expected to be completed by October, 1999.
- c) The results of the measures taken at (a) by the company have brought it at the comparable level with one of the best plants installed by the collaborator.
- d) The total energy consumption and energy consumption per unit of production as per Form-A is annexed herewith.

**[B] TECHNOLOGY ABSORPTION**

Efforts made towards technology absorption are given as per Form-B is annexed herewith.

**[C] FOREIGN EXCHANGE EARNINGS & OUTGO****(a) Export Activities**

The company did not export Acrylic Fibre during the year (previous year Rs.0.28 lacs).

**(b) Total Foreign Exchange Used & Earned**

Foreign Exchange Used :		(Rs.in Lacs)	
	1998-99	1997-98	
i) Travelling	10.74	16.49	
ii) Interest	252.84	285.46	
iii) Installment under DPG for equipment/technical know-how and documentation	638.23	587.07	
iv) CIF Value of Imports			
— Raw Material	4710.10	5565.31	
— Stores and spares	24.04	37.68	
— Capital Goods	379.59	110.71	
<b>Foreign Exchange Earned</b>			
— FOB Value of Exports		0.28	

