



Quality Assured Company  
ISO-9001:2000



## ANNUAL REPORT 2014-2015

# PASUPATI ACRYLON LIMITED

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## BOARD OF DIRECTORS

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### Managing Director

Mr. Vineet Jain

### Directors

Mr. D. K. Kapila

Mr. S.C. Malik

Mr. S. Sathyamoorthy

Ms. Soma Garg

Mr. Devender Singh (PICUP Nominee)

Mr. D. K. Sharma (PICUP Nominee)

Mr. Rakesh Mundra Director (Finance) &  
Company Secretary

### Auditors

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

New Delhi

### Bankers

Allahabad Bank

State Bank of Patiala

UCO Bank

Bank of Maharashtra

State Bank of Travancore

Bank of Baroda

Canara Bank

### Regd. Office & Works

Thakurdwara

Kashipur Road

Distt. Moradabad (U.P.)- 244 601

Ph: 0591-2241352-55, 2241263

Fax: 0591-2241262

Email: works@pasupatiacrylon.com

### Corporate Office

M-14, Connaught Circus,

(Middle Circle)

New Delhi-110 001

Ph : 011-47627400

Fax : 011-47627497

Email: delhi@pasupatiacrylon.com

### Registrar & Share Transfer Agents

MCS Share Transfer Agent Ltd.

F-65, Okhla Industrial Area

Phase-I, New Delhi-110 020

Ph: 011-41406149 Fax: 011-41406148

Email: admin@mcsdel.com

## NOTICE



Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the members of Pasupati Acrylon Limited will be held on Wednesday the 30<sup>th</sup> day of September 2015 at the Registered Office of the Company at Village Thakurdwara, Kashipur Road, Distt. Moradabad (U.P.) at 10.00 A.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements comprising the Balance Sheet as at March 31<sup>st</sup>, 2015 and the statement of Profit & Loss and Cash Flow for the year ended on that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Vineet Jain (DIN 00107149), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to authorise the Board of Directors to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there-under, M/s. B.K. Shroff & Co., Chartered Accountants (Registration No. 302166E), be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirty-fourth AGM of the company to be held in 2017 (subject to ratification of their appointment at every AGM), and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors.

### SPECIAL BUSINESS

4. To appoint Shri Subhash Chandra Malik (DIN 00107170) as an Independent Director and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.  
**"RESOLVED THAT** pursuant to the provisions of section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Subhash Chandra Malik be and is hereby appointed as the Independent Director of the company to hold office for five consecutive years up to the conclusion of 37<sup>th</sup> AGM of the Company in the calendar year 2020.  
**"RESOLVED FURTHER THAT** Shri Rakesh Mundra, Company Secretary be and is hereby authorised to do all such things as may be necessary to fulfil the conditions of the appointment of Shri Subhash Chandra Malik as Independent Director of the Company."
5. To appoint Shri Deveshwer Kumar Kapila (DIN 00030614) as Additional Director and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.  
**"RESOLVED THAT** Shri Deveshwer Kumar Kapila, who was appointed as Additional Director pursuant to Section 161 (1) of the Companies 2013 and article 117 of the Articles of Association of the Company and hold such office upto the date

of this Annual General Meeting and in respect of whom the Company has received Notice in writing pursuant to Section 160 of the Companies Act 2013 proposing his candidature to the office of Director be and is hereby appointed as Director of the Company."

**"RESOLVED FURTHER THAT** Shri Rakesh Mundra, Company Secretary be and is hereby authorised to do all such things as may be necessary to fulfil the conditions of the appointment of Shri. Deveshwer Kumar Kapila, as Director of the Company."

6. To appoint Smt. Soma Garg (DIN 01344773) as Additional Director and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** Smt. Soma Garg, who was appointed as Additional Director pursuant to Section 161 (1) of the Companies 2013 and article 117 of the Articles of Association of the Company and hold such office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing pursuant to Section 160 of the Companies Act 2013 proposing her candidature to the office of Director be and is hereby appointed as Director of the Company."

**"RESOLVED FURTHER THAT** Shri Rakesh Mundra, Company Secretary be and is hereby authorised to do all such things as may be necessary to fulfil the conditions of the appointment of Smt. Soma Garg, as Director of the Company."

7. To appoint Shri Deveshwer Kumar Kapila (DIN 00030614) as an Independent Director and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Deveshwer Kumar Kapila be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation and to hold office for five consecutive years up to the conclusion of 37<sup>th</sup> AGM of the Company in the calendar year 2020.

**"RESOLVED FURTHER THAT** Shri Rakesh Mundra, Company Secretary be and is hereby authorised to do all such things as may be necessary to fulfil the conditions of the appointment of Shri Deveshwer Kumar Kapila as Independent Director of the Company."

8. To appoint Smt. Soma Garg (DIN 01344773) as an Independent Director and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Smt. Soma Garg be and is hereby appointed as an Independent

## NOTICE (Contd.)



Director of the company, not liable to retire by rotation and to hold office for five consecutive years up to the conclusion of 37<sup>th</sup> AGM of the Company in the calendar year 2020.

**"RESOLVED FURTHER THAT** Shri Rakesh Mundra, Company Secretary be and is hereby authorised to do all such things as may be necessary to fulfil the conditions of the appointment of Smt. Soma Garg as an Independent Director of the Company."

9. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2016 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rule, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Satnam Singh Saggu, Cost Auditor, (Membership No.M-10555) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2016 be paid the remuneration as set out in the explanatory statement to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.  
A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent, 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 a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold Directorships and Memberships / Chairmanships of the Board Committees, shareholding and relationships between Directors inter se as stipulated under clause 49 of the Listing Agreement with the Stock Exchange, are provided in the Corporate Governance Report forming part of the Annual Report.
4. A statement pursuant to section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working day, except Saturdays, during business hours up to the date of the Meeting.
8. The Company has notified closure of Register of Members and Share Transfer Books from Thursday, September 24, 2015 to Wednesday, September 30, 2015 (both days inclusive).
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/MCS.
10. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
11. In compliance with the provision of section 108 of the Act and the Rules framed there-under, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this notice.

The instructions for e-voting are as under:

### VOTING THROUGH ELECTRONIC MEAN

1. Pursuant to Section 108 and corresponding Rules of Companies Act, 2013, the Company will provide e-voting facility to the members. All business to be transacted at the Annual General Meeting can be transacted through the electronic voting system provided by Central Depository Services (India) Limited (CDSL).
2. The notice of Annual General Meeting will be send to the members, whose names appear in the Register of Members/ depositories as at closing hours of business, on 14<sup>th</sup> August, 2015.
3. The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every folio/ client ID, irrespective of the number of joint holders.
4. The Company has appointed Shri S.K. Hota, Practicing Company Secretary (Membership No.16165, Certificate No. 6425) as the Scrutinizer for conducting the e-voting process in the fair and transparent manner.
5. The scrutinizer shall, within a period of not exceeding three working days from the date of conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the company and make a final report to the Chairman of the Company.
6. The results shall be declared at the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com) and on the website of CDSL within two days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited.
7. The Scrutinizer's decision on the validity of e-voting will be final.

## NOTICE (Contd.)



### Instructions for Voting through electronic mode

- A. In case of members receiving e-mail:
- If you are holding shares in demat form and have earlier logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote for Electronic Voting Sequence Number (EVSN) of any Company, then your existing LOGIN ID and password are to be used.
  - If you have forgotten the password then enter the User ID and Captcha Code. Then, click on forgot password & enter the details as prompted by the system.

### Procedure for shareholders casting their vote electronically for the first time

- To initiate the voting process, log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on "Shareholders" tab to cast your votes.
- Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID Followed by 8 Digits client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
Image Verification	Next enter the image verification as displayed and click on Login	
PAN	Enter 10 digit alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and 8 digits of the sequence number (S. N. is mentioned in the address slip) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in Capital letters. E.g. If your name is Mahesh Kumar with sequence number 1 then enter MA00000001 in the PAN field.
Bank Details#	Enter your bank account number as registered with your depository participant in case electronic shares or with the company in respect of physical shares.	
DOB#	Enter your Date Of Birth as recorded in your demat account or in the company records in respect of your shareholding in the Company.	

- # CDSL users can enter date of birth, in order to login however; NSDL users and physical certificate holders mandatorily have to mention their bank account number in order to login. In case bank details are not recorded with the depository, please enter the No. of shares held by you as on 14th August, 2015 in the Bank details field.
- After entering these details appropriately, click on "SUBMIT" tab.
  - Members holding shares in physical form will then reach directly to the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - Now select the relevant Electronic Voting Sequence Number (EVSN) alongwith **"Pasupati Acrylon Limited"** on which you choose to vote.
  - On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the resolution and option "NO" implies that you dissent to the resolution.
  - Click on the "Resolutions File Link" if you wish to view entire resolutions.
  - After selecting the resolution you have decided to vote on, click on "SUBMIT". A conformation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## NOTICE (Contd.)



- xiv. In case a person, has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date, may write to **Pasupati Acrylon Limited, (M-14, Middle Circle, Connaught Circus, New Delhi – 110 001)** e-mail : [delhi@pasupatiacrylon.com](mailto:delhi@pasupatiacrylon.com) or to MCS Share Transfer Agents Ltd. e-mail : [admin@mcsdelhi.com](mailto:admin@mcsdelhi.com) requesting for the User ID and Password.
- xv. You can also take print out of the voting done by you by clicking on “Click here to print” option on the voting page.
- xvi. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details prompted by the system.
- Institutional shareholders (i.e. other Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and registered themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the custodian, if any, in PDF format in the system for scrutinizer to verify the same.
- B. In case of members receiving the physical copy of notice of the Annual General Meeting (for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy), please follow all steps from Sl. No. (i) to Sl. No. (xvi) above, to cast vote.
- C. Institutional shareholders (i.e. other Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and registered themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- D. The voting period begins on 27<sup>th</sup> September, 2015 and ends on 29<sup>th</sup> September, 2015. During this period shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- E. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under “Help” section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By order of the Board  
**PASUPATI ACRYLON LIMITED**

Place : New Delhi  
Dated : 7<sup>th</sup> August, 2015

**(Rakesh Mundra)**  
Company Secretary

*Registered Office*  
Thakurdwara Kashipur Road  
Distt. Moradabad  
Uttar Pradesh

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

#### ITEM NO. 4, 5 6, 7 & 8

The Securities and Exchange Board of India has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent director by a listed company.

It is proposed to appoint Shri Subhash Chandra Malik, Shri Deveshwer Kumar Kapila and Smt. Soma Garg as Independent Directors under Section 149 of the Act and Clause 49 of Listing Agreement to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company in the calendar year 2020.

Shri Deveshwer Kumar Kapila and Smt. Soma Garg are not Disqualified from being appointed as Directors in term of Section 164 of the Act and have given their consent to act as Directors.

## NOTICE (Contd.)



The Company has received Notice in writing from a member alongwith deposit of requisite amount under Section 160 of the Act proposing the candidature of each of Shri Deveshwer Kumar Kapila and Smt. Soma Garg for the office of Director of the Company.

The Company has also received declarations from Shri Subhash Chandra Malik, Shri Deveshwer Kumar Kapila and Smt. Soma Garg that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under clause 49 of Listing Agreement.

In the opinion of the Board, Shri Subhash Chandra Malik, Shri Deveshwer Kumar Kapila and Smt. Soma Garg fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement.

Brief resume of Shri Subhash Chandra Malik, Shri Deveshwer Kumar Kapila and Smt. Soma Garg, nature of their expertise in specific functional areas and names of Companies in which they hold Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Shri Subhash Chandra Malik, Shri Deveshwer Kumar Kapila and Smt. Soma Garg as Independent Directors setting out the terms and conditions are available for inspection by members at registered office of the Company.

This statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges.

Shri Subhash Chandra Malik, Shri Deveshwer Kumar Kapila and Smt. Soma Garg are interested in the resolutions set out respectively at Item No. 4, 5, 6, 7 & 8 of the Notice with regard to their respective appointments.

The relative of Shri Subhash Chandra Malik, Shri Deveshwer Kumar Kapila and Smt. Soma Garg may be deemed to be interested in the resolutions set out respectively at Item No 4, 5, 6, 7 & 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item No. 4, 5, 6, 7 & 8 of the Notice for approval by the shareholders..

### ITEM NO. 9

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Rs.40,000/- (Rupees forty thousand only) of the Cost Auditors to conduct the Audit of the cost records of the Company for the financial year ending March 31, 2016.

In accordance with the provision of Section 148 of the Act read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for rectification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in the Item No. 9 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

By order of the Board  
**PASUPATI ACRYLON LIMITED**

Place : New Delhi  
Dated : 7<sup>th</sup> August, 2015

**(Rakesh Mundra)**  
Company Secretary

*Registered Office*  
Thakurdwara Kashipur Road  
Distt. Moradabad  
Uttar Pradesh



**NOTICE (Contd.)**



**Details of Directors seeking appointment / reappointment at the ensuing Annual General Meeting  
(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)**

Name of Director	Shri. Vineet Jain	Shri Subhash Chandra Malik	Shri Deveshwer Kumar Kapila	Smt. Soma Garg
Date of Birth	02.07.1969	10.01.1950	03.05.1951	07.01.1969
Date of Appointment	01.10.1994	14.02.2012	25.05.2015	07.08.2015
Expertise in specific functional Areas	Shri Vineet Jain, B.B.A. (London), has been in the service of your Company since 1990. He was then elevated as Joint Managing Director in the year 1994 and Managing Director in the year 1997.	A Fellow Member of the Institute of chartered Accountants of India.	A Fellow Member of the Institute of chartered Accountants of India, and a Practicing Chartered Accountant	A Fellow Member of the Institute of chartered Accountants of India and Associate Member of The Institute of Company Secretaries of India and a Practicing Chartered Accountant
Qualifications	BBA London	B. Com, (Hons), FCA	FCA	M.com, FCA, ACS
List of other companies in which directorship held as on 31.3.2015	1) Vigar Enterprises Limited 2) Pasupati Advanced Films Limited	NIL	1) Budge Budge Co Ltd. 2) Shree Shakti Papers Mills Ltd.	1) Portal Communication India Pvt.Ltd. 2) A3G Estate Solutions Pvt.Ltd.
Chairman/Member of the committee of other public companies on which the individual is a director as on 31.3.2015	Pasupati Acrylon Limited, - Member in Stake Holder Relationship Committee - Corporate Social Responsibility Committee	Pasupati Acrylon Limited, Member : - Audit Committee - Risk Management Committee - Stake Holder Relationship Committee - Nomination & Remuneration Committee - Corporate Social Responsibility Committee	Pasupati Acrylon Limited, Member: - Audit Committee	Nil
No of shares held in the Company as on 31.3.2015	1202422	Nil	Nil	Nil
Relationship between directors inter se	Nil	Nil	Nil	Nil



## DIRECTORS' REPORT



### To the Members

Your Directors have pleasure in presenting Annual Report of the Company together with the Audited Accounts for the year ended on 31<sup>st</sup> March, 2015.

### FINANCIAL RESULTS

Salient financial results during the year under review as compared to the previous year are mentioned below:-

	2014-15	(Rs./ Crores) 2013-14
Sales (Gross) & Other Income	595.24	591.29
Profit before Interest & Depreciation	40.18	31.95
Financial Charges	7.62	9.83
Depreciation	7.32	8.26
Profit / (Loss) before Taxes	25.25	13.86
Tax Expenses for the year :-		
- Current Tax	(0.31)	(0.07)
- Deferred Tax Assets	(6.89)	(3.35)
Exceptional Items	(3.47)	(3.18)
Profit/(Loss) after Taxes	14.57	7.26

The Directors do not recommend dividend for the year.

### RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

The Company has recorded a production of 33628 MT and Sale of 32148 MT during the year under review as against 31814 MT and Sale of 32838 MT respectively during the previous year. The gross turnover during the year stands to Rs.587.52 Crore as against Rs.587.54 Crore in the previous year.

### EXPORTS

The Company's exports during the year under review were of Rs.124.79 Crore as compared to Rs.67.55 Crore in the previous year i.e. an increase of 84%.

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### a) Industry Structure and Development

The Demand of Acrylic Fibre during the year was almost same as compared to previous year, the company sold 32148 MT during the year under review as compared to 32838 MT during the previous year. During first quarter of current financial year the demand was good and it is expected that during the remaining period momentum would sustain.

#### b) Opportunities and Threat

Principal raw material i.e. A C N is a by-product of crude oil. The crude oil prices have now more or less stabilized in the band of 55 to 65 USD per barrel, as such it is expected that A C N prices would also move in a narrow band. Since it is being imported the fluctuation in foreign exchange i.e. USD vs. INR has a bearing on the margin of the Company.

Import of Acrylic Fibre at a low price (dumping) from various countries more particularly from Thailand and China is causing serious injury to domestic Industry. The Industry has taken up the issue with the Government.

#### c) Segment-wise / Product-wise performance

The Company has only one segment i.e. Acrylic Fibre.

#### d) Risk and Concern

Since Company is dependent upon imported raw materials as such upward movement in USD and volatility in crude oil adversely affects the margin. To de-risk the company is increasing thrust on exports. As a result the exports saw an increase of 84% during the year under review from the earlier year i.e. from Rs. 67.55 Crore to Rs.124.79 Cr.

### DIRECTORS

Shri M M Kohli, Director of the company has passed away on 23.03.2015, Board placed its deep condolences on his sad demise and its appreciation for the valuable services rendered by him.

PICUP withdrawn nomination of Shri R K Gupta and appointed Shri D K Sharma in his place w.e.f 02.02.2015, Board placed on record its appreciation for the valuable services rendered by him.

The Board of Directors had appointed Shri D K Kapila and Smt Soma Garg as additional director of the Company in the category of Independent Directors w.e.f 25.05.2015 and 07.08.2015 respectively. They will hold office upto the date of forthcoming Annual General Meeting and is eligible for appointment as a Director. The Company has received notices in writing from members proposing their candidature for the office of Director.

The Board proposes to appoint subject to your approval Shri S C Malik a Non Executive Director of the Company in the category of Independent Director.

## DIRECTORS' REPORT (Contd.)



All independent Directors have declared that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

### REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

The Remuneration Policy is stated in the Corporate Governance Report.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(3) (c) of the Companies Act, 2013, your Directors to the best of their knowledge and belief and according to the information and explanations obtained by them, hereby confirm:

- a) That in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31<sup>st</sup> March, 2015 and of the profit of the company for the year ended on that date;
- c) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) That the directors had prepared the annual accounts on a going concern basis;
- e) That 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) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### CORPORATE GOVERNANCE

The company has complied with the Corporate Governance code as stipulated under the listing agreement executed with the Stock Exchanges. A separate section on Corporate Governance, along-with a certificate from the auditors of the Company is annexed and forms part of this Report

### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

None of the transactions with any of the related parties were in conflict with your companies interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No.32 of the Financial Statements forming part of this Annual Report.

All related party transactions are negotiated on arm's length basis and are intended to further your Company's interest.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your directors have constituted the Corporate Social Responsibility Committee (CSR Committee).The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the frame work of the CSR Policy and recommending the amount to be spent on CSR Activities.

### RISK MANAGEMENT

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board to overseeing and approving the Companies Risk Management framework and all the risks that the company faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management.

### INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statements.During the year such controls were tested and no reportable material weakness in the design or operation were observed.

### AUDITORS AND AUDITORS REPORT

#### Statutory Auditors

M/s. B. K. Shroff & Co., Chartered Accountants, New Delhi, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The notes on financial statement referred to in the Auditors Report are self-explanatory and do not call for any further comments.The Auditors report does not contain any qualification, reservation or adverse remark.