



Quality Assured Company  
ISO-9001:2000



# ANNUAL REPORT 2015-2016

# 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. Ram Singh (PICUP Nominee)

Mr. D. K. Sharma (PICUP Nominee)

Mr. Rakesh Mundra Director (Finance) &  
Company Secretary

### Auditors

M/s. B.K. Shroff & Co.  
Chartered Accountants  
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@mcsregistrars.com

## NOTICE



Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the members of Pasupati Acrylon Limited will be held on Tuesday the 27<sup>th</sup> day of September 2016 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>, 2016 and the statement of Profit & Loss and Cash Flow statement for the year ended on that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rakesh Mundra (DIN 00005550), 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, as amended from time to time, 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 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 approve the remuneration of the Cost Auditor for the financial year ending March 31, 2017 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 Saggi, Cost Auditor, (Membership No.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, 2017 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, 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.



## NOTICE (Contd.)

8. The Company has notified closure of Register of Members and Share Transfer Books from Wednesday, September 21, 2016 to Tuesday, September 27, 2016 (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 12<sup>th</sup> August, 2016.
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.

### Instructions for Voting through electronic mode

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24<sup>th</sup> September, 2016 and ends on 26<sup>th</sup> September, 2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20<sup>th</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

## NOTICE (Contd.)

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence No. / Folio No. in the PAN field.</li> <li>In case the sequence No. / Folio No. 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. Eg. If your name is Ramesh Kumar with sequence / Folio No. 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “**SUBMIT**” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the **EVS**N for the relevant “Pasupati Acrylon Limited” on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “**SUBMIT**”. A confirmation 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.
- (xvi) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles.**
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login 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.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Those persons, who have acquired shares and have become Members of the Company after the despatch of Notice of the AGM by the Company and whose names appear in the Register of Members or Register of beneficial holders as on the cut-off date i.e 21.09.2016 shall view the Notice of the 33<sup>rd</sup> AGM on the Company's website or on the website of CDSL. Such members shall exercise their voting rights through remote e-voting by following the procedure as mentioned above or by voting at the AGM.



## NOTICE (Contd.)

(xxi) 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 email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### Route of AGM Venue

After reaching Moradabad (U.P) take Moradabad Ramnagar Highway route (NH -24) .About 40 KM from Moradabad our venue of AGM is at Thakurdwara, (Kashipur Road).

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

(**Rakesh Mundra**)  
Company Secretary

Place : New Delhi  
Dated : 6<sup>th</sup> August, 2016

Registered Office  
Thakurdwara Kashipur Road  
Distt. Moradabad  
Uttar Pradesh

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

#### ITEM NO. 4

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, 2017. 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

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. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders

#### Details of Directors seeking appointment / reappointment at the ensuing Annual General Meeting [Pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 of the Listing Agreement with the Stock Exchanges]

Name of Director	Shri. Rakesh Mundra
Date of Birth	14.04.1960
Date of Appointment	14.02.2012
Expertise in specific functional Areas	A Fellow Member of the Institute of chartered Accountants of India, A qualified Company Secretary and Cost Accountant, has been in the service of your Company since 2004, and had held senior positions in Secretarial, Finance and Accounts Departments of your company, prior to his appointment as Director (Finance) and Company Secretary.
Qualifications	FCA, FCS & ACMA
List of other companies in which directorship held as on 31.3.2016	AMG Mercantile Private Limited Bulls and Bears Portfolios Limited Pasupati Advanced Films Ltd. Gee Limited
Chairman /Member of the committee of other public companies in which the individual is a director as on 31.3.2016	Gee Limited • Member Audit Committee • Chairman Nomination and Remuneration Committee • Chairman Stake Holders Relationship Committee
No of shares held in the Company as on 31.3.2016	Nil
Relationship between directors inter se	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, 2016.

### FINANCIAL RESULTS

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

	2015-16	(Rs./ Crores) 2014-15
Sales (Gross) & Other Income	588.91	595.24
Profit before Interest & Depreciation	61.25	40.19
Financial Charges	6.31	7.62
Depreciation	7.43	7.32
Profit / (Loss) before Taxes	47.51	25.25
Tax Expenses for the year :-		
- Current Tax	(0.61)	(0.32)
- Deferred Tax Assets	(13.90)	(6.89)
Exceptional Items	(3.07)	(3.47)
Profit /(Loss) after Taxes	29.93	14.57

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 41616 MT and Sale of 41616 MT during the year under review as against 33628 MT and 32148 MT respectively during the previous year i.e. an increase of 24% and 29% respectively. However, the gross turnover was Rs.582 Crore as against Rs.587.52 Crore in the previous year. The turnover does not increase in commensurate with sales quantity, as the raw material during the year saw downward trend due to softening of crude prices, consequently sales realization per unit was less than the previous year, though margins have improved.

In order to de-risk business it is decided to diversify into manufacturing of Cast Poly Propylene Film. The Company is in the process of installing integrated CPP Film plant of 5000 TPA at existing site.

### CDR EXIT

Company's CDR tenure ended on 31.03.2016. The Company has paid entire debt restructured under CDR as envisaged in the Scheme

### EXPORTS

The Company's exports continue to grow at a healthy pace, during the year under review company's exports were of 12769 MT as compared to previous year of 7904 MT i.e. an increase of 62%.

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### a) Industry Structure and Development

The Demand of Acrylic Fibre during the year has improved; the company sold 41616 MT during the year under review as compared to 32148 MT during the previous year. During first quarter of current financial year demand continues to be 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. During the year under review prices of crude oil fallen, while it is now stabilizing in the band of 50 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.

#### 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 sudden movement in USD and volatility in crude oil adversely affects the margin. To de-risk the company is increasing thrust on exports; company's exports were about 30% of sales.

### DIRECTORS

As per terms and conditions of appointment, Shri Rakesh Mundra, Director retires in the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

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 Regulation 40 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, of the Listing Agreement with Stock Exchanges.

### KEY MANAGERIAL PERSONNEL

As required under Section 203 of the Companies Act, 2013, the Company has noted that Mr. Vineet Jain, Managing Director and Mr. Rakesh Mundra, Director (Finance) & Company Secretary are the Key Managerial Personnel of the Company.

### NOMINATION AND 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.



## DIRECTORS' REPORT (Contd.)

The Nomination and Remuneration Policy is stated in the Corporate Governance Report.

### EVALUATION OF BOARD PERFORMANCE

The Board carried out an annual evaluation of its own performance, of each Board Member individually as well as the working of its committees.

### 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:

- That in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 31st March, 2016 and of the profit of the company for the year ended on that date;
- 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;
- That the directors had prepared the annual accounts on a going concern basis;
- 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;
- 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 company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No.34 of the Financial Statements forming part of this Annual Report. All related party transactions are negotiated on arm's length basis.

### DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

The Company has in place requisite Internal Committees as envisaged in the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaints on issues covered by the above act were received during the year.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant and material orders passed against your Company by the regulators or courts or tribunals during the FY 2015-16 impacting the going concern status and your Company's operations in future.

### 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 was 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.

#### Cost Audit

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, your Directors, on the recommendation of the Audit committee, appointed M/s. Satnam Singh Saggi, Cost Accountants as Cost Auditors of your company for the Financial Year 2016-17 to carry out the cost audit for the applicable business on a remuneration of Rs.40,000/- (Rupees forty thousand only) plus applicable taxes and reimbursement of out of pocket expenses. A certificate from M/s. Satnam Singh Saggi, Cost Accountants has been received to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limits specified under Section 141



## DIRECTORS' REPORT (Contd.)

of the Act and Rules made thereunder.

As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the members of the Company in the general meeting for ratification. Accordingly the Board of Directors of the Company seek members' ratification for the remuneration payable to M/s. Satnam Singh Saggi, Cost Accountants for the FY 2016-17, at the ensuing Annual General Meeting.

### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. V.K. Sharma & Co, Practicing Company Secretaries, to undertake Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March 2016 is annexed herewith to this Report.

The Secretarial Audit Report as annexed is self-explanatory and do not call for any further comments.

### **DISCLOSURES:**

#### **Audit Committee**

Company has an Audit Committee of the Board of Directors in place. The terms of reference of the Audit Committee are in line with Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 Detailed information pertaining to Audit Committee has been provided in the Corporate Governance Report, which forms part of this Annual Report. All recommendations made by the Audit Committee were accepted by the Board.

#### **Vigil Mechanism**

The Company has established a Vigil Mechanism policy in accordance with the provisions of the Companies Act, 2013 read with Rules there under and the Listing Agreement with the stock exchanges to deal with the instances of fraud and mismanagement. The details of the vigil mechanism are posted on the website of the Company.

#### **Meetings of the Board**

During the year four meetings of the Board of Directors were held. The maximum interval between any two Board Meeting did not exceed 120 (One hundred twenty) days.

#### **Particulars of Loans given, Investments made, Guarantees given and Securities provided.**

Particulars of Loans given, Investments made, Guarantees given and Securities provided along with the purpose for which the Loan or guarantee or security is proposed to be utilized by the Company is provided in financial statement.

#### **Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo.**

Particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo as required to be disclosed under the Act, are annexed hereto and form part of this Report.

#### **Extract of Annual Return**

A separate report on the details of the Extract of Annual Return in form MGT-9 is annexed herewith, which form part of the Director's Report.

#### **Particulars of Employees and related disclosures.**

Provisions of Section 197 (12) of the Act read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not attracted as none of the employees drawing excess remuneration of the limits set out in the said Rules.

#### **ISO CERTIFICATION**

Your Company is an ISO 9001:2000, accredited by Bureau of Indian Standard, Rooid Voor Accreditatie, and Netherland. This certification indicates our commitments in meeting global quality and standards.

#### **FIXED DEPOSITS**

The company does not accept fixed deposits.

#### **INTERNAL CONTROL SYSTEM AND ADEQUACY**

Your company has been maintaining a well-established procedure for internal control system. For the purpose of financial control, company is adequately staffed with experienced and qualified personnel at all levels and plays an important role in implementing and monitoring the statutory and internal policy control environment. There has been a review conducted on regular interval by the internal auditors about the financial and operating control at various locations of the company and any significant findings are reviewed by the Audit Committee of the Board of Directors.

#### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their deep appreciation of the continued support and co-operation received from Financial Institutions, Banks and Shareholders, the State and Central Government.

Your Directors also wish to place on record their appreciation of the devoted services of the Company's employees, who have diligently contributed to the Company's progress.

for and on behalf of the Board

**Rakesh Mundra**  
Director (Finance) & Company Secretary

**Vineet Jain**  
Managing Director

Place : New Delhi

Dated : 6<sup>th</sup> August, 2016

## DIRECTORS' REPORT (Contd.)



**INFORMATION AS PER SECTION 134 OF THE COMPANIES ACT, 2013  
READ WITH RULE 8(3) OF COMPANIES (ACCOUNTS) RULES, 2014  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016.**

### A. CONSERVATION OF ENERGY

1. Energy conservation measures taken during the period under report are as under:
  - i) Installation of Energy Saver in Lighting Circuit.
  - ii) Replacement of conventional Sodium & Mercury lights with CFL fittings.
  - iii) Providing VFD (Variable Frequency Drive) at various places.
2. Additional investments and proposals  
The company is continuously exploring various avenues to reduce and optimize energy cost.
3. Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production.  
On account of above measures there would be savings.

### B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation - No
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. - N.A.
3. Particulars of imported technology in the last five years :
  - (i) Technology imported : NA
  - (ii) Year of Import : NA
  - (iii) Has technology been fully absorbed : NA
  - (iv) If not fully absorbed, reason for & future action plan : NA
4. Expenditure on R&D.

(Rs. in Lacs)

		2015-2016	2014-2015
i)	Capital	-	-
ii)	Recurring	20.39	28.74
iii)	Total	20.39	28.74
iv)	Total R&D expenditure as a percentage of total turnover	0.05%	0.05%

### C. FOREIGN EXCHANGE EARNINGS & OUTGO

1. Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plan.  
Your company has exported Fiber amounting to Rs.14305.71 Lacs (FOB) for the year as compared to Rs.12479.11Lacs during the previous year. Continuous efforts are being made to improve export performance.