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*Parupati
Acrylon Ltd.*

ANNUAL REPORT 2013-14

PASUPATI ACRYLON LIMITED

BOARD OF DIRECTORS

Managing Director

Mr. Vineet Jain

Directors

Mr. M.M. Kohli

Mr. S.C. Malik

Mr. S. Sathyamoorthy

Mr. Devender Singh (PICUP Nominee)

Mr. Rakesh Gupta (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 Limited
F-65, Okhla Industrial Area
Phase-I, New Delhi-110 020
Ph: 011-41406149 - 52
Fax: 011-41709881
Email: admin@mcsdel.com

NOTICE



Notice is hereby given that the 31st Annual General Meeting of the members of Pasupati Acrylon Ltd. will be held on Tuesday the 30th day of September 2014 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 31st, 2014 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 Sh. 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, M/s. B.K. Shroff & Co., Chartered Accountants (Registration No. 302166E), be and are hereby re-appointed 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 Sh. M.M Kohli (DIN 00317197) 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, Sh. M.M Kohli be and is hereby appointed as the Independent Director of the company to hold office for five consecutive years up to the conclusion of 36th AGM of the company in the calendar year 2019.

"RESOLVED FURTHER THAT Sh. 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 Sh. M.M Kohli as Independent Director of the Company."

5. To appoint Sh. S Sathyamoorthy (DIN 00459731) 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, Sh. S Sathyamoorthy be and is hereby appointed as Independent Director of the company to hold office for five consecutive years up to the conclusion of 36th AGM of the company in the calendar year 2019.

"RESOLVED FURTHER THAT Sh. 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 Sh. S Sathyamoorthy as Independent Director of the Company."

6. To re-appoint Sh. Vineet Jain (DIN 00107149) as Managing Director and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Sh. Vineet Jain as Managing Director of the Company, for a period of 3 (three) years with effect from October 1st, 2014, on the terms and conditions including remuneration as set out in the statement annexed to the Notice with liberty to the Board of Directors (hereinafter referred to as "the Board") which term shall be deemed to include the Nomination & Remuneration Committee of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Sh. Vineet Jain, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof without any further reference to shareholders in General Meeting.

RESOLVED FURTHER THAT the board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

RESOLVED FURTHER THAT Sh. Rakesh Mundra, Company Secretary be and is hereby authorized to take all actions on above matters."

7. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2015 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), Shri 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 31st March, 2015 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 acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 180 (1) (c) and other applicable provisions and rules, if any, of the Companies Act, 2013, and in terms of Articles of Association of the Company, consent of the company be and is hereby accorded to the Board of Directors of the Company for borrowing in Indian Rupees and/or Foreign currencies for the purposes of business of the Company from time to time, any sum or sums of monies on such security and on such terms and conditions as the Board may deem fit, notwithstanding that monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board of Directors and outstanding at any time, shall not exceed the sum of Rs.200 Crore (Rupees Two Hundred Crore only).”

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitle 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 Monday, September 22, 2014 to Tuesday, September 30, 2014 (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/ Karvy.
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 or before 22nd August, 2014.
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.

NOTICE (Contd.)



4. The Company has appointed Mr. S.K Hota, Practicing Company Secretary (Membership No.ACS 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 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

A. In case of members receiving e-mail:

- i. If you are holding shares in demat form and have earlier logged on to 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.
- ii. 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

- iii. To initiate the voting process, log on to the e-voting website www.evotingindia.com.
- iv. Click on "Shareholders" tab to cast your votes.
- v. 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 the 8 digits of the sequence number 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 22nd August, 2014 in the Bank details field.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. 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

NOTICE (Contd.)

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.

- viii. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Now select the relevant Electronic Voting Sequence Number (EVSN) alongwith “**Pasupati Acrylon limited**” on which you choose to vote.
- x. 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.
- xi. Click on the “Resolutions File Link” if you wish to view entire resolutions.
- xii. 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.
- xiii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
- xv. 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
 - 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. 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. (xv) 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 16th September, 2014 and ends on 18th September, 2014 During this period shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 1st September, 2014 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 under “Help” section or write an e-mail to helpdesk.evoting@cdslindia.com.

By order of the Board
PASUPATI ACRYLON LIMITED

(Rakesh Mundra)
Company Secretary

Place : New Delhi
Dated : 11th August, 2014

Registered Office
Thakurdwara Kashipur Road
Distt. Moradabad
Uttar Pradesh

NOTICE (Contd.)



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

ITEM NO. 4 & 5

Sh. M.M. Kohli and Sh. S. Sathyamoorthy are Independent Directors of the Company and have held the positions as such for more than 5 (five) years,

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 Sh. M.M. Kohli and Sh. S. Sathyamoorthy 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 36th Annual General Meeting of the Company in the calendar year 2019.

Sh. M.M. Kohli and Sh. S. Sathyamoorthy 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.

The Company has received Notices in writing from member's alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of each of Sh. M.M. Kohli and Sh. S. Sathyamoorthy for the office of Directors of the Company.

The Company has also received declarations from Sh. M.M. Kohli and Sh. S. Sathyamoorthy 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, Sh. M.M. Kohli and Sh. S. Sathyamoorthy fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Sh. M.M. Kohli and Sh. S. Sathyamoorthy are Independent Directors of the Management.

Brief resume of Sh. M.M. Kohli and Sh. S. Sathyamoorthy, 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 Sh. M.M. Kohli and Sh. S. Sathyamoorthy 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.

Sh. M.M. Kohli and Sh. S. Sathyamoorthy are interested in the resolutions set out respectively at Item No. 4-5 of the Notice with regard to their respective appointments.

The relative of Sh. M.M. Kohli and Sh. S. Sathyamoorthy may be deemed to be interested in the resolutions set out respectively at Item No 4-5 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 are, 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 of the Notice for approval by the shareholders.

A brief profile of the Independent Directors to be appointed is given below:

Sh. S. Sathyamoorthy is a B. Com, I.A.A.S, C.A.I.I.B, Post Graduate Diploma in Development Finance (U.K) and also Retd. Dy. Comptroller & Auditor General in the Rank of Secretary to Govt. of India with expertise in the fields of Audit, Accounts and also have very rich assorted experience in the field of Economic, Law and General Management.

Sh. M.M. Kohli is a M.A. (Eco.) and also a retired IAS officer of 1952 batch was the Ex-Secretary to Ministry of Energy, Government of India. He has also held various senior positions in the state as well as at the central Government and has varied experience in specialities function and general management.

ITEM NO. 6

The Board of Directors of the Company at its meeting held on 11th August 2014 re-appointed Sh Vineet Jain Managing Director for a period of three years w.e.f. 1st October, 2014 on the terms of remuneration approved by the Remuneration Committee as per details hereunder subject to approval of the shareholders.

The broad particulars of remuneration payable to and terms of the respective re-appointment of Sh Vineet Jain for a period of three years w.e.f. 1st October, 2014 is as under:

I. Remuneration

1. Salary:

Rs.2,00,000/- (Rupees Two lac) per month.

NOTICE (Contd.)

2. Allowances and Perquisites:

- | | | |
|---|---|---|
| (i) House Rent Allowance | : | 60% of Salary per month. |
| (ii) Medical Allowance | : | Rs.2,00,000/- per annum |
| (iii) Leave Travel Assistance | : | Rs.2,00,000/- per annum. |
| (iv) Club Fee | : | Actual fees subject to a maximum of Rs.50,000/- per annum |
| (v) Depreciation on furniture | : | As per Income Tax Rules. |
| (vi) Personal Accident Premium | : | For a maximum of Rs.15000/- per annum |
| (vii) Medical Insurance Premium | : | For a maximum of Rs.15000/- per annum |
| (viii) Contribution to Provident Fund and Superannuation fund | : | will be as per Rules of the Company. At present the same shall be 12% and 13% respectively of basic salary. |
| (ix) Gratuity payable | : | shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Rules of the Company. |
| (x) Encashment of un-availed leave | : | at the end of the tenure as per rules of the Company |

Explanation:

Perquisites shall be evaluated as per Income-tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

II. Overall Remuneration

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed under Sections 196, 107 and other applicable provisions of the Act read with Schedule V.

III. Minimum Remuneration

Notwithstanding anything to the contrary contained therein, in the event of absence or inadequacy of profits in any financial year during the term of office of Sh Vineet Jain as Managing Director commencing from 01.10.2014, the Company will subject to applicable laws, pay him the remuneration, allowances and perquisites as detailed above as the Minimum Remuneration.

Sh Vineet Jain will not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

The approval of the shareholders is sought by way of a Special Resolution to the re-vision of remuneration payable to Sh. Vineet Jain as Managing Director so that it remain within the permissible limit as set out by Schedule V of the Companies Act, 2013.

Sh. Vineet Jain is liable to retire by rotation.

None of the Directors of the Company, except Sh Vineet Jain, Managing Director of the Company is concerned or interested in this resolution.

NOTICE (Contd.)



'Annexure – A'

Statement as required under, Part II of the Schedule V of the Companies Act, 2013 with reference to the Resolution at Item No.6 of the Notice for the Annual General Meeting of Pasupati Acrylon Limited.

I. General Information:

- Nature of Industry:** Manufacture of Acrylic Fibre, Tow & Tops.
- Date or expected date of commencement of commercial production:** Existing Company in operation since 1990.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- Financial performance based on given indicators:**

(Rs. in Crore)

S.No.	Particulars	2013-14	2012-13	2011-12
1	Gross Turnover	587.54	463.88	431.08
2	Profit/(Loss) before tax	10.68	(9.84)	(12.48)
3	Net Profit/(Loss) after tax	7.26	(6.93)	(8.70)
4	Paid-up share capital	89.14	89.14	89.14
5	Reserves & Surplus	(12.47)	(12.35)	3.00

- Foreign investments or collaborators, if any: None

II. Information about Sh Vineet Jain

- Background details:** Sh Vineet Jain, aged about 45 years is one of the promoters of the Company. He joined the Company in October 1994 as Jt. Managing Director and re-designated as Managing Director w.e.f 5th December, 1997. He possesses a Bachelors Degree in Business Administration from Richmond University, London.
- Past Remuneration:**

S. No.	Financial Year	*Amount (In Rs.)
1	2013-14	40,12,626
2	2012-13	44,08,540
3	2011-12	44,00,938

*excluding retirement benefits (PF, Superannuation and Gratuity)

- Recognition or Award:** He is a well known figure in the Acrylic Fibre Industry and commands respect.
- Job profile and his suitability:** Sh Vineet Jain, has been entrusted with substantial powers of the management of business and affairs of the Company. The Company is substantially benefitted by his vision, professional knowledge and managerial expertise and has made enormous progress. Sh Vineet Jain plays a major role in providing thoughtful leadership and strategic inputs to the Company.
- Remuneration proposed:** As stated in the Explanatory Statement at Item No.6 of the Notice.
- Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):** Remuneration of Sh Vineet Jain is in sync with his peers and is commensurate with his qualification, experience and size of the Company.
- Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Sh Vineet Jain is a Promoter-Director, holds 12,02,422 equity shares of Re.10/- each representing about 1.35% of the total paid-up capital of the Company.

III. Other information:

- Reasons of loss or inadequate profits:**

During the Financial Year 2013-14, the Company recorded a net profit of Rs.7.26 Crore.

2. Steps taken or proposed to be taken for improvement:

- The Company has put up a new captive based Power Plant which would save substantially in power cost.
- To de-risk foreign exchange fluctuation, the Company is increasing its exports and also taking forward cover.
- Company *is striving* to optimize its resources and save on cost.

3. Expected increase in productivity and profits in measurable terms:

- Installation of New Power Plant would entail substantial saving.
- Other measures are ongoing and difficult to be quantified.

IV. Disclosures:

- Remuneration package of the managerial person:** Fully described in the Explanatory Statement as stated above.
- Disclosures in the Board of Directors' report under the heading 'Corporate Governance' attached to the Annual Report:** The requisite details of remuneration etc. of Directors are/will be included in the Corporate Governance Report, forming part of the Annual Report of the Company.

ITEM NO. 7

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, 2015.

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. 7 of the Notice for rectification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

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. 7 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

ITEM NO. 8

The Shareholders vide their Ordinary Resolution passed in the Annual General Meeting held on 27.09.1990 has authorised the Board of Directors of the Company to borrow upto Rs.200 Crores (Rupees two hundred Crore only) under the provisions of Companies Act, 1956.

However, pursuant to the provisions of the Section 180(1)(c) of the Companies Act, 2013, since notified, the Board can exercise borrowing powers only with the consent of the members of the Company by way of Special Resolution, unlike ordinary resolution as required vide Section 293(1)(d) of the Companies Act, 1956. In view of the provisions of Section 180(1)(c) the Company seeks borrowing of existing limit to Rs.200 Crore (Rupees two hundred Crore only).

The resolution is accordingly recommended for approval as Special Resolution under Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

By order of the Board
PASUPATI ACRYLON LIMITED

Place : New Delhi
Dated : 11th August, 2014

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	Sh.Rakesh Mundra	Sh. M.M. Kohli	Sh. S.. Sathyamoorthy
Date of Birth	14.04.1960	01.06.1930	03.12.1944
Date of Appointment	14.02.2012	01.02.1989	29.06.2006
Expertise in specific functional Areas	A Fellow Member of ICAI & ICSI, and Associate member of ICMA 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.	A retired IAS officer of 1952 batch was the Ex-Secretary to Ministry of Energy, Government of India. He has also held various senior positions in the state as well as at the Central Government and has varied experience in specialities function and General Management.	Retd. Dy. Comptroller & Auditor General in the Rank of Secretary to Govt. of India with expertise in the fields of Audit, Accounts and also have very rich assorted experience in the field of Economic, Law and General Management.
Qualifications	FCA, FCS & ACMA	M.A. (Eco.)	B. Com, I.A.A.S, C.A.I.I.B, Post Graduate Diploma in Development Finance (U.K)
List of other companies in which directorship held as on 31.3.2014	1) AMG Mercantile Private Limited 2) Bulls and Bears Portfolios Limited	1) Shriram Vyapar Private Limited	Nil
Chairman /Member of the committee of other public companies on which the individual is a director as on 31.3.2014	Pasupati Acrylon Limited, - Member in Share Transfer-cum-Shareholders Grievance Committee	Pasupati Acrylon Limited, Member: - Audit Committee - Remuneration Committee - Share Transfer-cum-Shareholders Grievance Committee	Nil
No of shares held in the Company as on 31.3.2014	Nil	Nil	Nil
Relationship between directors inter se	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 31st March, 2014.

FINANCIAL RESULTS

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

	2013-14	(Rs./ Crores) 2012-13
Sales (Gross) & Other Income	591.29	468.20
Profit before Interest & Depreciation	31.95	7.59
Financial Charges	9.83	12.71
Depreciation	8.26	4.72
Profit / (Loss) before Taxes	13.86	(9.84)
Tax Expenses for the year :-		
- Current Tax	0.06	0.03
- Deferred Tax (Net of prior period effect)	3.36	(2.94)
Exceptional Items	3.18	-
Profit /(Loss) after Taxes	7.26	(6.93)

The Directors do not recommend dividend for the year.

OPERATIONS

The Company has recorded production of 31814 MT and Sale of 32838 MT during the year under review as against 29127 MT and Sale of 28977 MT respectively during the previous year, posting a strong growth of 9% and 13% respectively. The gross turnover during the year increased to Rs.587.54 Crore from Rs.463.88 Crore in the previous year, an increase of 27%

EXPORTS

The Company's exports during the year under review were of Rs.67.55 Crore as compared to Rs.33.56 Crore in the previous year i.e. an increase of 101%. The company is exporting to Iran, China, Bangladesh, Pakistan, South America and Africa.

MANAGEMENT DISCUSSION & ANALYSIS

a) Industry Structure and Development

The Demand of Acrylic Fibre during the year was better than the previous year and your company has sold 32838 MT during the year as compared to 28977 MT during the previous year. During the current year it is expected that momentum will continue.

b) Opportunities and Threat

Principal raw material of your company is A C N which is a by-product of crude oil. The crude oil prices continue to be volatile in the international market resulting direct impact on the A C N prices. The A C N is largely imported as such the upward fluctuation in foreign exchange i.e. USD vs. INR adversely affects the margin of the Company.

Import of Acrylic Fibre at a low price from various countries more particularly from Thailand is causing serious injury to domestic Industry.

c) Segment-wise / Product-wise performance

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

d) Risk and Concern

Since Company uses imported raw materials as such upward movement in USD and Crude oil adversely affect the margin. To derisk the company is increasing its exports. During the Financial Year 2013-14 exports have gone up to Rs.67.55 Cr. from Rs.33.56 Cr. in the Financial Year 2012-13.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE AND CORPORATE SOCIAL RESPONSIBILITY POLICY UNDER THE COMPANIES ACT 2013

In the Board Meeting held on 26th May 2014, your directors have constituted the Corporate Social Responsibility Committee comprising Shri M.M. Kohli as Chairman and Shri Vineet Jain and Shri S.C. Malik as Members.

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.

ISO CERTIFICATION

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

DIRECTORS' REPORT (Contd.)



FIXED DEPOSITS

The company does not accept fixed deposits from public.

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. The Company has received requisite notices in writing from members proposing Shri M.M. Kohli and Shri S. Sathyamoorthy for appointment as Independent Directors.

The company has received declarations from the Independent Directors, Confirming that they meet with the criteria of Independence as prescribed both under Sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

Your Directors hereby confirm that:-

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgements 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 and of the profit of the company for that year;
- iii) 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;
- iv) the directors had prepared the annual accounts on a going concern basis.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

The Company valued human resources as its most valuable assets, among all other assets of the company. It has been the policy of the company to actuate the talent by providing opportunities to develop themselves within the organisation. The company continued to have a very cordial and harmonious relation with its employees.

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.

EMPLOYEES

There was no employee drawing remuneration in excess of ceiling(s) prescribed under section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

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, alongwith a certificate from the auditors of the company confirming the compliance is annexed and forms part of this Report.

COST AUDIT

The report of Shri Satnam Singh Saggu, Cost Accountants, in respect of the Cost Accounts of the company for the year ended 31st March, 2014 will be submitted to the Central Government in due course.

AUDITORS AND THEIR REPORT

M/s. B.K.Shroff & Co., Chartered Accountants, New Delhi retires at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received certificates from them under Section 224(1-B) of the Companies Act, 1956.

The Auditors in the report, while referring to Schedule No.12 to Notes on Accounts, for the Financial Year 2013-14 commented on the inability to express any opinion on the future profitability projections made by the Company and their consequential impact, if any, on the Deferred Tax Assets recognized in the said accounts.

In the opinion of the Company, based on future profitability estimates in view of commissioning of new Power Plant and enhancement in capacity, the company is virtually certain that there would be sufficient taxable income available in future to claim the tax credit.

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 and form part of this Report.

DIRECTORS' REPORT (Contd.)



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

for and on behalf of the Board

Rakesh Mundra
Director (Finance) & Company Secretary

Vineet Jain
Managing Director

Place : New Delhi

Dated : 11th August, 2014.

(Additional Information in terms of Notification No.1029 of 16.12.1988 issued by the Department of Company Affairs).

[A] CONSERVATION OF ENERGY

- (a) **Energy conservation measures taken during the period under report are as under:**
- Provided Speed Controller at various place for reducing power consumption.
 - In some of the Gear Pumps PIV has been removed and VFD has been installed.
 - Provided energy saver in lighting circuits
 - Conventional Fluorescent Tube Rods were replaced with High Lumen Fluorescent tube rods.
- (b) **Additional investments and proposals**
The company is continuously exploring various avenues to reduce and optimize energy cost.
- (c) **Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production.**
On account of above measures there would be savings.
- (d) **The total energy consumption per unit of production as per Form - A is annexed herewith.**

[B] TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

In Tow Dyeing Plant, in house up-gradation of one of the Serra cant Machine (Tow Dyeing) has been done.

[C] FOREIGN EXCHANGE EARNINGS & OUTGO

- (a) **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 Fibre amounting to Rs.6755.14 Lacs for the year as compared to Rs. 3356.04 Lacs during the previous year. Continuous efforts are being made to improve export performance.
- (b) **Total Foreign Exchange Used & Earned** (Rs.in lacs)

Foreign Exchange Used	2013-14	2012-13
i) Travelling	33.90	30.86
ii) Interest & other charges	175.62	212.95
iii) Commission on Export Sales	17.75	36.25
iv) CIF Value of Imports		
- Raw Material	33062.63	28595.14
- Stores and Spares	45.16	70.59
Foreign Exchange Earned		
FOB Value of Exports	6755.14	3356.04

DIRECTORS' REPORT (Contd.)



FORM – A
(See Rule-2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

			Year Ended March 31, 2014	Year Ended March 31, 2013
(A)	POWER AND FUEL CONSUMPTION			
1.	ELECTRICITY			
	Own generation			
i)	Through Diesel generator units (in Lacs)	KWH	3.18	8.46
	Unit per Litre of Diesel Oil	KWH/Litre	3.05	3.07
	Cost/Unit	Rs./KWH	18.61	14.16
ii)	Through turbines			
	Units (In Lacs)	KWH	376.37	345.87
	Total Cost	Rs./Lacs	1800.28	1764.15
	Cost/Unit	Rs./KWH	4.78	5.10
2.	COAL & PET COKE			
	Quantity Units	MT	41885	44291
	Total Cost	Rs./Lacs	3883.86	3870.88
	Average rate	Rs./MT	9271.73	8739.66
(B)	CONSUMPTION PER UNIT OF PRODUCTION			
	Products	Acrylic Fibre/Tow/Tops		
	Electricity	MW/MT	1.20	1.21
	Coal & Pet Coke	MT	1.33	1.51

DIRECTORS' REPORT (Contd.)



FORM – B

(See Rule-2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

[A] RESEARCH & DEVELOPMENT (R&D)

1. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY :
 - Development work on Gel Dyed Acrylic Fibre.
 - Improvement work on Super Soft Dyed Fibre.
2. BENEFITS DERIVED AS A RESULT OF THE ABOVE R&D :
 - Speciality Acrylic Fibre development work will lead to other fields of acrylic fibre application
3. FUTURE PLAN OF ACTION :
 - To improve Acrylic Fibre quality in different categories.
4. EXPENDITURE ON R&D

(Rs. in Lacs)

	Year 2013-2014	Year 2012-2013
a) Capital	-	-
b) Recurring	29.17	26.06
c) Total	29.17	26.06
d) Total R&D expenditure as a percentage of total turnover	0.05%	0.06%

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, if 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:
 - (a) Technology imported : - N.A.
 - (b) Year of Import : - N.A.
 - (c) Has technology been fully absorbed : - N.A.
 - (d) If not fully absorbed, reason for & Future action plan : - N.A.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

We have examined the compliance of conditions of Corporate Governance by M/S. PASUPATI ACRYLON LIMITED for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said company with Stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as mentioned in the above-mentioned listing agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India. We have to state that the Registrar and Share Transfer Agent of the Company has certified that there was no investors grievances complaint pending against the company as at the year end.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For B. K. SHROFF & CO.,
Chartered Accountants
Firm Registration No: 302166E
O.P. Shroff
Partner
Membership No.6329

Place : New Delhi
Date : 11th August, 2014

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2013-14



Corporate Governance

As required under Clause 49 of the Listing Agreement of the stock exchange(s).

1. Company's Philosophy

Corporate Governance refers to set of policies, principles, laws, regulations and procedures etc. Our company has made the requisite compliance under Corporate Governance. Over the years the company has been disclosing information concerning the performance and future prospects of the company in its Director's Report. As required under Clause 49 of the Listing Agreement with Stock Exchanges, following disclosures are set out towards achievements of good Corporate Governance.

2. Board of Directors

The Board of Directors consists of three promoter directors (one managing director and two nominee directors of PICUP), one whole time director and three non-executive directors.

The Company did not have any material pecuniary relationships with the non-executive directors during the year under review except payment of sitting fee for attending the Board/Committee Meeting(s).

The remuneration of executive/non-executive directors is decided by the Board of Directors.

During the year, four Board Meetings were held on 29.05.2013, 13.08.2013, 11.11.2013 and 14.02.2014.

None of the Directors of the Board is member of more than ten committees and they do not act as Chairman of more than five committees across all companies in which they are directors.

The composition of Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting and also number of other directorships and Committee Memberships are given below:

Sl. No.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships	No. of Member of other Committees	Chairmanship of other Committee(s)	Note No.
1	Mr. Vineet Jain	Managing Director & Executive Director	4	Yes	-	-	-	A
2	Mr. M.M. Kohli	Non-executive Director	3	Yes	-	-	-	B
3	Mr. S.C. Malik	Non-executive Director	4	No	-	-	-	B
4	Mr. Rakesh Gupta (PICUP Nominee)	Non-executive Director	4	No	1	-	-	B, C
5	Mr. Devender Singh (PICUP Nominee)	Non-executive Director	2	No	1	-	-	B, C
6	Mr. S. Sathyamoorthy	Non-executive Director	-	No	-	-	-	B
7	Mr. Rakesh Mundra	Director (Finance) & Executive Director	4	Yes	1	-	-	

A. Promoter Directors.

B. Non-executive and independent Directors.

C. Promoter Director pursuant to assisted sector agreement between the company and PICUP. However, pursuant to clause 49(1), they are being treated as Independent Director being Nominee of Financial Institutions.

3. Audit Committee

The Audit Committee of the Company met four times during the year on following dates:

29.05.2013, 13.08.2013, 11.11.2013 and 14.02.2014.

Terms of reference of the Audit Committee are as per the guidelines set out in the listing agreements with the Stock Exchanges and also as per Section 292A of the Companies Act 1956. It inter-alia also include the overview of the Company's financial reporting processes, review of the half yearly and annual financial statements, the adequacy of internal control systems, the financial and risk management policies and vigil mechanism system.

Composition

The Audit Committee of the Board comprises of two non-executive Independent Directors and one Nominee Director. The Committee met four times during the year and attendances of the members at these meetings were as follows:-

Sl.No.	Name of Director	Status	Meetings Attended
1	Mr. M.M. Kohli	Chairman & Independent Director	3
2	Mr. S.C. Malik	Independent Director	4
3	Mr. Rakesh Gupta	Nominee Director	4

The Statutory Auditor (if need arise), Internal Auditors and Cost Auditors are invitees to the Audit Committee Meetings. The Company Secretary was in attendance at these meetings.

4. Remuneration Committee

The remuneration committee of the Board comprises of three non-executive Directors (including two Nominee Directors i.e. two directors from PICUP). Nominee Director (s) of Financial Institution (s) automatically becomes member of Remuneration Committee.

Sl.No.	Name of Director	Status	Meetings Attended
1	Mr.M.M.Kohli	Non Executive Director	2
2	Mr.Rakesh Gupta, PICUP Nominee	Non Executive Director	2
3	Mr.Devender Singh, PICUP Nominee	Non Executive Director	1

The remuneration committee meets as and when need arises. Further, the Board in their meeting held on 27th July, 2002 decided that the quorum of the remuneration committee shall be three committee members or 1/3rd of the total strength of the committee, whichever is lower (including presence of a nominee Director, whose presence is must for the purpose of quorum), instead of presence of all the committee members.

The Chairman of the committee is decided at the respective meeting.

5. Remuneration Policy

Remuneration of employees largely consists of basic remuneration and perquisites.

The component of the total remuneration varies for different grades and is governed by Industry pattern, qualifications and experience of the employee, responsibilities handled by him and his individual performance etc.

6. Details of remuneration to Directors for the year ended on 31.03.2014**(i) Executive Directors**

Name	Salary (Rs.)	Perquisites (Rs.)	Retirement benefits (Rs.)
Mr.Vineet Jain, Managing Director *	2400000	1612625	600000
Mr. Rakesh Mundra, Director (Finance)	1092286	179883	273072

* Remuneration committee has approved the payment of remuneration in their meeting held on 29.5.2013.

The above figures do not include contribution to Gratuity Fund, as separate figures are not available.

The arrangements with Managing Director and Director (Finance) are contractual in nature.

(ii) Non Executive Directors

Remuneration by way of sitting fee for attending Board/Audit Committee/Remuneration Committee/Share Transfer-cum-Shareholder Grievance Committee Meetings, paid to the non-executive directors is as under.

Name	Sitting fee paid (Rs.)
Mr.M.M.Kohli	48000
Mr. S.C. Malik	51000
Mr.Devender Singh	4500
Mr. Rakesh Gupta	15000
Mr. S. Sathymoorthy	Nil

7. Shareholder Grievance Committee

The Board has formed a Stakeholders Grievance committee consisting of the following directors, the details of meeting attended by the directors are given herein under:-

Sl.No	Name of Director	No of Meetings held	No of Meetings attended
1	Mr. M.M. Kohli	26	24
2	Mr.Vineet Jain	26	21
3	Mr.S.C.Malik	26	26
4	Mr. Rakesh Mundra	26	25

The Company Secretary was in attendance in all the Share Transfer Meeting.

The Committee deals with matters relating to :

- Transfer/Transmission of shares;
- Issue of Duplicate Share Certificates;

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2013-14



- iii) Consolidation/Split of Share Certificates;
- iv) Review of Shares Dematerialized;
- v) All other matters relating to shares.

Mr. Rakesh Mundra, Director (Finance) & Company Secretary and Mr. Amarjeet Singh, Senior Manager of M/s. MCS Share Transfer Agent Ltd., Registrar & Share Transfer Agent are the Compliance Officer of the Company.

Further the Company confirms that there were no share transfers lying pending as on 31.03.2014, and all requests for dematerialization and re-materialization of shares as on that date were confirmed / rejected into the NSDL/CDSL system.

The Shareholder complaints received and resolved during the year from 1.04.2013 to 31.03.2014.

Sl.No.	Type of Compliant	Pending As on 01.04.2013	Total Complaints Received	Complaints Redressed	Redressal under process	Pending As on 31.03.2014
1	Letter received from SEBI	Nil	Nil	Nil	Nil	Nil
2	Letter received from Stock Exchanges	Nil	8	8	Nil	Nil
3	Letter received from DCA	Nil	Nil	Nil	Nil	Nil
4	Court/Consumer forum/Legal cases	Nil	1	1	Nil	Nil
5	Change of Address etc.	Nil	Nil	Nil	Nil	Nil
6	Issue of Duplicate Shares	Nil	Nil	Nil	Nil	Nil
7	Non receipt of Dividend	Nil	Nil	Nil	Nil	Nil
8	Share Transfers etc.	Nil	7	7	Nil	Nil

Note: The Company has endeavored to settle all shareholder complaints in the minimum possible time. The average time of settlement may vary from 7 days to 15 days.

An email ID exclusive for registering complaints / grievance has been formed as palinvest.grievance@gmail.com.

8. General Body Meetings

The last three Annual General Meetings were held as under:-

Financial year	Date	Time	Venue
31.03.2011	26.09.2011	01.00 PM	Pasupati Acrylon Ltd., Vill. Thakurdwara, Kashipur Road Moradabad (UP)
31.03.2012	28.09.2012	10.00 AM	
31.03.2013	27.09.2013	10.00 AM	

Mr. M.M. Kohli, Chairman of the Audit Committee had also attended the Annual General Meeting held on 27.09.2013.

No resolution was passed through postal ballot during the period 01.04.2013 to 31.03.2014 under the provisions of Section 192A of the Companies Act, 1956 and the companies (Passing of Resolutions by Postal Ballot) Rules 2001 and no resolution is proposed to be passed at the ensuing Annual General Body Meeting through postal ballots.

In the last three Annual General Meeting, one special resolution was passed in the Annual General Meeting held on 28.9.2012.

9. Disclosures

- Details of related party transactions during the year have been set out under Note No. 32 of Annual Accounts. However, these are not having any potential conflict with the interests of the company at large.
- There were no instances of non-compliance or penalty, strictures imposed on the company by Stock Exchanges/SEBI or any other statutory authorities on any matter related to capital markets, during the last three years.
- Presently the company does not have a Whistle Blower Policy but has a policy similar to it, which is called Open Talk. No personnel of the Company have been denied access to the Audit Committee.
- PAL has implemented a Code of conduct based on its business principles along with implementation framework for its Directors and Senior Management of the Company. In compliance with the code, Directors and Senior Management of the Company have affirmed compliance with the Code for the year ended on 31st March 2014. A declaration to this effect signed by the Managing Director form part of this Annual Report.

10. Means of Communication

- Quarterly/ yearly results are being published in daily newspapers viz. Business Standard English and Hindi Edition. The Annual Report is posted to every shareholder of the Company.
- Management's Discussions and Analysis Report forms part of Directors' Report on the Annual Accounts more specifically under Operations, Current Year Outlook, Internal Control System and adequacy, Human Resources and Industrial Relations.
- The Company's website at www.pasupatiacrylon.com is regularly updated with financial results.
- Requisite information, statements and reports are being filed under www.corpfiling.co.in also as per SEBI directions.

11. General Shareholder Information

- Notes on Directors seeking re-appointment as required under Clause VI A of the Listing Agreement.

Mr. Rakesh Mundra will retire at the ensuing Annual General Meeting by rotation and has offered himself for re-appointment. The Board has recommended the re-appointment of the retiring Director.

The information about the brief resume and other information required to be disclosed under this section are provided in the notice of the Annual General Meeting.

2. Annual General Meeting will be held on Tuesday the 30th day of September, 2014 at Registered office of the Company i.e. Thakurdwara, Kashipur Road, Distt. Moradabad (UP) at 10.00 AM.
3. The company has furnished information as required by Clause 49 (vi) of the Listing Agreement of the Stock Exchanges, relating to appointment/re-appointment of Director(s). Shareholders may kindly refer to the Notice convening the 31st Annual General Meeting of the Company. The number of companies in which the person also holds directorship and the membership of Committees of the board are given separately.
4. Financial Calendar for the period 2014-15 (Provisional)

First Quarter Results (30.06.2014)	By 14 th August 2014
Second Quarter Results (30.09.2014)	By 15 th November 2014
Third Quarter Results (31.12.2014)	By 15 th February 2015
Fourth Quarter Results (31.03.2015)	By 15 th May 2015
Mailing of Annual Report	By August, 2015
Annual General Meeting	By September, 2015

12. Dates of Book Closure

The Share Transfer Books and Register of Members of the Company shall remain close from Monday the 22nd day of September 2014 to Tuesday the 30th day of September 2014 (both days inclusive).

13. Stock Code

The Company's scrip codes at various Stock Exchanges are as under:-

Stock Exchange Mumbai	500456
-----------------------	--------

14. Listing of Equity Shares on Stock Exchanges, etc.

The Company's shares are presently listed on the Stock Exchange at Mumbai. The listing fees for the year 2014-2015 have been paid to the Mumbai Stock Exchange.

15. Stock Market Price Data for the period 01.04.2013 to 31.03.2014.

Share Price on BSE

Month	B S E		B S E SENSEX	
	High (Rs.)	Low (Rs.)	High	Low
April, 2013	3.45	2.42	19623	18144
May, 2013	3.59	2.68	20444	19451
June, 2013	3.60	2.50	19860	18467
July, 2013	4.31	2.35	20351	19127
August, 2013	4.72	3.93	19569	17449
September, 2013	3.74	2.69	20740	18166
October, 2013	3.85	2.73	21205	19265
November, 2013	3.77	2.98	21321	20138
December, 2013	4.60	3.59	21484	20569
January, 2014	4.50	2.88	21410	20344
February, 2014	3.51	2.75	21140	19963
March, 2014	3.54	2.70	22467	20921

16. Share Transfer Agent

The Company is availing services of M/s. M.C.S Share Transfer Agent Limited F-65, Okhla Industrial Area Phase-I, New Delhi-110020, a SEBI registered Registrar, as Registrar and Share Transfer Agents for processing the transfers, sub-division, consolidation, splitting of securities etc. Since trades in Company's shares can now only be done in the dematerialized form, request for demat and remat should be sent directly to M/s.MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area Phase-I, New Delhi-110020. Shareholders have the option to open their accounts with either NSDL or CDSL as the Company has entered into Agreements with both these Depositories.

17. Share Transfer System

As already stated, the Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Therefore, Investors/Shareholders are requested to kindly note that physical documents, viz Demat Request Forms (DRF) and Share Certificates etc. should be sent by their Depository Participants (DP's) directly to the Share Transfer Agents. Any delay on the part of the DP's to send the DRF and the Share Certificates beyond 21

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2013-14



days from the date of generation of the DRF by the DP will be rejected/cancelled. This is being done to ensure that no demat requests remain pending with the Share Transfer Agent beyond a period of 21 days. Investors/Shareholders should, therefore, ensure that their DP's do not delay in sending the DRF and Share Certificates to Share Transfer Agent after generating the DRF.

18. Distribution of Shareholding as on 31st March 2014

No. of Shares	No. of Shareholders	%	No. of Shares	%
1-500	51871	89.47	7349100	8.25
501-1000	3559	6.14	2729503	3.06
1001-2000	1378	2.38	2075609	2.33
2001-3000	373	0.64	946682	1.06
3001-4000	149	0.26	527151	0.59
4001-5000	186	0.32	863755	0.97
5001-10000	222	0.38	1619574	1.82
10001-50000	174	0.30	3639173	4.08
50001-100000	25	0.04	1699528	1.91
100001 and above	38	0.07	67683046	75.93
Total	57975	100	89133121	100

19. Dematerialization of Shares

As on March 31, 2014, 86.62% of the Company's total shares representing 77210810 shares were held in dematerialized form and the balance 13.38% representing 11922311 shares were in paper form.

20. CEO / CFO Certification

CEO and CFO have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

21. Registered Office and Works

Thakurdwara, Kashipur Road, Distt. Moradabad (UP)

22. Address of correspondence and corporate office

Company's corporate office is situated at

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

Shareholders correspondence should be addressed to :

Pasupati Acrylon Ltd. Registered Office Thakurdwara, Kashipur Road Distt. Moradabad (UP) Phone: 0591 2241263, 2241352-55 Fax : 0591 2241262 Email: works@pasupatiacrylon.com	Pasupati Acrylon Ltd Corporate Office M-14, Connaught Circus (Middle Circle) New Delhi-110 001 Phone: 47627400 Fax : 47627497 E-mail : delhi@pasupatiacrylon.com	MCS Share Transfer Agent Limited F-65, Okhla Industrial Area Phase-I, New Delhi-110020 Phone: 41406149-52 Fax : 41709881 Email: admin@mcsdel.com
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23. Auditors Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, the Auditors Certificate is given as an annexure to the Directors' Report.

For and on behalf of the Board

Place : New Delhi

Dated : 11th August , 2014

Vineet Jain
Managing Director

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board members and senior management of the Company. The Code of Conduct has also been posted on the website of the company. It is further confirmed that all directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the period ended March 31, 2014, as envisaged in Clause 49 of the Listing Agreement with stock exchanges.

Vineet Jain
Managing Director

Place : New Delhi

Date : 11th August, 2014

INDEPENDENT AUDITORS' REPORT



TO THE MEMBERS OF PASUPATI ACRYLON LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of PASUPATI ACRYLON LTD. ("the Company") which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

- a) *Schedule 12 to the financial statements relating to recognition of net deferred tax assets of Rs.2354.60 lacs (including Rs.2690.13Lac upto 31st March 2013) in accounts upto 31st March 2014 based on future profitability projection made by the management. However, we are unable to express any opinion on the above projections and their consequential impact, if any, on such Deferred Tax Assets.*
- b) *Schedule 33 relating to change in method of providing depreciation from straight line method to written down value method in respect of certain plant & machinery resulting in profit after tax (including exceptional items) to be lower by Rs.553.33 lacs deferred tax asset lower by Rs.247.73 lacs & fixed assets lower by Rs.800.76 lacs.*

Report on Other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of written representation received from the directors as at 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For B.K. SHROFF & CO.
Chartered Accountants
Firm Registration No. 302166E

O.P. Shroff
Partner

Membership No. : 6329

Place : New Delhi
Date : 26th May, 2014

INDEPENDENT AUDITORS' REPORT (Contd.)



ANNEXURE REFERRED TO IN PARAGRAPH (1) UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management according to a regular program which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (c) In our opinion and according to explanations given to us, fixed assets disposed off during the year were not substantial and as such the disposal has not affected the going concern concept of the company.
- (ii) (a) As explained to us, physical verification of inventory (except material in transit and lying with third parties) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material and these have been properly dealt with in the books of accounts.
- (iii) (a) (i) The company has not granted any loans, secured or unsecured from companies, firms or other parties as listed in the register maintained under section 301 of the Companies Act 1956 and as such information regarding rate of interest, overdue amounts and other terms & conditions of loans granted is not required to be furnished.
- (ii) The Company has not taken any loan during the year from the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) As the company has neither taken nor granted any loan to parties covered u/s 301 of the companies Act, 1956, provision of clause (iii) (b) (c) (d) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. Further on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- (v) (a) According to the information and explanations given to us, during the year there were no contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, no transactions of purchase and sale of goods materials and services, made in pursuance of contracts or arrangements to be entered into the register maintained under section 301 of the Companies Act 1956 aggregating during the year to Rs. 5 lacs in respect of any party.
- (vi) In our opinion and according to the information given to us, company has not accepted deposits from the public within the meaning of section 58A & 58AA of the companies Act, 1956 or other relevant provision of the act, accordingly clause (iv) of the order are not applicable.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such accounts and records.
- (ix) (a) According to the records of the company, the company is *generally* regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Service Tax, Trade Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it, *except in certain instances where delays were noticed.*
- (b) According to information and explanations given to us no undisputed amounts payable in respect of income tax, wealth tax, sales tax custom duty, excise duty and cess were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

INDEPENDENT AUDITORS' REPORT (Contd.)



- (c) According to the records of the company, dues in respect of Sales Tax/Income Tax/Customs Duty/Wealth Tax/Excise Duty / Service Tax/Cess which have not been deposited on account of dispute are as under:

Sr. No.	Name of the Statute	Nature of dues	Period to which amount relates	Amount Rs.in lacs	Forum where pending	Remarks
1	Central Excise & Salt Act 1964	Differential duty on waste	13.02.92 to 30.06.92 August 92 to 20.01.93 Feb. 96 to July 03 Aug. 03 to Jan. 04 May 04 to Jan. 05 Feb. 05 to Apr. 05 May 05 to Nov 05 Dec 05 to March 07 April 07 to August 07 Sept 07 to March 08 April 08 to Nov. 08 Dec. 08 to Aug. 09 Sept 09 to Feb. 10 March 10 to Nov. 10 May 11 to Jan. 12 Feb 12 to Nov. 12 Dec. 12 to Nov. 13	6.77 13.28 145.58 17.52 31.25 4.75 10.89 13.40 4.26 4.96 7.43 2.83 3.76 4.32 6.27 45.26 26.89	Supreme Court, N. Delhi	Department filed appeal in Hon'ble Supreme Court Department issuing SCN as Protected Demand
2	UP Trade Tax Act Entry Tax	Entry Tax Entry Tax Entry Tax Entry Tax Entry Tax	01.04.03 to 31.03.04 01.04.04 to 31.03.05 01.04.05 to 31.03.06 01.04.06 to 31.03.07 November 2010 (2010-11)	14.40 19.46 14.68 10.34 3.15	Supreme Court, N. Delhi Tribunal - Moradabad Tribunal - Moradabad Tribunal - Moradabad Supreme Court, N. Delhi Stay granted	BG submitted as per Supreme Court order. BG submitted as per Supreme Court order. BG submitted as per Supreme Court order. BG submitted as per Supreme Court order. BG submitted as per Supreme Court order.
3	Central Excise & Customs Act	Education cess debited in DEPB script	14.09.04 to 07.10.04 11.10.04 to 29.11.04 02.12.04 to 08.02.05	4.16 14.69 17.34	Addl. Commissioner. Central Excise & Customs, Meerut	Department filed appeal before The CESTAT. Cases put in call book till decision by CESTAT
4	Central Excise, Service Tax & Customs Act (Service Tax)	Utilisation of CENVAT Credit for payment of Service Tax	April 07 to Sept 07 Oct 07 to Dec 07 Jan 08 to Feb 08	4.97 3.41 3.01	CESTAT, New Delhi	Pending before CESTAT for final hearing Stay Granted
5	Central Excise Service Tax & Customs Act (Service Tax)	Disallowing Service Tax Credit due to non Registration of HO under ISD.	Feb 05 to Feb 08	122.27	CESTAT, New Delhi	Pending before CESTAT for final hearing

- (x) As at 31.03.2014 the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the year covered by our audit but had incurred cash loss in the immediately preceding year.
- (xi) In our opinion and according to the information and explanations given to us, the company has generally not defaulted in repayment of principal/interest dues to financial institutions, banks & debentures holders.
- (xii) Based on our examination of documents and records maintained by the company, we are of the opinion that since the company has not granted any loan and advance on the basis of security by way of pledge of shares, debenture and other securities, it is not required to maintain records in respect thereof.

INDEPENDENT AUDITORS' REPORT (Contd.)



- (xiii) In our opinion the company is neither a chit fund nor nidhi/mutual benefit fund/society and hence clause 4 (xiii) of the Order is not applicable.
- (xiv) In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments and accordingly the provisions of clause 4(xiv) of the Order is not applicable.
- (xv) Based on our examination of the records we are of the opinion that the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion the term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company we report that funds raised on short term basis have not been used for long term investments.
- (xviii) During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of Companies Act, 1956.
- (xix) During the year the company had not issued any debentures.
- (xx) During the year under review no money was raised by public issue.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with auditing standards generally accepted in India, we have neither come across any instance of fraud by the company, noticed or reported during the year nor have we been informed of such case by the management. *However fraud on the company by an employee of Rs.145.93 lacs was noticed and reported which has subsequently been recovered.*

For B.K. SHROFF & CO.
Chartered Accountants
Registration No: 302166E

O.P. Shroff
Partner

Membership No. : 6329

Place : New Delhi
Date : 26th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014



Particulars	Note No.		As at 31.03.2014 (Rs./Lacs)		As at 31.03.2013 (Rs./Lacs)
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
Share Capital	2	8,914.10		8,914.10	
Reserves & Surplus	3	(1,247.19)	7,666.91	(1,235.11)	7,678.99
NON-CURRENT LIABILITIES					
Long-Term Borrowings	4	2,439.50		3,122.03	
Other Long Term Liabilities	5	259.06		408.28	
Long Term Provisions	6	152.40	2,850.96	90.59	3,620.90
CURRENT LIABILITIES					
Short-Term Borrowings	7	3,716.04		5,181.17	
Trade Payables	8	12,199.74		8,842.72	
Other Current Liabilities	9	1,979.89		2,090.58	
Short Term Provisions	10	186.83	18,082.50	155.30	16,269.77
			28,600.37		27,569.66
ASSETS					
NON CURRENT ASSETS					
Fixed Assets					
Tangible Assets	11	8,532.95		10,493.73	
Deferred Tax Assets(Net)	12	2,354.60		2,690.13	
Other Non Current Assets	13	6.95	10,894.50	6.97	13,190.83
CURRENT ASSETS					
Inventories	14	11,355.75		10,581.96	
Trade Receivables	15	3,348.37		2,085.10	
Cash & Cash Equivalents	16	1,617.19		1,211.17	
Short Term Loans & Advances	17	497.26		383.97	
Other Current Assets	18	887.30	17,705.87	116.63	14,378.83
			28,600.37		27,569.66
Significant Accounting Policies	1				
Notes on Financial Statements	1 to 39				

As per our report of even date annexed

For B.K. Shroff & Co.,
Chartered Accountants
Firm Registration No.302166E

O.P.Shroff
Partner
Membership No.6329

Vineet Jain
Managing Director

Rakesh Mundra
Director (Finance) & Company Secretary

M.M.Kohli
Director

S.C.Malik
Director

Place : New Delhi
Dated : 26th May, 2014

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014



Particulars	Note No.	Current Year (Rs./Lacs)	Previous Year (Rs./Lacs)
Revenue from Operations	21	53,059.75	41,658.85
Other Income	22	375.43	431.99
Total Revenue		53,435.18	42,090.84
Expenses			
Cost of Materials Consumed	23	36,920.42	31,526.81
Purchases of Stock in Trade	24	9.90	9.62
Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	25	2,270.66	(651.54)
Employee Benefits Expense	26	1,817.17	1,696.52
Finance Costs	27	982.78	1,270.89
Depreciation and Amortisation Expense	28	825.94	472.08
Other Expenses	29	9,222.48	8,750.72
Total Expenses		52,049.35	43,075.10
Profit before Exceptional & Extraordinary items & Tax		1,385.83	(984.26)
Exceptional Items	30	(318.30)	-
		1,067.53	(984.26)
Tax Expense			
Minimum Alternate Tax (MAT)		63.30	-
Deferred Tax	12	476.08	(294.30)
Prior period adjustment for Deferred Tax		(140.55)	-
Wealth Tax		2.30	2.00
Interest on Income/Wealth tax		0.32	0.54
Mat Credit Entitlement		(59.85)	-
Profit /(Loss) for the Year		725.93	(692.50)
Earning Per Share (Rs.) - Basic & Diluted (not annualised)	31		
a) before extraordinary items		0.81	(0.78)
b) after extraordinary items		0.81	(0.78)
Significant Accounting Policies	1		
Notes on Financial Statements	1 to 39		

As per our report of even date annexed

For B.K. Shroff & Co.,
Chartered Accountants
Firm Registration No.302166E

O.P.Shroff
Partner
Membership No.6329

Vineet Jain
Managing Director

Rakesh Mundra
Director (Finance) & Company Secretary

M.M.Kohli
Director

S.C.Malik
Director

Place : New Delhi
Dated : 26th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014



	As at 31.03.2014 (Rs./Lacs)	As at 31.03.2013 (Rs./Lacs)
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before tax, exceptional items	1385.83	(984.26)
Add/(Less) : Adjustments for		
Depreciation	825.94	472.08
Interest expenses	623.20	787.55
Interest Income	(109.79)	(86.44)
Exceptional income	136.55	-
Liability no longer require written back	(6.08)	(40.36)
Loss/(Gain) on sale of fixed assets	(1.91)	(4.60)
Operating Profit before working capital changes	2853.74	143.97
Add: Adjustments for change in working capital		
Trade and Other receivables	(2130.58)	538.56
Inventories	(773.79)	222.55
Trade and Other Payables	4597.66	(603.15)
Net Cash Generated from operations	4547.03	301.93
Direct Taxes paid/adjusted	(13.67)	(10.63)
Net Cash from Operating Activities	4533.36	291.30
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(61.64)	(233.50)
Sale of Fixed Assets	5.52	5.56
Interest received	114.40	82.11
Net Cash from Investing Activities	58.28	(145.83)
C. Cash Flow from Financing Activities		
Interest paid	(636.66)	(798.89)
Short Term Bank Borrowings-Buyer's Credit	(2567.73)	588.34
Proceeds from long term borrowings	10.11	14.49
Repayment of long term borrowings	(692.63)	(697.33)
Proceeds/(Payment) of unsecured loans	0.00	340.00
Proceeds/(Payment) of short term advances	(9.64)	9.60
Increase/(Decrease) in Bank Borrowings	(289.07)	327.91
Net Cash used in Financing Activities	(4185.62)	(215.88)
Net increase in Cash and cash equivalents	406.02	(70.41)
Opening Balance of cash and cash equivalents	1211.17	1281.58
Closing Balance of cash and cash equivalents	1617.19	1211.17

D. Notes on Cash Flow Statement

1. Figures in brackets represent cash outflow.

2. Cash flow does not include non cash items.

3. Cash and cash equivalents includes balance in fixed deposit/margin money account Rs.1321.36Lacs(Previous Year Rs.905.04 Lacs)

As per our report of even date annexed

For B.K. Shroff & Co.,
Chartered Accountants
Firm Registration No.302166E

Vineet Jain
Managing Director

M.M.Kohli
Director

O.P.Shroff
Partner

Rakesh Mundra
Director (Finance) & Company Secretary

S.C.Malik
Director

Membership No.6329
Place : New Delhi
Dated : 26th May, 2014

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies & Notes on Accounts.

a) Method of Accounting

- i) The accounts of the Company are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated hereinafter.
- ii) Accounting policies are consistent with generally accepted accounting principles.

b) Fixed Assets

Fixed assets are stated at cost except in the case of plant and machinery, which have been shown at revalued amount. Cost includes financing cost till the commencement of commercial production, inward freight, duties & taxes, incidental expenses related to acquisition and is net of MODVAT / CENVAT. In respect of major projects involving construction, related pre-operational expenses form part of the value of the assets capitalized.

Fixed assets acquired under hire purchase schemes are capitalized at their principal value and hire charges are expensed. Fixed assets taken on lease are not treated as assets of the company and lease rentals are charged off as revenue expenses.

Spares received along with the plant or equipment and those purchased subsequently for specific machines and having irregular use are being capitalized.

As per practice, expenses incurred on modernization / de-bottlenecking / relocation / relining of plant and equipment are capitalized. Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the greater of the net selling price and value in use.

c) Inventories

Inventories (including licences in hand) are valued at lower of cost or net realisable value. Cost is determined using the First in First out (FIFO) formula. Finished goods and stock in process include cost of conversion and other costs incurred in bringing the inventories to their present location and conditions. Cost of machinery spares which can be used only in connection with plant & machinery and whose use is expected to be irregular are amortized proportionately over a period of residual useful life of machinery as technically evaluated. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the company.

d) Foreign Currency Fluctuations

Foreign currency loans under Exchange Risk Administration Scheme (ERAS) and of ADB line of credit have been reflected in Indian Rupees at the rates prevailing at the time of disbursement/conversion.

Gains / Losses due to Foreign Exchange fluctuations arising out of the settlement including those related to fixed assets are dealt within the profit and loss account.

Foreign currency current assets and liabilities are converted into Rupee at the exchange rate prevailing on the Balance Sheet date and the resultant gains / losses are reflected in the profit and loss account.

e) Depreciation

Depreciation has been calculated on fixed assets on straight line method in accordance with schedule XIV of the Companies Act, 1956 except for building, vehicle, new line and power plant where depreciation is calculated on written down value method.

The Company used to provide depreciation upto 95% of assets value. From 01.10.2009 the Company is providing depreciation keeping the residual value to Re.1 instead of 5%.

Depreciation on amounts capitalized on account of foreign currency fluctuations, is provided prospectively over the residual life of the assets.

Depreciation on revalued assets is calculated on straight line method over the residual life of the respective assets as estimated by the valuer. The additional charge for depreciation on account of revaluation is withdrawn from the revaluation reserve and credited to the profit & loss account.

f) Research and Development

While revenue expenditure on research and development is charged against the profit of the year in which it is incurred, capital expenditure is shown as an addition to fixed assets.

g) Retirement Benefits

i) Short term Employees Benefits.

All Employee benefits payable only within twelve months of rendering the service are classified as short term employee benefits. Benefits such as Salaries, Wages etc. and the expected cost of bonus, exgratia, incentives are recognized in the year during which the employee renders the related services.

- ii) The company has set up separate provident fund and superannuation trusts in respect of certain categories of employees. For other employees, provident fund is accrued on monthly basis in accordance with the terms of contract with the employees and is deposited with the "Statutory Provident Fund". Liability on account of retirement gratuity to the employees is being provided in accordance with the company's Group Gratuity Cash Accumulation Scheme with Life Insurance Corporation of India. The contributions to the Trusts are charged to the Profit & Loss Account.

- iii) The company extends benefits of leave to the employees while in service as well as on retirement. Provision for leave encashment benefit is being made on the basis of actuarial valuation.
- iv) Keyman insurance policy taken by the company on the life of its Keyman is valued at surrender value.
- h) **Borrowing Costs**
Borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying assets are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the year in which they are incurred. Capitalisation of borrowing cost ceases when substantially all activities necessary to prepare the qualifying assets for its intended use or sale are complete.
- i) **Excise and other duties.**
Excise duty has been accounted for in respect of goods cleared and provision has also been made for goods lying in bonded warehouse. Custom duty on material lying in bond and in transit is accounted for at the time of clearance thereof. This accounting treatment has no impact on the loss for the year. Sales tax paid is charged to Profit & Loss Account.
- j) **Claims and Benefits**
Claims receivable and export benefits are accounted for on accrual basis.
- k) **Revenue Recognition**
Sale of goods is recognized on dispatch to customers. Sales are net of returns, excise duty and sales tax / VAT.
- l) **Financial Derivatives Transactions**
In respect of derivative contracts, premium paid gains / losses on settlement and provisions for losses for cash flow hedges are recognized in the Profit & Loss account.
- m) **Forward Exchange Contracts not intended for trade or speculation purpose.**
The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange difference on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change except for difference in respect of liabilities incurred for acquiring fixed assets from a country outside India, in which case such difference is adjusted in the carrying amount of the respective fixed assets. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.
- n) **Income from Investments / Deposits**
Income from investments/deposits is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under Tax deducted at source.
- o) **Deferred Taxation**
Deferred Taxation is calculated using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystallize in the foreseeable future.
Deferred Tax Assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
At each Balance Sheet date the company re assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent it has become reasonably certain or virtually certain as the case may be that sufficient actual taxable income will be available against which such deferred tax can be realized.
- p) **Earning Per Share**
Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
Diluted earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).
- q) **Events occurring after Balance Sheet Date**
Events occurring after the balance sheet date have been considered in the preparation of financial statements.
- r) **Contingent liabilities**
Contingent Liabilities as defined in Accounting Standard-29 are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefit will be required for an item previously dealt with as a contingent liability.
2. **Share Capital**
- a) **Authorised**

Particulars	No. of Shares		Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013	As at 31.3.2014	As at 31.3.2013
Equity Shares of Rs. 10 each				
At the beginning of the period	10,00,00,000	10,00,00,000	10000.00	10000.00
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	10,00,00,000	10,00,00,000	10000.00	10000.00

b) Issued

Particulars	No. of Shares		Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013	As at 31.3.2014	As at 31.3.2013
Equity Shares of Rs. 10 each fully paid up				
At the beginning of the period	89158825	89158825	8915.88	8915.88
Add: Additions during the period		-	-	-
At the end of the period	89158825	89158825	8915.88	8915.88

c) Subscribed and Paid up

Particulars	No. of Shares		Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013	As at 31.3.2014	As at 31.3.2013
Equity Shares of Rs. 10 each fully paid up				
At the beginning of the period @	89133121	89133121	8914.10	8914.10
Add: Additions during the period	-	-	-	-
At the end of the period	89133121	89133121	8914.10	8914.10

@ Does not include 15800 Shares(Previous year 15800 Shares) forfeited in earlier years, amount forfeited Rs.0.79 lacs (Previous year Rs.0.79 lacs) included in share capital subscribed and paid up.

Presently no options are available on un-issued share capital except convertibility clause(s), which can be exercised by the Financial Institution(s) in terms of loan agreement(s).

Details of shares in the company held by each shareholder holding more than 5% of shares is as under:

Name of the Shareholder	Percentage	No. of Shares	
		As at 31.3.2014	As at 31.3.2013
Manish Jain	17.56	15649232	15649232
Shubh Exim Ltd.	5.05	4500000	4500000
PICUP	5.03	4481752	4481752
Arihant Exports Pvt. Ltd.	5.19	4627867	2074770
Gurukripa Finvest Private Ltd.	10.10	9000000	9000000
Sulabh Plantation & Finance Pvt. Ltd.	9.26	8250000	8250000

3. Reserve & Surplus

Particulars	Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013
a) Capital Reserve	1452.78	1452.78
b) Revaluation Reserve		
At the beginning of the Year	4038.11	4880.27
Less: Depreciation for the year on amount added on revaluation transferred to Profit & Loss Statement	738.01	842.16
At the end of the Year	3300.10	4038.11
c) Profit & Loss Statement		
At the beginning of the Year	(6726.00)	(6033.50)
Add: Profit/(Loss) for the Year	725.93	(692.50)
At the end of the Year	(6000.07)	(6726.00)
Total (a+b+c)	(1247.19)	(1235.11)

4. Long Term Borrowings

Particulars	Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013
Secured		
Term Loans		
From Banks		
Rupee Loan (a) (c)	1457.68	1915.56
Working Capital Term Loan (a)	223.98	430.91
Vehicle Loan (b)	27.84	45.56
Sub Total	1709.50	2392.03
Unsecured		
Inter Corporate Deposits	730.00	730.00
Total	2439.50	3122.03

- a) Loans of Rs.281.66 Lacs (Previous year Rs.546.47 Lacs) are secured interse on pari-passu basis by way of mortgage of immovable properties and hypothecation of all moveable properties (save and except book debts) both present and future subject to prior charges created in favour of company's bankers for working capital facilities and further guaranteed by the Managing Director.
- b) Secured by hypothecation of specified assets acquired out of the loan amount.
- c) Loan of Rs.1400 Lacs(previous year Rs.1800 lacs) are secured by 1st charge on New Plant & Machinery on pari-passu basis. 2nd Pari-passu charge by way of hypothecation of current assets of the Company, subject to existing charge of working capital bankers and assignment of project related documents, contract right interest, insurance contracts etc. and further guaranteed by the Managing Director.

There is no default as on the Balance Sheet date in repayment of loans and interest. The above loans are repayable as follows:-

Particulars	Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013
Payable after 1 year	708.69	685.80
Payable after 2 years	400.82	705.39
Payable after 3 years	400.00	400.85
Payable after 4 years	199.99	400.00
Payable after 5 years	-	199.99
Total	1709.50	2392.03

5. Other Long Term Liabilities

Particulars	Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013
Export Benefits	259.06	408.28
Total	259.06	408.28

6. Long Term Provisions

Particulars	Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013
Provisions for Employee Benefits	152.40	90.59

7. Short Term Borrowings

Particulars	Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013
Secured		
Loans repayable on Demand		
From Banks (a)	87.65	376.72
Other Loans & Advances		
Foreign Currency Buyers Credit (a)	2006.89	4574.63
Sub Total	2094.54	4951.35
Unsecured		
Deferred Credit	1621.50	229.82
Total	3716.04	5181.17

- (a) Secured by hypothecation of book debts, raw-material, finished goods, semi-finished goods, consumable stores and spares including in transit and also secured by a second charge by way of mortgage of immovable properties both present and future and further guaranteed by the managing director.

8. Trade Payables

Particulars	Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013
Acceptances	11834.68	8440.73
Sundry Creditors	365.06	401.99
Total	12199.74	8842.72

9. Other Current Liabilities

Particulars	Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013
Current Maturities of Long Term Debts – Secured (a)(b) & (c)	689.01	659.23
Interest accrued but not due on borrowings	17.79	31.25
Advance from Customers	195.76	322.96
Other Payables	1077.33	1077.14
Total	1979.89	2090.58

- a) Loans of Rs.263.92 Lacs (previous year Rs.238.54 Lacs) are secured interse on pari-passu basis by way of mortgage of immovable properties and hypothecation of all moveable properties (save and except book debts) both present and future subject to prior charges created in favour of company's bankers for working capital facilities and further guaranteed by the Managing Director.
- b) Loan of Rs.400 Lacs(Previous year Rs.400 Lacs) are secured by 1st charge on New Plant & Machinery on pari-passu basis. 2nd Pari-passu charge by way of hypothecation of current assets of the Company, subject to existing charge of working capital bankers and assignment of project related documents, contract right interest, insurance contracts etc. and further guaranteed by the Managing Director
- c) Vehicle Loan of Rs. 25.09 Lacs (Previous year Rs. 20.69 Lacs) Secured by hypothecation of specified assets acquired out of the loan amount.

10. Short Term Provisions

Particulars	Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013
Provision for Minimum alternate Tax	63.30	-
Wealth Tax	2.30	2.07
Provision for employee benefits	121.23	153.23
Total	186.83	155.30

11. Tangible Assets

Rs/Lacs

Description	Gross Block				Depreciation				Net Block	
	As At 01.04.2013	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2014	As at 01.04.2013	For The Year	Deductions/ Adjustments	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
TANGIBLE ASSETS:										
Lease Hold Land	16.00	-	-	16.00	11.35	0.53	-	11.88	4.12	4.65
Free Hold Land	7.62	-	-	7.62	-	-	-	-	7.62	7.62
Office Premises (a)	81.47	-	-	81.47	26.02	1.33	-	27.35	54.12	55.45
Building #	1993.86	21.18	-	2015.04	1250.02	60.25	-	1310.27	704.77	743.84
Plant & Machinery \$	32540.27	18.70	-	32558.97	26167.27	1210.29	-	27377.56	5181.41	6373.00
Electrical Installations	4926.18	0.00	-	4926.18	1807.45	708.91	-	2516.36	2409.82	3118.73
Office Equipments	370.63	8.94	-	379.57	297.21	9.50	-	306.71	72.86	73.42
Furniture & Fixtures	251.37	0.00	-	251.37	245.24	1.41	-	246.65	4.72	6.13
Vehicles	318.51	12.82	30.71	300.62	207.62	26.26	26.77	207.11	93.51	110.89
Total	40505.91	61.64	30.71	40536.84	30012.18	2018.48	26.77	32003.89	8532.95	10493.73
Previous Year	38156.99	2391.44	42.52	40505.91	28739.51	1314.24	41.57	30012.18	10493.73	9417.48

\$ Includes depreciation on revaluation of Rs.738.01Lacs (Previous Year Rs.842.16 Lacs) Netted from revaluation reserve.

Includes addition of non-office building amounting to Rs 21.18 during the year.

- Since separate breakup of Rs. 62.95 lacs being cost of office premises, furniture & fixtures and air conditioners at Mumbai are not available, depreciation has been provided on total cost as office premises.
 - Includes cost of 5 shares (previous year 5 shares) Rs.252 (previous year Rs.252) in Arcadia Premises Co-operative Society Ltd., Mumbai.
- The company revalued its imported plant & machinery as on 31.03.2001 based on the valuation made by an approved valuer. Accordingly, the original cost of such assets resulted in gross increase in the value of assets over their original cost by Rs.8585.83 lacs, increase in depreciation upto 30.03.2001 by Rs.2682.44 Lacs and thereby net increase in replacement cost by Rs.5903.39 Lacs. The net increase of Rs.5903.29 Lacs in the value of such plant & machinery had been credited to revaluation reserve account.
- Revaluation of indigenous plant & machinery was carried out as on 31.03.2002 by an approved valuer. The revaluation resulted in a gross increase in the value of assets over their original cost by Rs.3981.77 Lacs, increase in depreciation upto 30.03.2002 by Rs.1930.53 Lacs and thereby net increase in replacement cost by Rs.2051.24 Lacs which has been taken as increase in the value of plant & machinery as on 31.03.2002 by creating a revaluation reserve to that an extent.

12. Deferred Tax Assets

(Rs./Lacs)

	As at 31.3.2013	Current Year	As at 31.3.2014
Deferred Tax Assets being tax impact thereon			
(i) Unabsorbed losses and/or depreciation carried forward as per Income tax laws	3137.14	(637.02)	2500.12
(ii) Expenses charged in the books, but allowance thereof deferred under Income tax laws	56.30	26.70	83.00
	3193.44	(610.32)	2583.12
Deferred Tax Liabilities being tax impact thereon			
(i) Difference between written down value of block of assets as per Income tax laws and written down value of the fixed assets as per books of accounts.	503.31	(274.79)	228.52
(ii) Deferred Tax Liability on account of depreciation relating to earlier year	-	140.55	-
	503.31	(134.24)	228.52
Net Deferred Tax Asset	2690.13	(476.08)	2214.05
Add: Deferred Tax Liability on account of depreciation relating to earlier year (refer Note No.33)	140.55	-	140.55
	-	476.08	2354.60

- In terms of Accounting Standard -22, net deferred tax (Liability)/ Assets (DTA) of Rs.(476.08) Lac (Previous Year assets of Rs.294.30 Lac) has been recognized during the year and consequently DTA as on March 31st 2014 stands at Rs 2354.60 Lac (Previous year Rs. 2690.13 Lac) there is carried forward unabsorbed depreciation and business loss at the balance sheet date. However, based on future profitability projections, the company is virtually certain that there would be sufficient taxable income in future, to claim the above tax credit.

13. Other Non Current Assets
(Unsecured-considered good)

Particulars	Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013
Others	6.95	6.97
Total	6.95	6.97

14. Inventories

Particulars	Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013
Raw Materials *	7291.60	3877.44
Work in Progress	527.90	776.44
Finished Goods		
-Own Manufactured	1904.42	3924.94
-Trading	6.20	7.80
Stores & Spares**	821.53	1283.97
Licences in hand	351.76	295.80
Fuel	452.34	415.57
Total	11355.75	10581.96
Basis of valuation	FIFO	FIFO

*includes goods in transit Rs.5115.33 Lacs (Previous year Rs.1933.30 Lacs)

** includes goods in transit Rs.3.75 Lacs (Previous year Rs.25.21 Lacs)

15. Trade Receivables
(Unsecured-considered good)

Particulars	Amount (Rs./Lacs)			
	As at 31.3.2014	As at 31.3.2014	As at 31.3.2013	As at 31.3.2013
Exceeding Six Months				
- Considered Good			1.32	-
- Considered doubtful	-		-	
	-		1.32	
Less: Provision for doubtful debts	-	-	-	1.32
Others - Considered Good		3348.37		2083.78
Total		3348.37		2085.10

- As reported in earlier years, an employee of the Company defrauded Rs.126 Lacs (Previous year Rs.126 Lacs) in connivance with certain customers. Criminal proceedings against the employee is being pursued. During the year the Company settled the dues with Customers and withdrawn Civil as well as criminal cases against them.
- Certain debit balances of sundry debtors are subject to confirmation and reconciliation. Difference, if any, shall be accounted for on such reconciliation.

16. Cash & Cash Equivalents

Particulars	Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013
Balances with Banks		
Held as margin/security	1321.36	905.04
Others	295.32	304.45
Cash in hand	0.51	1.68
Total	1617.19	1211.17

- Bank deposit with more than 12 months maturity Rs.810.86 Lacs (Previous year Rs.762.76 Lacs)

17. **Short Term Loans & Advances**
(Unsecured-considered good)

Particulars	Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013
Loans to Staff (Considered Good)	23.54	13.90
Advances (Recoverable in cash or in kind or for value to be received) Net of provision for doubtful advance of NIL (Previous Year Rs.27.01 Lacs) (a) (b).	336.70	257.38
Tax Deducted at Source	26.47	14.87
Others	110.55	97.82
Total	497.26	383.97

- a) During the year the Company has written off provision of Rs. 27.01 lac made against forged DEPB licenes as the accused are arrested and prosecuted for the fraud, as such chances of recovery are remote.
- b) Includes Advance Entry Tax of Rs. 82.53 Lacs (Previous year Rs. 11.28 Lacs), deposited with Sales Tax Authorities, Ludhiana.

18. **Other Current Assets**

Particulars	Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013
Interest receivable on Loans & Deposits	21.37	25.98
Balance with Custom & Central Excise Authorities etc.	797.78	82.34
MAT Credit Entitlement	68.15	8.31
Total	887.30	116.63

19. **Contingent Liabilities and Commitments**
(To the extent not provided for)

Particulars	Amount (Rs./Lacs)	
	As at 31.3.2014	As at 31.3.2013
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
b) Contingent liabilities not provided for in respect of		
i. Guarantee(s) given by banks and financial institutions	114.50	554.80
ii. Letters of Credit outstanding	108.74	829.88
iii. Sales Tax/Excise Duty/Custom Duty/Other Statutory dues/Service Tax disputed	519.26	555.56
iv. Labour Cases disputed In appeal	10.89	16.78

20. In the opinion of the board the assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

21. **Revenue from Operations**

Particulars	Amount (Rs./Lacs)	
	Current Year	Previous Year
Acrylic Fibre		
Gross Sales	58734.17	46378.63
Less: Excise Duty	5694.06	4729.57
Net Sales Acrylic Fibre	53040.11	41649.06
Acrylic Yarn	19.64	9.79
Total	53059.75	41658.85

22. Other Income

Particulars	Amount (Rs./Lacs)	
	Current Year	Previous Year
Interest	109.79	86.44
Claims Received	25.11	54.58
Exports Incentives/Benefits	154.11	81.21
Miscellaneous Receipts & Income	80.33	149.47
Prior year's Income/Adjustments	4.18	55.69
Profit on sale of Assets	1.91	4.60
Total	375.43	431.99

23. Cost of Materials Consumed

Particulars	Amount (Rs./Lacs)	
	Current Year	Previous Year
Acrylonitrile	33241.52	28094.36
Vinyl Acetate Monomer	1633.24	1358.78
Others	2045.66	2073.67
Total	36920.42	31526.81

24. Purchases of Stock In Trade

Particulars	Amount (Rs./Lacs)	
	Current Year	Previous Year
Yarn Purchase	9.90	9.62

25. Decrease /(Increase) in stocks

Particulars	Amount (Rs./Lacs)	
	Current Year	Previous Year
Closing Stock		
Finished Goods		
- Own Manufactured	1904.42	3924.94
- Trading	6.20	7.80
Stock in Process	527.90	776.44
Total	2438.52	4709.18
Opening Stock		
Finished Goods		
- Own Manufactured	3924.94	3418.59
- Trading	7.80	3.61
Stock in Process	776.44	635.44
Total	4709.18	4057.64
Decrease / (Increase)	2270.66	(651.54)

26. Employee Benefits Expense

Particulars	Amount (Rs./Lacs)	
	Current Year	Previous Year
Salaries & Wages	1614.62	1493.30
Contribution to Provident & Other Funds	155.11	144.91
Staff Welfare Expenses	47.44	58.31
Total	1817.17	1696.52

For year ended 31st March 2014 Remuneration paid to Managing Director is in accordance with Schedule XIII of the Companies Act, 1956. In respect of year ended 31st March 2013, upto 30.09.2012 it has been paid as per Central Government's approval and from 1.10.12 to 31.03.13 as per Schedule XIII of the Companies Act, 1956.

Employees Post Retirement Benefits

Particulars	Amount (Rs./Lacs)			
	Current Year		Previous Year	
During the year, the following contribution have been made under defined contribution plans:-				
Employer's Contribution to Provident Fund	47.99		40.31	
Employer's Contribution to Employees Pension Scheme	30.77		31.23	
Defined Benefit Plans	Gratuity	Leave Benefit	Gratuity	Leave Benefit
i) Assumptions				
Discount Rate	8.00%	7.50%	8.00%	9.30%
Salary Escalation	5.00%	6.50%	5.00%	4.50%
ii) Table showing changes in present value of obligations				
Present value of obligation as at beginning of year	395.53	100.99	349.57	102.29
Interest cost	31.64	9.39	27.97	9.51
Current Service Cost	21.86	14.10	21.08	8.51
Benefits Paid	(66.44)	(39.55)	(17.45)	(15.77)
Actuarial (gain)/loss on obligation	20.26	60.73	14.37	(3.56)
Present value of obligations as at end of year	402.86	145.65	395.53	100.99
iii) Table showing changes in the present value of plan assets				
Fair value of plan assets at the beginning of year	384.96	-	340.85	-
Expected return on plan assets	32.4	-	31.76	-
Contributions	32.43	-	29.80	-
Benefits paid	(66.46)	-	(17.45)	-
Actuarial gain / (Loss) on plan assets			-	-
Fair value of plan assets at the end of year	383.36	-	384.96	-
iv) Table showing fair value of plan assets				
Fair value of plan assets at the beginning of year	384.96	-	340.85	-
Actual return on plan assets	32.4	N.A.	31.76	N.A
Contributions	32.43	-	29.8	-
Benefits paid	(66.44)	-	(17.45)	-
Fair value of plan assets at the end of year	383.36	-	384.96	-
Present value of obligation at the end of year	-	-	395.53	-
Funded Status	(19.50)	-	(10.57)	-
v) Actuarial Gain / Loss recognized				
Actuarial gain / Loss for the year – obligation	(20.26)	60.73	(14.37)	(3.56)
Actuarial (gain)/Loss for the year – plan assets	-	-	-	-
Total (gain) / Loss for the year	20.26	60.73	14.37	(3.56)
Actuarial (gain) / Loss recognized in the year	20.26	60.73	14.37	(3.56)
	Gratuity	Leave Benefit	Gratuity	Leave Benefit
vi) The amounts to be recognized in the balance sheet and statements of Profit & loss				
Present value of obligations as at the end of year	402.86	145.65	395.53	100.99
Fair value of plan assets as at the end of the year	383.36	-	384.96	-
Funded status	(19.50)	(145.65)	(10.57)	(100.99)
Net Asset / (Liability) recognized in balance sheet	(19.50)	(145.65)	(10.57)	(100.99)
vii) Expenses recognized in statement of Profit & Loss				
Current services cost	21.86	14.1	21.08	8.51
Interest cost	31.64	9.39	27.97	9.51
Expected return on plan assets	(32.40)	-	(31.76)	-

	Gratuity	Leave Benefit	Gratuity	Leave Benefit
Net Actuarial (Gain)/Loss recognized in the year	20.26	60.73	14.37	(3.56)
Expenses recognized in statement of P&L	41.36	84.22	31.64	14.46
The Estimates of rate of future salary increase takes account inflation, seniority, promotion and other relevant factors on long term basis. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of liability. The above information is certified by the actuary.				

27. Finance Costs

Particulars	Amount (Rs./Lacs)	
	Current Year	Previous Year
Interest Expense	623.20	787.55
Bank Charges	359.58	483.34
Total	982.78	1270.89

28. Depreciation & Amortisation Expense

Particulars	Amount (Rs./Lacs)	
	Current Year	Previous Year
Depreciation	825.94	472.08
Total	825.94	472.08

29. Other Expenses

Particulars	Amount (Rs./Lacs)	
	Current Year	Previous Year
Consumption of Stores, Spare and Packing Materials	827.51	753.39
Power & Fuel	3918.02	4023.33
Rent	134.96	132.64
Repairs to Buildings	41.49	54.42
Repairs to Machinery	204.82	240.52
Repairs Others	53.40	43.82
Insurance	70.21	75.79
Rates & Taxes	18.85	35.42
Travelling & Conveyance	97.55	85.66
Rebates and Discounts	893.05	1268.92
Commission & Brokerage	106.76	36.25
Freight Outward	1052.63	705.74
Foreign Exchange Fluctuation Loss	1460.87	773.49
Packing Handling & Finishing Charges	82.11	93.95
Claim Paid/Irrecoverable Advances written off	170.94	
Less : Provided in earlier years now w/off	27.15	143.79
Excise Duty on Increase /(Decrease) in Closing Stock	(218.92)	56.44
Miscellaneous Expenses *	333.98	333.48
Charity & Donation	1.00	1.09
Loss on Sale of Raw Materials	0.00	32.16
Total	9222.48	8750.72

*includes payment to auditors, details as under:

Particulars	Amount (Rs./Lacs)	
	Current Year	Previous Year
As Statutory Audit Fees	7.00	6.00
As Audit Fees for Quarterly Audited Results	3.75	3.00
As Tax Audit Fees	1.25	1.00
For Other Services	0.12	0.11
Total	12.12	10.11

30. Exceptional Items

Particulars	Amount (Rs./Lacs)	
	Current Year	Previous Year
Depreciation relating to Previous Years	(454.86)	-
Exceptional Income	136.56	-
Total	(318.30)	-

- a) During the year Company detected a fraud committed by an employee amounting to Rs. 145.93 Lacs. An FIR was filed and said employee was arrested. Later with the intervention of court a settlement arrived at and Rs. 140.01 lacs has been recovered by way of cash and confiscation of various properties. For balance of Rs. 5.92 lacs, the company filed a claim with ICICI Lombard under Fidelity Guarantee Insurance Policy which has been received subsequently. The amount recovered in respect of earlier years has been credited to exceptional income.
- b) Also refer Note No. 33.

31. Earnings Per Share (EPS)

Basic / Diluted Earnings Per Share	Amount (Rs./Lacs)	
	Current Year	Previous Year
Net Profit/(Loss) for the year before extra ordinary Items after tax (Rs./ Lacs)	725.93	(692.50)
Net Profit/(Loss) for the year after ordinary Items after tax (Rs./ lacs)	725.96	(692.50)
Opening Balance of Equity Shares	89133121	89133121
Weighted Number of Equity Shares (viz. denominator) for basic earnings per share	89133121	89133121
Earnings per share before Extra Ordinary Items	0.81	(0.78)
Earnings per share after Extra Ordinary Items	0.81	(0.78)
Nominal Value per Equity Share (Rs.)	10.00	10.00

32. Related Party Disclosure:

Related Party disclosures, as required by AS-18 "Related Party Disclosures" are given below:-

- Relationship
 - Subsidiaries Companies NIL
 - Joint Venture/Joint Control & Associates NIL
 - Key management personnel (Whole Time Directors)

Mr. Vineet Jain-Managing Director Mr. Rakesh Mundra-Director (Finance)

Relatives of key management personnel (with whom transactions have taken place.) Mr. Manish Jain-Brother
 - Enterprises over which key management personnel/relative have significant influence

Prabhat Capital Services Ltd Accurex Traders Pvt. Ltd.

Gurukripa Finvest Pvt Ltd Ujjwal Commodities Pvt.Ltd.

Sulabh Plantation & Finance Pvt.Ltd.
 - Other related parties

Pasupati Officer's Provident Fund Trust

The Pasupati Acrylon Ltd. Employees Superannuation Scheme

The Pasupati Acrylon Ltd. Employees Group Gratuity Scheme
- The following transactions were carried out with related parties in the ordinary course of business.

(Rs./Lacs)

	Current Year			Previous Year			
	Key management personnel	Relatives of key management personnel	Others	Key management Personnel	Relatives of key management Personnel	Companies where significant influence exists	Others
Salaries & Allowances	52.85	9.55	-	55.74	7.27	-	-
Rent/Lease Rent Paid	-	-	2.69	-	-	-	2.69
Loan Taken	-	-	-	-	-	340.00	-
Interest Paid	-	-	-	-	-	-	-
Contribution to Gratuity/ PF/Superannuation Fund	8.73	2.25	32.88	8.49	1.68	-	39.62

Note: Related party relationship is as identified by the company and relied upon by the auditors.

33. Depreciation on new plant & machinery and power plant which was hitherto provided at straight line method has been recomputed at the rates prescribed in schedule XIV of the Companies Act, 1956 on written down value method with retrospective effect. As a result of above change:- (i) The increase in depreciation of Rs.454.86 Lacs in respect of earlier year has been shown as an exceptional item in order to reflect a more appropriate presentation of financial statements. (ii) Deferred tax asset of Rs.140.55 Lacs on said amount has been adjusted against the current year's Deferred Tax Liability. Consequently depreciation for the year is higher by Rs.345.89 Lacs, the profit after tax including exceptional item is lower by Rs.553.33 Lacs & deferred tax asset higher by Rs.247.43 Lacs (includes Rs.140.55 Lac for earlier year) and Fixed Assets is lower by Rs.800.76 Lacs respectively
34. It is the management's opinion that since the company is exclusively engaged in the activity of manufacture of Acrylic Fibre, Tow/Tops, which are considered to constitute a single reportable segment in the context of Accounting Standard on "Segment Reporting" issued by the Institute of Chartered Accountants of India.
35. Foreign Currency exposure that are not hedged by derivative instrument or forward contracts as at 31.3.2014 amounts to Rs.10919.36 Lac (US\$ 180.75 Lac) (Previous year Rs.13276.18 Lac; US\$ 244.50 Lac).
36. Figures for the previous year have been regrouped / rearranged wherever considered necessary.
37. Company has during the year spent Rs. 32.45 lacs (Previous Year Rs. Nil) on Corporate Social Responsibility activities in Thakurdwara area.

38. Value of imported / indigenous Raw materials, Stores & spares consumed

Class of Goods	Current Year		Previous Year	
	Percentage	Amount (Rs./Lacs)	Percentage	Amount (Rs./Lacs)
Raw Materials				
Imported	95.63	35306.81	95.17	30004.72
Indigenous	4.37	1613.61	4.83	1522.09
	100.00	36920.42	100.00	31526.81
Stores & Spares				
Imported	5.86	48.55	7.02	52.91
Indigenous	94.14	779.36	92.98	700.48
	100.00	827.91	100.00	753.39

39. Other Information's

Particulars	Amount (Rs./Lacs)	
	Current Year	Previous Year
CIF value of Imports		
Raw materials	33062.63	28595.14
Stores & spares	45.16	70.59
Expenditure in Foreign Currency		
Travelling	33.90	30.86
Commission on export Sales.	17.75	36.25
Interest & Other Charges	175.62	212.95
Earnings in Foreign Currency		
FOB value of exports	6755.14	3356.04

As per our report of even date annexed

For B.K. Shroff & Co.,
Chartered Accountants
Firm Registration No.302166E

Vineet Jain
Managing Director

O.P.Shroff
Partner
Membership No.6329

Place : New Delhi
Dated : 26th May, 2014

Rakesh Mundra
Director (Finance) & Company Secretary

S.C.Malik
Director

M.M.Kohli
Director

ATTENDANCE SLIP



Pasupati Acrylon Limited

Registered Office
Thakurdwara, Kashipur Road, Distt. Moradabad, Uttar Pradesh - 244 601

Please complete this attendance slip and hand it over at the entrance of the meeting hall, Joint Shareholders may obtain attendance slip on request.

NAME & ADDRESS OF THE SHAREHOLDER/PROXY*

.....
.....
.....

Folio No./DPID/Client ID	No. of Shares

I hereby record my presence at the **31st** Annual General Meeting held onthe **2014** at 10.00 A.M. at Thakurdwara, Kashipur Road, Distt. Moradabad, Uttar Pradesh.

SIGNATURE OF THE SHAREHOLDER/PROXY

*Strike out whichever is not applicable

(PLEASE TEAR)

PROXY FORM

Pasupati Acrylon Limited

Registered Office
Thakurdwara, Kashipur Road, Distt. Moradabad, Uttar Pradesh - 244 601

Folio No./DPID*/Client ID*

I/We
of in the district of being a member/members
of Pasupati Acrylon Limited hereby appoint of in the district of
or failing him of in the district of
as my/our proxy to vote for me/us and on my/our behalf at the **31st** Annual General Meeting of the Company to be held on, the
.....day of, **2014** or at any adjournment thereof.

Signed this day of **2014** by the said

Affix a
Fifteen Paise
Revenue
Stamp

*applicable if shares are held in electronic form

NOTE : The proxy must be returned so as to reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

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Corporate Office
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