



Quality Assured Company
ISO-9001:2000



ANNUAL REPORT 2011-2012

PASUPATI ACRYLON LIMITED

BOARD OF DIRECTORS

Managing Director

Mr. Vineet Jain

Directors (As on 30.05.2012)

Mr. M.M. Kohli

Mr. S.C. Malik

Mr. 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 Ltd.
F-65, Okhla Industrial Area
Phase-I, New Delhi-110 020
Ph: 011-41406149 Fax: 011-41406148
Email: admin@mcsdel.com



NOTICE

Notice is hereby given that the 29th Annual General Meeting of the members of Pasupati Acrylon Ltd., will be held on Friday the 28th day of September 2012 at the plant premises of Pasupati Acrylon Ltd., 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 Profit & Loss statement of the company for the year ended on March 31, 2012 the Balance Sheet as on date, Auditors' Report thereon and the Director's Report.
2. To appoint a Director in place of Mr. M.M. Kohli, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s), the following resolutions:

As Ordinary Resolution(s)

4. **"RESOLVED THAT** Mr. S.C. Malik, who was appointed as Additional Director pursuant to section 260 of the Companies 1956 and article 117 of the Articles of Association of the Company and hold such office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing pursuant to Section 257 of the Companies Act 1956 proposing his candidature to the office of Director be and is hereby appointed as Director of the Company."
5. **"RESOLVED THAT** Mr. Rakesh Mundra, who was appointed as Additional Director pursuant to section 260 of the Companies 1956 and article 117 of the Articles of Association of the Company and hold such office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing pursuant to Section 257 of the Companies Act 1956 proposing his candidature to the office of Director be and is hereby appointed as Director of the Company."
6. **"RESOLVED THAT** pursuant to section 198, 269, 309 and 311 read with schedule XIII to the Companies Act, 1956 and subject to such other approvals, permissions, if any, as may be necessary and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof, the appointment of Mr. Rakesh Mundra as Whole-time Director (Finance) & Company Secretary of the Company for a period of five years w.e.f 14.02.2012 on the terms and conditions including remuneration as set out in the explanatory statement herein with liberty of the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include

any Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and /or remuneration within the limits specified in Schedule XIII to the Companies Act 1956 including any statutory modifications or re-enactment thereof, for the time being in force or any amendments and / or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Mr. Rakesh Mundra."

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

As Special Resolution(s)

7. **"RESOLVED FURTHER THAT** pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956, and pursuant to the Directors relative (office or place of profit) Rules 2003 or any other amendment or substitution thereof, and subject to any other approval required if any, approval of the Company be and is hereby accorded to Mr. Manish Jain, Executive Vice President, (relative of Mr. Vineet Jain, Managing Director of the Company) to hold and continue to hold office or place of profit under the Companies Act, 1956, his remuneration be and is hereby revised w.e.f. 01.10.2012 as detailed below:

1	Basic Salary	Rs.75,000/- per month
2	Contribution to Provident Fund & Superannuation Fund	As per company Rules.
3	Reimbursement of Medical Expenses	Rs.15,000/- per annum
4	Medical Insurance	As per company Rules.

RESOLVED FURTHER that Board of Directors be authorized to revise the remuneration from time to time subject to maximum limit prescribed under the Companies Act, 1956 and rules made there under or any other law for the time being in force and any modification thereof."

By order of the Board
PASUPATI ACRYLON LIMITED

Place : New Delhi
Dated : 30th May, 2012

(Rakesh Mundra)
Director (Finance) &
Company Secretary

Registered Office
Thakurdwara, Kashipur Road
Distt. Moradabad Uttar Pradesh - 224601



NOTICE (Cont.)

NOTES:-

- 1 (a) A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote on his behalf and such a proxy need not be a member.
- (b) Proxies in order to be effective must be received at the Registered office of the Company, not less than 48 hours before the Annual General Meeting.
- (c) Members/proxies should bring the Attendance Slip duly filled in for attending the meeting.
2. Information relating to item No. 2, 4 & 5 as required under clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 21.09.2012 to 28.09.2012 (both days inclusive).
4. Members who hold shares in de-materialised form are requested to bring their client ID and DP ID numbers for facilitating identification for attendance at the meeting.
5. Members who are holding shares in identical names under more than one Folio are requested to write to the Company to consolidate their shareholdings under one Folio. The members are also requested to notify to the Company any change in their address.
6. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m.
7. The members can contact/write to the Company at its Corporate Office at M-14, Connaught Circus (Middle Circle), New Delhi-110001 in addition to its Registered Office.
8. Members needing any information are requested to write to the company at its above said Corporate Office at least 7 days in advance of the Annual General Meeting, so as to enable the management to keep the information ready at the meeting.
9. Member(s) are advised to avail of nomination facilities pursuant to Section 109A of the Companies (Amendment) Act, 1999. They may nominate a person in the prescribed manner i.e. by sending Form 2B under Rule 4CCC and 5D duly filled and signed by the Member(s) to whom his/her shares shall vest in the event of his/her death. They may send the nomination form to the Company at its Corporate Office directly.
10. Members are requested to fill in and send the Feedback Form provided in the Annual Report.

NOTICE (Cont.)

ANNEXURE TO THE NOTICE

Brief resume and other information, in respect of the Director(s) seeking appointment / re-appointment at the Annual General Meeting, as required under Clause 49(vi) of the Listing Agreement with the Stock Exchanges are given here under:

ITEM NO.2, 4 & 5

Name of Director	Mr. M.M. Kohli	Mr. S. C.Malik	Mr. Rakesh Mundra
Date of Birth	01.06.1930	10.01.1950	14.04.1960
Date of Appointment	01.02.1989	14.02.2012	14.02.2012
Experience in specific functional area	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.	A Fellow Member of the Institute of chartered Accountants of India, has been in the service of your Company since 1990 and had held senior positions in Finance and Accounts Departments of your company, prior to his appointment as Additional Director.	A Fellow Member of the Institute of chartered Accountants of India, A qualified Company Secretary and Cost Accountant, has been in the service of your Company since 2004, and had held senior positions in Secretarial, Finance and Accounts Departments of your company, prior to his appointment as Director (Finance) and Company Secretary.
Qualification	M.A. (Eco.)	B. Com, (Hons), FCA	FCA, FCS & ACMA
Directorship in other public limited Companies	NIL	NIL	AMG Mercantile Pvt. Ltd.
Member / Chairman of committee of the Board of the public limited companies on which he is a director	Except Member in Audit Committee, Member in Remuneration Committee and Member of Share Transfer cum Shareholders Grievance Committee of Pasupati Acrylon Limited, Mr. Kohli does not occupy any Committee membership in any other Public Limited Company.	Except Member in Audit Committee and Share Transfer-cum-Saveholders Grievance Committee of Pasupati Acrylon Limited, Mr. Malik does not occupy any Committee membership in any other Public Limited Company.	Except Member in Share Transfer-cum-Saveholders Grievance Committee of Pasupati Acrylon Limited, Mr. Mundra does not occupy any Committee membership in any other Public Limited Company.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT 1956.

ITEM NO.4

The Board of Directors on February 14, 2012 appointed Mr. S.C. Malik as an Additional Director, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 117 of the Articles of Association of the Company and would be holding the office up to the date of this Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act 1956 proposing his candidature for the office of Director.

Mr. Malik, aged about 62 years, is a Fellow Chartered Accountant and having industry experience of about 35 years.

Your Directors consider that Mr. S.C. Malik's experience and guidance will be immense value to the company and accordingly commend his appointment for your approval.

Appointment of Mr. S.C. Malik as Director liable to retire by rotation.

Except Mr. S.C. Malik none other Directors of the Company is in any way concerned or interested in the proposed resolution.

ITEM NO.5

The Board of Directors on February 14, 2012 appointed Mr. Rakesh Mundra as an Additional Director, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 117 of the Articles of Association of the Company and would be holding the office up to the date of this Annual General Meeting. The Company has received a Notice Under Section 257 of the Companies Act 1956 proposing his candidature for the office of Director.

Mr. Mundra, aged about 52 years, is a Fellow Chartered Accountant, Fellow Company Secretary and Cost Accountant having



NOTICE (Cont.)

industry experience of about 30 years. He is working with the Company for about 8 years.

Your Directors considers that Mr. Rakesh Mundra's experience and guidance will be of immense value to the company and accordingly commend his appointment for your approval.

Appointment of Mr. Rakesh Mundra as Director, liable to retire by rotation.

Except Mr. Rakesh Mundra, none other Directors of the Company is in any way concerned or interested in the proposed resolution.

ITEM NO.6

Mr. Rakesh Mundra has been working with the Company as Vice President cum Company Secretary. It is proposed to appoint him as Director (Finance) and Company Secretary for a period of five years.

The Board of Directors of the Company at its meeting held on 14.02.2012 has appointed Mr. Rakesh Mundra as Director (Finance) and Company Secretary for a period of five years on the terms of remuneration approved by Remuneration Committee as per details hereunder subject to approval of Shareholders.

1. Salary (Basic) per month Rs.82000-8000-122000
2. Allowances / perquisites: -
 - a) House Rent Allowance Rs.10,000/- per month
 - b) Leave Travel Allowance Yearly payment in the form of allowance shall be equivalent to one month's basic salary.
 - c) Medical reimbursement Subject to a ceiling of Rs.15,000/- per annum.
 - d) Personal Accident Premium For a maximum of Rs.10,000/- per annum
 - e) Medical Insurance Premium For a maximum of Rs. 10,000/- per annum
 - f) 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.
 - g) 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.
 - h) Encashment of unavailed leave as per rules of the Company.

In the event of inadequacy or absence of profits under Section 349 and 350 of the Companies Act, 1956, in any year or years, Mr. Rakesh Mundra, Whole-time Director (Finance) and Company Secretary shall be entitled to minimum remuneration comprising salary, perquisites and benefits as detailed above for a period of five years in the aggregate subject to necessary approvals, if any. The respective arrangement may be terminated by either party (company or the concerned Whole-time Director) by giving the other Three month's prior notice of termination in writing.

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

Whole-time Director (Finance) is liable to retire by rotation.

Your Directors recommend the resolution set out at Item No.6 of the Notice for approval of the Shareholders.

Mr. Rakesh Mundra is interested in this resolution which pertains to his appointment and / or remuneration payable to him.

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

ITEM NO.7

Mr. Manish Jain, a Commerce Graduate, relative of Mr. Vineet Jain, Managing Director is working as Executive Vice President with a salary of Rs.37,000/- Per month since 1.10.2006. In view of his increasing responsibility and contribution, and of the fact that his salary has not been increased for last about six years. It is proposed to increase his remuneration w.e.f. 01.10.2012 as detailed below:

1	Basic Salary	Rs.75,000/- per month
2	Contribution to Provident Fund & Superannuation Fund	As per company Rules.
3	Reimbursement of Medical Expenses	Rs.15,000/- per annum
4	Medical Insurance	As per company Rules.

Except Mr. Vineet Jain, none other Directors of the Company is in any way, concerned or interested in the proposed special resolution.

By order of the Board
PASUPATI ACRYLON LIMITED

Place : New Delhi
Dated : 30th May, 2012

(Rakesh Mundra)
Director (Finance) &
Company Secretary

Registered Office
Thakurdwara, Kashipur Road
Distt. Moradabad
Uttar Pradesh



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, 2012.

FINANCIAL RESULTS

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

	2011-12	(Rs. in Crores) 2010-11
Sales (Gross) & Other Income	435.01	426.28
Profit before Interest & Depreciation	2.08	13.54
Financial Charges	10.23	7.03
Depreciation	2.94	2.85
Profit / (Loss) before Taxes	(11.09)	3.66
Tax Expenses for the year :-		
- Current Tax	0.03	0.02
- Deferred Tax Assets	3.81	-
Exceptional Items - Exchange Fluctuation Loss / (gain)	14.84	(2.68)
Extra-ordinary Income / (Expense)	13.45	(5.85)
Profit / (Loss) after Taxes	(8.70)	0.47

The Directors do not recommend dividend for the year.

OPERATIONS

The Company has recorded a production of 24718 MT and Sale of 26726 MT during the year under review as against 27863 MT and 25081 MT respectively during the previous year. The gross turnover during the year was Rs.431.08 Crores as against Rs.423.23 Crores in the previous year.

During the year under review, profitability is adversely affected due to exorbitant price increase i.e., to the tune of 30 to 50 percent by Coal India Limited. On account of such abnormal price increase, Company had to burden additional expense on power & fuel. Secondly, during the year under review due to economic upheaval in European Union / Euro zone and depleting US economy, the USD to INR rose sharply, As the company is dependent upon imports, due to this sudden sharp & unexpected increase it had to suffer significant amount of foreign exchange loss despite of its proactive approach.

The Company has written back CENVAT credit of Rs.13.45 Crores written off in earlier year in these accounts, as the custom/excise duty imbalance stands corrected and company is increasing its exports as such there is virtual certainty of its recovery.

The new power plant is commissioned during the later part of the year; it is designed to run on multi fuel i.e. coal, pet coke and rice husk. As explained above company had to suffer heavy losses due to sharp increase of coal prices as there was no option except to use coal, but now with the commissioning of new power plant the company would be in a position to alter the fuel from coal to pet coke/ rice husk to its advantage. Production from new line has also started during the current year, due to increase in production the company would be in a position to derive economy of scale benefit. With the commissioning of power plant and new line it is expected that cost of production shall go down, which would give competitive advantage, as such barring unforeseen circumstances the company expects to post better profitability during the current year.

MANAGEMENT DISCUSSION & ANALYSIS

a) Industry Structure and Development

The Demand of Acrylic Fibre remained subdued during first 9 months of the year. The demand picked up in the last quarter. During the current year though the momentum is not maintained but going forward it is expected to stabilize as the raw material price are showing signs of decline.

b) Opportunities and Threat

Volatility in raw material prices and exchange rate affects the overall environment of demand & supply. The Company is dependent on imported raw materials to a large extent and any increase in crude oil price and foreign exchange fluctuation adversely affects the prospects of the Company.

The economic outlook still appears to be challenging on account of problem in Euro zone and USA.

The Acrylic Fibre is surplus in many countries as such there are fears of dumping the same into India, though Govt. of India has imposed anti dumping duty on imports from certain countries but still more effective action needs to be taken to check the abnormal imports.

The gap in the prices of Acrylic Fibre vis-à-vis cotton & polyester encourages substitution of Acrylic Fibre by these Fibres.

c) Segment-wise / Product-wise performance

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

d) Risk and Concern

The principal raw material that is A C N and V A M are both petrochemical derivative and are highly susceptible to crude oil prices. In addition, the volatility in USD to INR adds to the woes of the acrylic fibre industry. During the year under review and current year the USD is rising consistently against INR which is a cause of concern for the Industry. To mitigate the exchange impact company is giving thrust to exports and also taking forward cover whenever advised.

The Company/Industry imports most of its requirement of raw material. All these are derived from crude; as such, any move upward or down ward affects the pricing of these products.

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

Mr.M.M. Kohli, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment. Mr. S.C. Malik, Director (Finance) retired on 16.01.2012. Your Directors placed on record their appreciation for the valuable services rendered by Mr. Malik during his tenure. On account of his vast experience he is inducted in the Board as Additional Director w.e.f 14.02.2012.

Mr. Rakesh Mundra is appointed Director (Finance) and Company Secretary w.e.f. 14.2.2012, subject to your approval.

During the year PICUP withdrew nomination as Director Mr. K.D. Sharma and nominated Mr. Devender Singh in his place. Your Directors placed on record their appreciation for the valuable services rendered by Mr. K.D. Sharma, during his tenure.

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

Your Directors hereby confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- 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 loss of the company for that year;
- 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;
- 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 Mr. Satnam Singh Saggu, Cost Accountants, in respect of the Cost Accounts of the company for the year ended 31st March, 2012 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 Note No.13 to Notes on Accounts, for the Financial Year 2011-12 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 Board of Directors, 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.

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, which have in great way contributed to the Company's progress.

Rakesh Mundra
Director (Finance) & Company Secretary

For and on behalf of the Board
Vineet Jain
Managing Director

Place : New Delhi

Dated : 30th May, 2012

DIRECTORS' REPORT (Contd.)

(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:

- i) Installation of high pressure (67 kg/cm²) multi-fuel (Coal, Petcoke and Rice Husk) 50 TPH CFBC Boiler with higher efficiency.
- ii) Installation of 8 MW Condensing cum Extraction Turbine operating on higher pressure and higher extraction capacity to give better steam to power ratio.
- iii) Installation of variable frequency drives for feed water pumps and fans of New Boiler.
- iv) Installation of variable frequency drives for 28 Nos. ventilator fans of New Fibre Line to reduce power consumption.
- v) Installation of 20 Nos. variable frequency drives for New Fibre Line dryer drums for better control and energy saving.
- vi) Installation of 15 Nos. variable frequency drives in New Poly in place of PIV.
- vii) Installation of 30 Nos. CFLs in place of Tube Lights to reduce power consumption.

(b) Additional investments and proposals

- Installation of high efficiency multi fuel CFBC Boiler
- Installation of high pressure condensing cum extraction turbine
- Installation of inverters in place of D.C. Drives for new equipments.

(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 substantial savings.

(d) The total energy consumption per unit of production as per Form - A is annexed herewith.

[B] TECHNOLOGY ABSORPTION

Replacement of high value chemical with low value chemical is in progress.

[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.4968.91 Lacs (FOB) for the year as compared to Rs.2503.07 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	2011-12	2010-11
i) Travelling	22.82	19.24
ii) Interest & other charges	193.49	131.63
iii) Commission on export sales	59.16	14.39
iv) CIF Value of Imports		
- Raw Material	25264.36	27919.87
- Stores and spares	141.18	101.72
Foreign Exchange Earned :		
- FOB Value of Exports	4968.91	2503.07



DIRECTORS' REPORT (Contd.)

FORM - A (See Rule-2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		Year Ending March 31, 2012	Year Ending March 31, 2011
(A) POWER AND FUEL CONSUMPTION			
1. ELECTRICITY			
Own generation			
(i) Through Diesel generator units (in Lacs)	KWH	10.57	7.26
Unit per Ltr. of Diesel Oil	KWH/Litre	3.16	3.16
Cost/Unit	Rs./KWH	11.87	10.94
(ii) Through turbines			
Units (in Lacs)	KWH	299.38	330.03
Total Cost	Rs./Lacs	2127.31	1784.51
Cost/Unit	Rs./KWH	7.11	5.41
2. COAL			
Quality of Coal and where used	'B', 'C' & 'D' grade Coal used in Boiler for generation of steam		
Quantity - units	MT	65966	71095
Total Cost	Rs./Lacs	4441.81	3714.13
Average rate	Rs./MT	6733.49	5224.17
3. PET COKE			
Quality of Pet Coke and where used	Pet Coke used in Boiler for generation of steam		
Quantity - units	MT	266	-
Total Cost	Rs./Lacs	28.38	-
Average rate	Rs./MT	10670.89	-
(B) CONSUMPTION PER UNIT OF PRODUCTION			
Products	Acrylic Fibre/Tow/Tops		
Electricity	MW/MT	1.24	1.21
Coal ('B' 'C' & 'D' grade coal used in Boiler for generation of steam)	MT	2.65	2.55
Pet Coke used in Boiler for generation of steam	MT	0.01	-



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 :

- Improvement in the reduction of residual shrinkage by changing the co-monomer.
- Development of Flat Acrylic Fibre with modified parameters is under progress
- Development of Low Pill Acrylic Fibre with modified parameters
- Development of Acrylic Precursor Speciality 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	Year
	<u>2011-2012</u>	<u>2010-2011</u>
a) Capital	-	-
b) Recurring	21.08	17.38
c) Total	21.08	17.38
d) Total R&D expenditure as a percentage of total turnover	0.05%	0.04%

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

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, 2012, 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.

Subject to :

In the Audit Committee Meeting held on 14.02.2012, Audit Committee Quorum was two members as against required minimum limit of 3 members.

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 investor's 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 Reg. No: 302166E

O.P. Shroff
Partner
Membership No. 6329

Place : New Delhi
Date : 30th May 2012

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2011-12.

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 (finance) 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 10.05.2011, 12.08.2011, 15.11.2011 and 14.02.2012.

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 Director -ships	No. of Member of other Committees	Chairman-ship 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	4	Yes	-	-	-	B
3	Mr. Ravinder Kapur *	Non-executive Director	1	No	-	-	-	B
4	Mr. S.C. Malik**	Non-executive Director	4	Yes	-	-	-	B
5	Mr. Rakesh Gupta (PICUP Nominee)	Non-executive Director	4	No	1	-	-	BC
6	Mr. Devender Singh (PICUP Nominee)	Non-executive Director	-	No	1	-	-	BC
7	Mr. K.D. Sharma *** (PICUP Nominee)	Non-executive Director	-	No	1	-	-	BC
8	Mr. S. Sathyamoorthy	Non-executive Director	-	No	-	-	-	B
9	Mr. Rakesh Mundra	Director (Finance) & Executive Director	1	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.

* Since expired on 11.08.2011.

** Retired as Director (Finance) on 16.1.2012 and appointed as Non executive Director w.e.f. 14.2.2012.

*** Withdrawn w.e.f. 20.12.2011

3. Audit Committee

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

10.05.2011, 12.08.2011, 15.11.2011 and 14.02.2012.

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. Its 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 etc.

Composition

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

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2011-12.

follows:-

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

Mr.Ravinder Kapur, an independent Director was the Chairman of Audit Committee. Mr. M.M. Kohli is appointed as Chairman of Audit Committee on 12.08.2011.

** Retired as Director (Finance) on 16.1.2012 and appointed as Non executive Director w.e.f. 14.2.2012.

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 four 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 the Director	Status
1	Mr.M.M.Kohli	Non Executive Director
2	Mr.Rakesh Gupta, PICUP Nominee	Non Executive Director
3	Mr. K.D. Sharma, PICUP Nominee *	Non Executive Director
4	Mr.Devender Singh, PICUP Nominee	Non Executive Director

*Withdrawn w.e.f. 20.12.2011

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.

During the year, remuneration committee met on 14.2.2012.

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.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, and retain talent in the organization and record merit.

6. Details of remuneration to Directors for the year ended on 31.03.2012

(i) Executive Directors

Name	Salary (Rs.)	Perquisites (Rs.)	Retirement benefits (Rs.)
Mr.Vineet Jain, Managing Director	24,00,000	20,00,938	6,00,000
Mr.S.C.Malik, Director (Finance)*	8,08,871	13,81,666	2,02,218
Mr.RakeshMundra, Director (Finance)	1,27,241	26183	31,810

* Since retired on January 16, 2012.

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	39000
Mr. S.C. Malik	7500
Mr.Ravinder Kapur	16500
Mr. Rakesh Gupta	12000

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2011-12.

7. Share Transfer-cum-shareholder/Investor Grievance Committee

The Board has formed a Share Transfer-cum-Shareholder/Investor 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. Ravinder Kapur	26	09
2	Mr. M.M. Kohli	26	17
3	Mr.Vineet Jain	26	24
4	Mr.S.C.Malik	26	24
5	Mr. Rakesh Mundra	26	04

Mr.Ravinder Kapur, an independent Director was the Chairman of the Committee, expired on 11.8.2011. The Share Transfer-cum-Shareholder/Investor Grievance Committee reconstituted on 12.8.2011 and Mr. M.M. Kohli appointed as Chairman of the Committee.

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

Mr. Rakesh Mundra, Director (Finance) & Company Secretary and Mr. S.Biswas, Director of M/s. MCS 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 31.03.2012, 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 1.04.2011 to 31.03.2012 are as under.

	Pending As on 01.04.2011	Total Complaints Received	Complaints Redressed	Redressal under process	Pending As on 31.03.2012
1 Letter received from SEBI	Nil	Nil	Nil	Nil	Nil
2 Letter received from Stock Exchanges	Nil	Nil	Nil	Nil	Nil
3 Letter received from DCA	Nil	Nil	Nil	Nil	Nil
4 Court/Consumer forum cases	Nil	Nil	Nil	Nil	Nil
5 Change of Address etc.	Nil	73	73	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	18	18	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
30.09.2009	16.01.2010	01.30 PM	Pasupati Acrylon Ltd., Vill. Thakurdwara, Kashipur Road,
31.03.2010	25.09.2010	10.30 AM	Moradabad (UP)
31.03.2011	26.09.2011	01.00 PM	

Mr. M.M. Kohli, Chairman of the Audit Committee had also attended the Annual General Meeting held on 26.09.2011.

No resolution was passed through postal ballot during the period 01.04.2011 to 31.03.2012 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 Meetings, no special resolution was passed.

9. Disclosures

- Details of related party transactions during the year have been set out under Note No.34 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.



CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2011-12.

4. 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 2012. A declaration to this effect signed by the Managing Director form part of this Annual Report.

10. Means of Communication

1. 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.
2. 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.
3. The Company's website at www.pasupatiacrylon.com is regularly updated with financial results.
4. Requisite information, statements and reports are being filed under www.corpfiling.co.in also as per SEBI directions.

11. General Shareholder Information

1. Notes on Directors seeking re-appointment as required under Clause VI A of the Listing Agreement.
Mr. M.M. Kohli will retire at the ensuing Annual General Meeting by rotation and they have offered themselves for re-appointment. The Board has recommended the re-appointment of the retiring Directors.
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 Friday the 28th day of September, 2012 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 29th 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 2012-13 (Provisional)

First Quarter Results (30.06.2012)	By 14 th August 2012
Second Quarter Results (30.09.2012)	By 15 th November 2012
Third Quarter Results (31.12.2012)	By 15 th February 2012
Fourth Quarter Results (31.03.2013)	By 15 th May 2013
Mailing of Annual Report	By August, 2013
Annual General Meeting	By September, 2013

12. Dates of Book Closure

The Share Transfer Books and Register of Members of the Company shall remain close from Friday the 21th day of September 2012 to Friday the 28th day of September 2012 (both days inclusive).

13. Stock Code

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

Stock Exchange Mumbai	500456
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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 2012-2013 have been paid to the Mumbai Stock Exchange.

15. Stock Market Price Data for the period 1.04.2011 to 31.03.2012.

Share Price on BSE

	B S E		BSE SENSEX	
	High (Rs.)	Low (Rs.)	High	Low
April, 2011	7.25	5.70	19813	18976
May, 2011	7.00	5.82	19254	17786
June, 2011	9.38	5.55	18873	17314
July, 2011	6.92	6.01	19132	18132
August, 2011	6.76	5.73	18440	15766
September, 2011	6.60	5.51	17212	15801
October, 2011	6.60	5.24	17908	15745
November, 2011	6.00	4.27	17702	15479
December, 2011	5.25	3.61	17004	15136
January, 2012	5.19	3.26	17259	15358
February, 2012	5.20	3.61	18524	17062
March, 2012	4.69	3.42	18041	16921



CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2011-12.

16. Share Transfer Agent

The Company is availing services of M/s. MCS 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 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 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 2012

No. of Shares	No. of Shareholders	%	No. of Shares	%
1-500	52965	89.37	7542638	8.46
501-1000	3700	6.24	2842041	3.19
1001-2000	1409	2.38	2118242	2.38
2001-3000	378	0.64	955070	1.07
3001-4000	156	0.26	549199	0.62
4001-5000	192	0.32	894433	1.00
5001-10000	225	0.38	1664850	1.87
10001 -50000	183	0.31	3702679	4.15
50001- 100000	25	0.04	1781857	2.00

19. Dematerialization of Shares

As on March 31, 2012, 86.46% of the Company's total shares representing 77065537 shares were held in dematerialized form and the balance 13.54% representing 12067584 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)-224 601

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 E-mail: 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 Limited F-65, Okhla Industrial Area Phase-I, New Delhi-110020 Phone: 41406149 Fax : 41406148 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 : 30th May, 2012

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, 2012, as envisaged in Clause 49 of the Listing Agreement with stock exchanges.

Place : New Delhi
Dated : 30th May, 2012

Vineet Jain
Managing Director



AUDITORS' REPORT

TO THE MEMBERS OF PASUPATI ACRYLON LTD.

1. We have audited the attached Balance Sheet of **PASUPATI ACRYLON LTD.** as at 31st March, 2012, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 and the companies (Auditor's Report) (Amendment) order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) 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;
 - (ii) 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;
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account,
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 other than as stated below.
 - (v) As per information and explanations given to us, we report that as on 31.03.2012 none of the directors of the company are disqualified from being appointed as a director of the company u/s 274(1)(g) of the Companies Act, 1956.
 - (vi) *As stated in note no. 13 relating to recognition of net deferred tax assets (DTA) of Rs. 2395.83 Lacs (including Rs. 2015.10 Lacs upto March, 11) in accounts upto 31st March, 2012, based on the 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 DTA. Had the impact of above item not been considered there would be a loss of Rs.1250.49 Lacs (excluding DTA of Rs 2015.10 Lacs adjusted with opening profit & Loss account debit balance) as against reported loss of Rs, 869.76 Lacs for the year and the profit & loss debit balance would have been Rs. 8048.60 Lacs as against the reported figures of Rs. 6033.50 Lacs.*

Subject to above, our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 31st March, 2012.
- (b) In the case of the Profit & Loss Account, of the Loss for the year ended on that date, and
- (c) In the case of cash flow statement, of the cash flows for the year ended on that date.

For **B. K. Shroff & Co.,**
Chartered Accountants
Firm Reg. No: 302166E

O.P. Shroff
Partner
Membership No. 6329

Place : New Delhi
Date : 30th May 2012

ANNEXURE REFERRED TO IN PARAGRAPH 3 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.

AUDITOR'S REPORT (Contd.)

- (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 caused 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 (vi) 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, 2012 for a period of more than six months from the date they became payable.
- (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 any dispute are as under:

AUDITOR'S REPORT (Contd.)

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	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	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 SUB. AS PER Sup. Court ORDER BG SUB. AS PER Sup. Court ORDER BG SUB. AS PER Sup. Court ORDER BG SUB. AS PER Sup. Court ORDER BG SUB. AS PER Sup. 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 Stay Granted
5	Central Excise & Customs Act	Excise Duty on Nitrogen Gas	Jan 06 to December 06 Jan 07 to December 07 Jan 08 to November 08 Dec. 08 to October 09 Nov. 09 to Aug. 10 Sep. 10 to May 11	0.18 0.17 0.27 0.20 0.15 0.18	CESTAT, New Delhi CESTAT, New Delhi CESTAT, New Delhi CESTAT, New Delhi CESTAT, New Delhi Supdt.-Adj. Haldwani Division reply submitted to SCN	Pending bef.CESTAT for final hearing Pending bef.CESTAT for final hearing Pending bef.CESTAT for final hearing Pending bef.CESTAT for final hearing Pending bef.CESTAT for final hearing PH not fixed till date.
6	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 Stay granted	Pending before CESTAT for final hearing

- (x) As at 31.03.2012 the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the year covered by our audit but not in the immediately preceding year.
- (xi) In our opinion and according to the information and explanations given to us, the company has 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.
- (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 . *Except Rs. 720.47 Lacs utilized for purchase of fixed assets / repayment of Term Loan.*
- (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.

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

O.P. Shroff
Partner
Membership No. 6329

Place : New Delhi
Date : 30th May 2012



BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Note No.		As at 31.03.2012 (Rs./Lacs)	As at 31.03.2011 (Rs./Lacs)
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	2	8,914.10	7,114.10	
Reserves & Surplus	3	299.55	(88.76)	7,025.34
NON-CURRENT LIABILITIES				
Long-Term Borrowings	4	3,424.52	4,311.51	
Other Long Term Liabilities	5	342.03	200.59	
Long Term Provisions	6	78.73	77.42	4,589.52
CURRENT LIABILITIES				
Short-Term Borrowings	7	4,381.87	2,990.59	
Trade Payables	8	10,048.45	9,856.47	
Other Current Liabilities	9	1,166.17	697.03	
Short Term Provisions	10	154.13	193.53	13,737.62
			15,750.62	
			28,809.55	25,352.48
ASSETS				
NON CURRENT ASSETS				
Fixed Assets				
Tangible Assets	11	9,417.48	7,340.84	
Capital Work in Progress	12	2,157.94	2,878.16	
		11,575.42	10,219.00	
Deferred Tax Assets(Net)	13	2,395.83	-	
Long-Term Loans & Advances	14	70.49	416.98	
Other Non Current Assets	15	5.46	5.30	10,641.28
CURRENT ASSETS				
Inventories	16	10,508.71	11,694.99	
Trade Receivables	17	1,850.38	1,358.31	
Cash & Cash Equivalents	18	1,281.58	857.82	
Short Term Loans & Advances	19	764.02	334.74	
Other Current Assets	20	357.66	465.34	14,711.20
			14,762.35	
			28,809.55	25,352.48

Significant Accounting Policies and Notes on Accounts 1

As per our Report of even date annexed.

For B.K.Shroff & Co.
Chartered Accountants
Firm Reg. No: 302166E

O.P.Shroff
Partner
Membership No. : 6329

Place : New Delhi
Dated: 30th May, 2012

Rakesh Mundra
Director (Finance) & Company Secretary

S.C. Malik
Director

Vineet Jain
Managing Director

M.M. Kohli
Director

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Note No.	Current Year (Rs./Lacs)	Previous Year (Rs./Lacs)
Revenue from Operations	23	39,526.58	38,656.66
Other Income	24	392.51	305.61
Total Revenue		39,919.09	38,962.27
Expenses			
Cost of Materials Consumed	25	27,628.40	31,452.48
Purchases of Stock in Trade	26	6.45	4.67
Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	27	1,655.14	(4,119.49)
Employee Benefits Expense	28	1,530.03	1,463.64
Finance Costs	29	1,022.76	703.38
Depreciation and Amortisation Expense	30	293.71	285.03
Other Expenses	31	8,891.72	8,806.61
Total Expenses		41,028.21	38,596.32
Profit/(Loss) before Exceptional & Extraordinary items & Tax		(1,109.12)	365.95
Exceptional items-Exchange Fluctuation (Loss)/Gain		(1,484.06)	268.19
Profit/(Loss) before Extraordinary items and Tax		(2,593.18)	634.14
Extraordinary Items	32	1,345.38	(584.60)
Tax Expense			
Current Tax		-	9.00
Deferred Tax Asset		380.73	-
Wealth Tax		2.00	2.25
Interest on Income/Wealth tax		0.98	0.05
Wealth Tax Written Back for earlier year's		(0.29)	-
		(869.76)	38.24
MAT Credit Entitlement		-	9.00
Profit/(Loss) for the Year		(869.76)	47.24
Earnings per Equity Share	33		
Basic & Diluted (before extra ordinary items)(Basic & Diluted)		(2.61)	0.89
Basic & Diluted (after extra ordinary items)(Basic & Diluted)		(1.03)	0.07

Significant Accounting Policies and Notes on Accounts 1

As per our Report of even date annexed.

For B.K.Shroff & Co.
Chartered Accountants
Firm Reg. No: 302166E

O.P.Shroff
Partner
Membership No. : 6329

Place : New Delhi
Dated: 30th May, 2012

Rakesh Mundra
Director (Finance) & Company Secretary

S.C. Malik
Director

Vineet Jain
Managing Director

M.M. Kohli
Director

**CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2012**

	As at 31.03.2012 (Rs./Lacs)	As at 31.03.2011 (Rs./Lacs)
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before tax, extraordinary items	(2593.18)	634.14
Add/(Less) : Adjustments for		
Depreciation	293.71	285.02
Interest expenses	499.73	390.45
Interest Income	(66.26)	(37.08)
Loss/(Gain) on sale of fixed assets	2.97	8.75
	<u>730.15</u>	<u>647.14</u>
Operating Profit/(Loss) before working capital changes	<u>(1863.03)</u>	<u>1281.28</u>
Add: Adjustments for change in working capital		
Trade and Other receivables	460.74	271.73
Inventories	1186.27	(3125.87)
Trade and Other Payables	<u>(633.46)</u>	<u>1841.27</u>
	<u>1013.55</u>	<u>(1012.87)</u>
Net Cash Generated from operations	(849.48)	268.41
Direct Taxes paid/adjusted	(11.51)	(1.22)
Net Cash from Operating Activities	<u>(860.99)</u>	<u>267.19</u>
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(2043.01)	(2040.64)
Sale of Fixed Assets	46.23	9.70
Interest received	66.85	31.62
Net Cash from Investing Activities	<u>(1929.93)</u>	<u>(1999.32)</u>
C. Cash Flow from Financing Activities		
Interest paid	(452.07)	(373.08)
Short Term Bank Borrowings-Buyer's Credit	3380.00	259.47
Proceeds from long term borrowings	1207.50	1572.50
Repayment of long term borrowings	(322.10)	(228.70)
Proceeds from unsecured loans	390.00	720.00
Increase/(Decrease) in Bank Borrowings	(988.65)	3.83
Net Cash used in Financing Activities	<u>3214.68</u>	<u>1954.02</u>
Net increase in Cash and cash equivalents	423.76	221.89
Opening Balance of cash and cash equivalents	857.82	635.93
Closing Balance of cash and cash equivalents	<u>1281.58</u>	<u>857.82</u>

D. Notes on Cash Flow Statement

- Figures in brackets represent cash outflow.
- Cash flow does not include non cash items.
- Cash and cash equivalents includes balance in fixed deposit/margin money account Rs.1272.07 Lacs(Previous Year Rs.724.81 Lacs)

As per our Report of even date annexed.

For B.K.Shroff & Co.
Chartered Accountants
Firm Reg. No: 302166E

O.P.Shroff
Partner
Membership No. : 6329

Place : New Delhi
Dated: 30th May,2012

Rakesh Mundra
Director (Finance) & Company Secretary

S.C. Malik
Director

Vineet Jain
Managing Director

M.M. Kohli
Director

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 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 and vehicle where depreciation is calculated on written down value method. Up till last accounting period ending on 30.09.2009 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.

- ii) 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.

- iii) 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.

- iv) 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.

- v) 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 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 than 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 31.3.2012	As at 31.3.2011	As at 31.3.2012	As at 31.3.2011
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 31.3.2012	As at 31.3.2011	As at 31.3.2012	As at 31.3.2011
Equity Shares of Rs. 10 each fully paid up				
At the beginning of the period	71158825	71158825	7115.88	7115.88
Add: Additions during the period	18000000	-	1800.00	-
Less: Reduction during the period	-	-	-	-
At the end of the period	89158825	71158825	8915.88	7115.88

c) Subscribed and Paid up

Particulars	No. of Shares		Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011	As at 31.3.2012	As at 31.3.2011
Equity Shares of Rs. 10 each fully paid up				
At the beginning of the period	71133121	71133121	7113.31	7113.31
Add: Additions during the period	18000000	-	1800.00	-
Amount originally paid (on forfeited shares)	15800	15800	0.79	0.79
Less: Reduction during the period	-	-	-	-
At the end of the period	89133121	71133121	8914.10	7114.10

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	No. of Shares	
	As at 31.3.2012	As at 31.3.2011
Manish Jain	15649232	15649232
Shubh Exim Ltd.	4500000	4500000
PICUP	4481752	4481752
Sindwave Finance Services Ltd.	-	4000000
Gurukripa Finvest Private Ltd.	9000000	-
Sulabh Plantation & Finance Pvt. Ltd.	8250000	-

3. Reserve & Surplus

Particulars	Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011
a) Capital Reserve		
At the beginning of the year	1452.78	1449.24
Add: Additions during the year	-	3.54
Less: Reduction during the year	-	-
At the end of the Year	1452.78	1452.78
b) Revaluation Reserve		
At the beginning of the Year	5637.30	6390.04
Add: Transferred from Profit & Loss Account	-	-
Less: Depreciation for the year on amount added on revaluation transferred to Profit & Loss Account	757.03	752.74
At the end of the Year	4880.27	5637.30
c) Profit & Loss Account		
At the beginning of the Year	(7178.84)	(7226.08)
Add : Deferred Tax Assets for earlier years	2015.10	-
Add: Profit /(Loss) for the Year	(869.76)	47.24
At the end of the Year	(6033.50)	(7178.84)
Total (a+b+c)	299.55	(88.76)

4. Long Term Borrowings

Particulars	Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011
Secured		
Term Loans		
From Banks		
Rupee Loan (a) (c)	2366.73	1660.32
Working Capital Term Loan (a)	618.24	789.59
Vehicle Loan (b)	49.55	61.60
Total	3034.52	2511.51
Unsecured		
Inter Corporate Deposits	390.00	1800.00
Total	3424.52	4311.51

- a) Loans of Rs.784.97 Lacs (Previous year Rs.1003.21 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.2200 Lacs(previous year Rs.1500 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 31.3.2012	As at 31.3.2011
Payable after 1 year	658.87	455.02
Payable after 2 years	684.28	474.76
Payable after 3 years	690.53	501.14
Payable after 4 years	400.85	524.26
Payable after 5 years	400.00	223.00
Payable after 6 years	199.99	222.22
Payable after 7 years	-	111.11
Total	3034.52	2511.51

5. Other Long Term Liabilities

Particulars	Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011
Export Benefits	276.28	2.14
Others	65.75	198.45
Total	342.03	200.59

6. Long Term Provisions

Particulars	Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011
Provisions for Employee Benefits	78.73	77.42

7. Short Term Borrowings

Particulars	Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011
Secured		
Loans repayable on Demand		
From Banks (a)	48.81	1037.47
Hire Purchase Finance	-	0.04
Other Loans & Advances		
Foreign Currency Buyers Credit (a)	3986.29	606.30
Sub Total	4035.10	1643.81
Unsecured		
Deferred Credit	346.77	1346.78
Total	4381.87	2990.59

- (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 31.3.2012	As at 31.3.2011
Acceptances	9210.09	8840.57
Sundry Creditors	838.36	1015.90
Total	10048.45	9856.47

The Company has not received intimation from vendors regarding the status under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore, disclosures under this Act have not been given.

9. Other Current Liabilities

Particulars	Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011
Current Maturities of Long Term		
Debts – Secured (a) (b) & (c)	637.62	275.12
Interest accrued but not due on borrowings	42.59	19.32
Interest accrued & due on borrowings	40.35	15.99
Advance from Customers	255.72	51.72
Other Pyables	189.89	334.88
Total	1166.17	697.03

- a) Loans of Rs. 218.24 Lacs (previous year Rs.258.12 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.Nil) 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. 19.38 Lacs (Previous year Rs. 17.00 Lacs) Secured by hypothecation of specified assets acquired out of the loan amount.

10. Short Term Provisions

Particulars	Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011
Provision for Income Tax	0.68	9.00
Wealth Tax	2.00	2.26
Provision for employee benefits	151.45	182.27
Total	154.13	193.53

11. Tangible Assets

Current Year

Particulars	Amount (Rs. / Lacs)								
	Land		Office Premises (b)	Buildings	Plant & Machinery	Electric Install-ations	Furniture & Fixtures	Vehicles	Office Equip-ments
	Lease hold (a)	Free hold							
Cost at beginning of the period	25.90	7.62	81.47	1611.94	30603.96	1770.92	249.42	338.21	350.09
Additions	-	-	-	-	-	3109.78	1.46	9.26	15.95
Sales/Adjustments	9.90	-	-	-	5.00	-	-	4.10	-
Cost at end of the period	16.00	7.62	81.47	1611.94	30598.96	4880.70	250.88	343.37	366.04
Accumulated Depreciation	10.81	-	24.69	1185.60	25151.90	1615.23	243.87	220.84	286.57
Net Carrying Amount	5.19	7.62	56.78	426.34	5447.06	3265.47	7.00	122.54	79.47

Previous Year

Particulars	Amount (Rs. / Lacs)									
	Land		Office Premises (b)	Buildings	Plant & Machinery	Electric Installations	Furniture & Fixtures	Vehicles	Office Equipments	Total
	Lease hold (a)	Free hold								
Cost at beginning of the year	25.90	7.62	81.47	1611.94	30708.32	1874.87	248.38	295.30	342.90	35196.70
Additions	-	-	-	-	6.41	-	1.04	91.42	7.19	106.06
Sales/ Adjustments	-	-	-	-	110.77	103.95	-	48.51	-	263.23
Cost at end of the year	25.90	7.62	81.47	1611.94	30603.96	1770.92	249.42	338.21	350.09	35039.53
Accumulated Depreciation	16.30	-	23.36	1153.05	24231.13	1572.41	241.49	185.46	275.49	27698.69
Net Carrying Amount	9.60	7.62	58.11	458.89	6372.83	198.51	7.93	152.75	74.60	7340.84

- a) Include Rs. Nil (Previous year Rs.9.90 Lacs) towards land for housing colony held by the company under a 30 year lease agreement from 12.10.1992. In the current year, lease has been surrendered.
- b) i) 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.
ii) Includes cost of 5 shares (previous year 5 shares) Rs.252 (previous year Rs.252) in Arcadia Premises Co-operative Society Ltd., Mumbai.
- c) 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.
- d) 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 extent

12. Capital Work in Progress

Particulars	Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011
Capital work in progress	2157.94	2878.16
Total	2157.94	2878.16

Capital work in progress does not include capital advances Rs. 70.49 Lacs (Previous Year Rs. 416.98 Lacs)

13. Deferred Tax Assets

(Rs./Lacs)

Particulars	As at 31 March 2011	Current Year	As at 31 March 2012
Deferred Tax Assets being tax impact thereon			
(i) Unabsorbed losses and/or depreciation carried forward as per Income tax laws	1986.99	595.97	2582.96
(ii) Expenses charged in the books, but allowance thereof deferred under Income tax laws	158.64	-85.59	73.05
	2145.63	510.38	2656.01
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.	130.53	129.65	260.18
	130.53	129.65	260.18
Net Deferred Tax Asset	2015.10	380.73	2395.83

In terms of Accounting Standard -22, net deferred tax assets (DTA) of Rs.2395.83 Lacs (Previous Year : Deferred Tax Assets of Rs.2015.10 lacs) has been recognized during the year and consequently DTA as on March 31st 2012 stands at Rs.2395.83 Lacs (Previous year Rs. 2015.10 Lacs) 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. Deferred tax assets of Rs. 2015.10 Lacs relating to the period up to 31st March 2011 has been credited to opening debit balance of profit & Loss account.

14. Long Term Loans & Advances

(Unsecured-considered good)

Particulars	Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011
Capital advance	70.49	416.98
Total	70.49	416.98

15. Other Non Current Assets

(Unsecured-considered good)

Particulars	Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011
Other	5.46	5.30
Total	5.46	5.30

16. Inventories

Particulars	Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011
Raw Materials *	4740.43	4505.48
Work in Progress	635.44	323.73
Finished Goods		
-Own Manufactured	3418.59	5386.16
-Trading	3.61	2.91
Stores & Spares**	1200.45	809.68
Fuel	510.19	667.03
Total	10508.71	11694.99
Basis of valuation	FIFO	FIFO

*includes goods in transit Rs.3596.27 Lacs (Previous year Rs.3918.66 Lacs)

** includes goods in transit Rs.18.56 Lacs (Previous year Rs.16.07 Lacs)

17. Trade Receivables

(Unsecured-considered good)

Particulars	Amount (Rs. / Lacs)			
	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
Exceeding Six Months				
- Considered Good	-		11.07	
- Considered doubtful	80.06		178.14	
	80.06		189.21	
Less: Provision for doubtful debts	80.06	-	178.14	11.07
Others - Considered Good		1850.38		1347.24
Total		1850.38		1358.31

a. As reported in earlier years, an employee of the Company defrauded Rs.126 Lacs (Previous year Rs.126 Lacs) in connivance with certain customers. Legal proceedings against the employee and customers are being pursued. The defrauded amount has been fully provided in the year of fraud.

b. Certain debit balances of sundry debtors are subject to confirmation and reconciliation. Difference, if any, shall be accounted for on such reconciliation.

18. Cash & Cash Equivalents

Particulars	Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011
Balances with Banks		
Held as margin/security	1272.07	724.81
Others (a)	6.23	131.70
Cash in hand	3.28	1.31
Total	1281.58	857.82

(a) Includes Rs. Nil (Previous year Rs.127.21 lacs in Trust Retention Account for Capital Expenditure)
Bank Deposits with more than 12 months maturity Rs. 508.42 Lacs (Previous year Rs. 125.02 Lacs).



19. Short Term Loans & Advances

(Unsecured-considered good)

Particulars	Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011
Loans to Staff (Considered Good)	23.50	29.17
Advances (Recoverable in cash or in kind or for value to be received) Net of provision for doubtful advance of Rs.39.36Lacs (Previous Year Rs.39.36 Lacs)	648.95	225.88
Tax Deducted at Source	6.70	6.44
Others	84.87	73.25
Total	764.02	334.74

- (a) As reported in earlier years, DEPB licenses of Rs. 27.01 Lacs (Previous Year Rs. 27.01 Lacs) Purchased were found forged. The amount was provided for in the year of fraud. Legal proceedings are being pursued for recovery of balance amount.

20. Other Current Assets

Particulars	Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011
Interest receivable on Loans & Deposits	21.64	22.22
Balance with Custom & Central Excise Authorities etc.	323.71	430.20
MAT Credit Entitlement	9.00	9.00
Others	3.31	3.92
Total	357.66	465.34

During the year Excise duty payable on closing stock of Rs.376.80 lacs (Previous Period Rs. 506.51 lacs) has been adjusted against balance with Custom & Excise.

21. Contingent Liabilities and Commitments

(To the extent not provided for)

Un-provided contingent liabilities are disclosed in the accounts by way of notes giving nature and quantum of such liabilities.

Particulars	Amount (Rs. / Lacs)	
	As at 31.3.2012	As at 31.3.2011
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	1163.12
Contingent liabilities not provided for in respect of		
a. Guarantee(s) given by banks and financial institutions	538.84	327.44
b. Letters of Credit outstanding	3020.90	190.70
c. Sales Tax / Excise Duty / Custom Duty / Other Statutory dues / Service Tax disputed in appeals	504.03	656.89
d. Labour Cases disputed in appeal	16.78	15.30

22. 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.

23. Revenue from Operations

Particulars	Amount (Rs. / Lacs)	
	Current Year	Previous Year
Gross Sales of Products	43108.08	42322.51
Less: Excise Duty	3581.50	3665.85
Net Sales of Products	39526.58	38656.66

24. Other Income

Particulars	Amount (Rs. / Lacs)	
	Current Year	Previous Year
Interest	66.26	37.09
Claims Received	22.78	40.51
Exports Incentives/Benefits	136.58	132.01
Miscellaneous Receipts & Income	162.77	80.29
Prior year income / Adjustment	4.12	15.71
Total	392.51	305.61

25. Cost of Materials Consumed

Particulars	Amount (Rs. / Lacs)							
	Current Year				Previous Year			
	ACN		VAM		Others		Total	
	As on 31.3.12	As on 31.3.11	As on 31.3.12	As on 31.3.11	As on 31.3.12	As on 31.3.11	As on 31.3.12	As on 31.3.11
At the beginning of the year	3811.64	4790.40	54.91	-	638.93	1080.97	4505.48	5871.37
Add: Purchases during the year	24710.88	27341.92	1564.09	57.01	1588.38	2687.66	27863.35	30086.59
Less: Consumption during the year	24820.33	28320.68	1283.55	2.10	1524.52	3129.70	27628.40	31452.48
At the end of the year	3702.19	3811.64	335.45	54.91	702.79	638.93	4740.43	4505.48

26. Purchases of Stock In Trade

Particulars	Amount (Rs. / Lacs)	
	Current Year	Previous Year
Yarn Purchase	6.45	4.67

27. Decrease of (Increase) in stocks

Particulars	Amount (Rs. / Lacs)	
	Current Year	Previous Year
Closing Stock		
Finished Goods		
- Own Manufactured	3418.59	5386.16
- Trading	3.61	2.91
Stock in Process	635.44	323.73
	4057.64	5712.80
Opening Stock		
Finished Goods		
- Own Manufactured	5386.16	1376.53
- Trading	2.91	0.78
Stock in Process	323.73	216.00
	5712.80	1593.31
Decrease / (Increase) in stocks	1655.14	(4119.49)

28. Employee Benefits / Expense

Particulars	Amount (Rs. / Lacs)	
	Current Year	Previous Year
Salaries & Wages	1342.38	1244.16
Contribution to Provident & Other Funds	133.47	171.10
Staff Welfare Expenses	54.18	48.38
Total	1530.03	1463.64

Employee 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	36.63		32.12	
Employer's Contribution to Employees Pension Scheme	30.50		29.47	
Defined Benefit Plans	Gratuity	Leave Benefit	Gratuity	Leave Benefit
i) Assumptions				
Discount Rate	8%	8.5%	8%	8%
Salary Escalation	5%	5%	5%	5%
ii) Table showing changes in present value of obligations				
Present value of obligation as at beginning of year	322.82	94.85	236.70	80.09
Interest cost	25.83	8.08	18.94	6.41
Current Service Cost	19.58	9.20	14.66	8.74
Benefits Paid	(26.23)	(16.44)	(6.44)	(11.27)
Actuarial (gain)/loss on obligation	7.57	6.59	58.96	10.89
Present value of obligations as at end of year	349.57	102.29	322.82	94.85

Defined Benefit Plans	Gratuity	Leave Benefit	Gratuity	Leave Benefit
iii) Table showing changes in the present value of plan assets				
Fair value of plan assets at the beginning of year	263.03	-	232.11	-
Expected return on plan assets	24.68	-	21.58	-
Contributions	79.38	-	15.78	-
Benefits paid	(26.23)	-	(6.44)	-
Actuarial gain / (Loss) on plan assets	-	-	-	-
Fair value of plan assets at the end of year	340.85	-	263.03	-
iv) Table showing fair value of plan assets				
Fair value of plan assets at the beginning of year	263.03	-	232.11	-
Actual return on plan assets	24.68	N.A	21.58	N.A
Contributions	79.38	-	15.78	-
Benefits paid	(26.23)	-	(6.44)	-
Fair value of plan assets at the end of year	340.85	-	263.03	-
Present value of obligation at the end of year	349.57	-	322.82	-
Funded Status	(8.72)	-	(59.79)	-
v) Actuarial Gain / Loss recognized				
Actuarial gain / Loss for the year - obligation	(7.57)	6.59	58.96	10.89
Actuarial (gain)/Loss for the year - plan assets	-	-	-	-
Total (gain) / Loss for the year	7.57	6.59	58.96	10.89
Actuarial (gain) / Loss recognized in the year	7.57	6.59	59.79	10.89
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	349.57	102.29	322.82	94.85
Fair value of plan assets as at the end of the year	340.85	-	263.03	-
Funded status	(8.72)	(102.29)	(59.79)	(94.85)
Net Asset / (Liability) recognized in balance sheet	8.72	(102.29)	59.79	(94.85)
Expenses recognized in statement of Profit & Loss				
Current services cost	19.58	9.20	14.66	8.74
Interest cost	25.83	8.08	18.94	6.41
Expected return on plan assets	(24.68)	-	(21.58)	-
Net Actuarial (gain)/Loss recognized in the year	7.57	6.59	58.96	10.89
Expenses recognized in statement of P&L	28.31	23.87	70.98	26.04
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.				

29. Finance Costs

Particulars	Amount (Rs. / Lacs)	
	Current Year	Previous Year
Interest Expense	499.73	390.45
Bank Charges	523.03	312.93
Total	1022.76	703.38

30. Depreciation & Amortisation Expense

Particulars	Amount (Rs. / Lacs)	
	Current Year	Previous Year
Depreciation	293.71	285.03
Total	293.71	285.03

31. Other Expenses

Particulars	Amount (Rs. / Lacs)	
	Current Year	Previous Year
Consumption of Stores, Spare and Packing Materials	1045.29	979.20
Power & Fuel	4618.72	3856.89
Rent	121.81	100.47
Repairs to Buildings	70.21	110.79
Repairs to Machinery	364.46	217.61
Repairs-Others	51.97	85.66

Particulars	Amount (Rs. / Lacs)	
	Current Year	Previous Year
Insurance	60.31	53.23
Rates & Taxes	12.11	18.42
Travelling & Conveyance	83.76	70.30
Rebates and Discounts	1442.62	1988.68
Commission & Brokerage	59.48	37.03
Freight Outward	724.74	583.64
Claim Paid/Irrecoverable Advances written off Rs. 92.07 Lacs		
Less : Provided in earlier years now written off Rs. 88.17 Lacs	3.90	24.94
Excise Duty on Increase / (Decrease) in Closing Stock	(129.71)	378.21
Miscellaneous Expenses *	330.02	291.56
Charity & Donation	1.68	1.23
Loss on Sale of Fixed Assets	2.98	8.75
Loss on Sale of Raw Materials	27.37	-
Total	8891.72	8806.61

* Includes payment to auditors

Particulars	Amount (Rs. / Lacs)	
	Current Year	Previous Year
As Statutory Audit Fees	6.00	5.00
As Audit Fees for Quarterly Audited Results	3.00	2.25
As Tax Audit Fees	1.00	1.00
For Other Services	0.23	0.26
Total	10.23	8.51

- (a) Foreign Currency exposure that are not hedged by derivative instrument or forward contracts as at 31.03.2012 amount to Rs.13428.22 lacs (US\$ 263.92 Lacs) (Previous Year Rs. 10804.87 lacs (US\$ 244.42 Lacs)

32. Extra ordinary Items

	Rs. / Lacs	
	Current Year	Previous Year
Write Back of Interest on One Time Settlement with Financial Institutions	-	6.37
Accumulated CENVAT Credit written back	1345.38	-
Depreciation for earlier period	-	(470.44)
Impairment of certain machinery in compliance with AS-28	-	(120.53)
Total	1345.38	(584.60)

In earlier years, the Company had written off accumulated CENVAT Credit of Rs.1345.38 Lacs because of inverted duty structure. During the year the entire amount has been written back as the imbalances are corrected and the company is certain of its recovery.

33. Earning Per Share (EPS)

Basic / Diluted Earnings Per Share	Rs. / Lacs	
	Current Year	Previous Year
Net (Loss)/Profit for the year before extraordinary Items after tax (Rs./ Lacs) (A)	(2215.14)	631.84
Net (Loss)/Profit for the year after extraordinary Items after tax (Rs./ lacs) (B)	(869.76)	47.24
Opening Balance of Equity Shares	71133121	71133121
Weighted average no. of 18000000 equity shares issued to Promoters which remained outstanding for 277 days during the year.	13622951	-
Weighted Number of Equity Shares (viz. denominator) for basic earnings per share (C)	84756072	71133121
Earnings per share before extra ordinary items (A)/ (C)	(2.61)	0.89
Earnings per share after extra ordinary items (B)/ (C)	(1.03)	0.07
Nominal Value per Equity Share (Rs.)	10.00	10.00

34. Related Party Disclosure:

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

1. Relationship

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



Mr. Vineet Jain-Managing Director

Mr. Rakesh Mundra-Director (Finance)
(w.e.f. 14.02.2012)

Mr. S.C. Malik, Director (Finance)
(up to 16.01.2012)

Relatives of key management personnel (with whom transactions have taken place.) Mr. Manish Jain-Brother

- (iv) Enterprises over which key management personnel/relative have significant influence
Prabhat Capital Services Ltd, Gurukripa Finvest Pvt Ltd
Sulabh Plantation & Finance Pvt.Ltd. Accurex Traders Pvt. Ltd.

- (v) **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)

Particulars	Current Year				Previous Year			
	Key management personnel	Relatives of key management personnel	Companies where significant influence exists	Others	Key management personnel	Relatives of key management personnel	Companies where significant influence exists	Others
Salaries & Allowances	67.45	4.99	-	-	51.02	4.59	-	-
Rent/Lease	0.14	0.11	-	2.69	0.18	0.15	-	2.69
Rent Paid	-	-	-	-	-	-	-	-
Loan Taken	-	-	390.00	-	-	-	930.00	-
Loan Repaid	-	-	-	-	-	-	930.00	-
Interest Paid	-	-	30.66	-	-	-	38.27	-
Contribution to Gratuity/PF/Super-annuation Fund	8.34	1.11	-	116.82	8.55	1.11	-	53.26

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

35. 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.
36. Figures for the previous year have been regrouped / rearranged wherever considered necessary.
37. Value of imported / indigenous Raw materials, Stores & spares consumed.

Particulars	Current Year		Previous Year	
	Percentage	Amount (Rs. / Lacs)	Percentage	Amount (Rs. / Lacs)
Raw Materials				
Imported	95.52	26390.68	96.24	30283.89
Indigenous	4.48	1237.72	3.76	1168.59
	100.00	27628.40	100.00	31452.48
Store & Spares				
Imported	17.06	178.37	5.11	50.02
Indigenous	82.94	866.92	94.89	929.18
	100.00	1045.29	100.00	979.20

38. Other Informations

Particulars	Amount (Rs. / Lacs)	
	Current Year	Previous Year
CIF value of Imports		
Raw materials	25264.36	27919.87
Stores & spares	141.18	101.72
Expenditure in Foreign Currency		
Travelling	22.82	19.24
Commission on export Sales.	59.16	14.39
Interest & Other Charges	193.49	131.63
Earnings in Foreign Currency		
FOB value of exports	4968.91	2503.07

As per our Report of even date annexed.

For B.K.Shroff & Co.
Chartered Accountants
Firm Reg. No: 302166E
O.P.Shroff

Partner
Membership No. : 6329
Place : New Delhi
Dated: 30th May, 2012

Rakesh Mundra
Director (Finance) & Company Secretary

S.C. Malik
Director

Vineet Jain
Managing 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 29th Annual General Meeting held onthe2012 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 appointof 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 29th Annual General Meeting of the Company to be held on, the
.....day of, 2012 or at any adjournment thereof.

Signed this day of 2012 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.

BOOK POST

IF UNDELIVERED PLEASE RETURN TO



PASUPATI ACRYLON LTD.

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

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