



Quality Assured Company  
ISO-9001:2000



# ANNUAL REPORT

## 2021-2022

# PASUPATI ACRYLON LIMITED

## BOARD OF DIRECTORS

### Managing Director

Mr. Vineet Jain

### Directors

Mr. D. K. Kapila - Independent Director  
Mr. S.C. Malik - Independent Director  
Mr. S. Sathyamoorthy - Independent Director  
Mrs. Kamlesh Gupta - Independent Director  
Mr. Satya Prakash Gupta - (Director-Operations)

### Chief Financial Officer

Mr. Satish Kumar Bansal

### Company Secretary

Mr. Bharat Kapoor

### Auditors

M/s. Suresh Kumar Mittal & Co.  
Chartered Accountants  
New Delhi

### Bankers

Indian Bank  
State Bank of India  
UCO Bank  
Bank of Maharashtra  
Bank of Baroda  
Canara Bank

### Regd. Office & Works

akurdwara  
Kashipur Road  
Distt. Moradabad (U.P.)- 244 601  
Ph: 0591-2241352-55, 2241263  
Fax: 0591-2241262  
Email: works@pasupatiacrylon.com

### Corporate Office

M-14, Connaught Circus,  
(Middle Circle)  
New Delhi-110 001  
Ph : 011-47627400  
Fax : 011-47627497  
Email: delhi@pasupatiacrylon.com

### Registrar & Share Transfer Agents

MCS Share Transfer Agent Ltd.  
F-65, Okhla Industrial Area  
Phase-I, New Delhi-110 020  
Ph: 011-41406149 Fax: 011-41406148  
Email: admin@mcsregistrars.com

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## NOTICE

### NOTICE OF 39<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 39<sup>th</sup> Annual General Meeting (“AGM”) of the Shareholders of Pasupati Acrylon Limited (“the Company”) will be held on **Thursday, September 29, 2022 at 10:30 A.M.** at Registered Office of the Company at Kashipur Road, Akurdwara, Dist. Moradabad (Uttar Pradesh) – 244601, to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Satya Prakash Gupta (DIN- 00509809), who retires by rotation and being eligible, offers himself for re-appointment.
3. **To appoint Statutory Auditors of the Company and fix their remuneration.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as recommended by the Audit Committee and Board of Directors in their respective meetings held on May 18, 2022, M/s B.K. Shro & Co., Chartered Accountants (ICAI Firm Registration No. 302166E) be and are hereby appointed as the Statutory Auditors of the Company {in place of retiring Statutory Auditors - M/s Suresh Kumar Mittal & Co., Chartered Accountants (ICAI Firm Registration No. 500063N) who are not seeking their re-appointment at the 39<sup>th</sup> Annual General Meeting} for a period of 5 (ve) consecutive years, commencing from the conclusion of this 39<sup>th</sup> Annual General Meeting until the conclusion of the 44<sup>th</sup> Annual General Meeting of the Company to be held in the year of 2027 and M/s B.K. Shro & Co., Chartered Accountants be paid remuneration of Rs. 12,00,000/- (Rupees Twelve Lakh Only) plus applicable taxes and reimbursement of out of pocket expenses to conduct the statutory audit of accounts of the Company for the financial year 2022-23.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to determine the remuneration of M/s B.K. Shro & Co., Chartered Accountants for the remaining tenure of their appointment, as per the recommendation of Audit Committee and in consultation with the Statutory Auditors and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this Resolution.”

#### SPECIAL BUSINESS:

4. **To approve re-appointment of Mr. Vineet Jain (DIN - 00107149) as Managing Director of the Company for a further period of five years and payment of remuneration to him.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment thereto or statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company and as recommended and approved by the Nomination & Remuneration Committee and Board of Directors in their respective meetings held on May 18, 2022 and subject to other requisite approvals, consent and permission as may be required from time to time, the consent of the shareholders of the Company be and is hereby accorded for the re-appointment of Mr. Vineet Jain (DIN - 00107149) as Managing Director of the Company for a further period of 5 (ve) years with effect from October 1, 2022 upto September 30, 2027, and payment of his remuneration for the aforesaid period, on the terms and conditions including remuneration as set out in the Item No. 4 of the explanatory statement annexed hereto and forming part of this resolution, with liberty to the Board of Directors/ Nomination & Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and/or remuneration within the overall limits as specified in Section 197 read with Schedule V of the Companies Act, 2013 and/or any guidelines prescribed by the Government from time to time in such manner as it may deem fit and as may be acceptable to Mr. Vineet Jain, without any further reference to shareholders in General Meeting.

**RESOLVED FURTHER THAT** the aggregate sum of remuneration and perquisites in any financial year shall be governed by the limits prescribed, from time to time, under Section 197 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the tenure of service of Mr. Vineet Jain as Managing Director of the Company, the salary, perquisites and statutory benefits as set out in the explanatory statement forming part of this resolution be paid as minimum remuneration to him, in accordance with Section II of Part II of Schedule V of the Companies Act, 2013.

## NOTICE (Contd.)

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any committee thereof) and/or any of the Key Managerial Personnel of the Company be and are hereby severally or jointly authorised to do and perform all such acts, deeds, matters and things as may be considered necessary, proper and expedient for the purpose of giving effect to the above resolution.”

### 5. To revise the remuneration of Mr. Satya Prakash Gupta, Whole Time Director (DIN - 00509809) of the Company

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

**“RESOLVED THAT** in partial modification to an earlier special resolution passed by the shareholders of the Company at its Annual General Meeting held on September 28, 2021 and pursuant to the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with the rules made there under and Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company and as recommended and approved by the Nomination & Remuneration Committee and Board of Directors in their respective meetings held on August 10, 2022 and subject to other requisite approvals, consent and permission as may be required from time to time, the consent of the shareholders of the Company be and is hereby accorded to revise the remuneration of Mr. Satya Prakash Gupta (DIN - 00509809), Whole Time Director designated as Director (Operations) of the Company effective from October 1, 2022 for the remaining period of his tenure ending on May 28, 2024, on such terms and conditions including remuneration as set out in Item No. 5 of the explanatory statement annexed to the notice convening this meeting and forming part of this resolution, with liberty to the Board of Directors/Nomination & Remuneration Committee to alter and vary the remuneration within the overall limits as specified in Section 197 read with Schedule V of the Companies Act, 2013 and/or any guidelines prescribed by the Government from time to time in such manner as it may deem fit and as may be acceptable to Mr. Satya Prakash Gupta, without any further reference to shareholders in General Meeting.

**RESOLVED FURTHER THAT** the aggregate sum of remuneration and perquisites in any financial year shall be governed by the limits prescribed, from time to time, under Section 197 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the tenure of service of Mr. Satya Prakash Gupta as Whole Time Director of the Company, the salary, perquisites and statutory benefits as set out in the explanatory statement forming part of this resolution be paid as minimum remuneration to him, in accordance with Section II of Part II of Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any committee thereof) and/or any of the Key Managerial Personnel of the Company be and are hereby severally or jointly authorised to do and perform all such acts, deeds, matters and things as may be considered necessary, proper and expedient for the purpose of giving effect to the above resolution.”

### 6. To alter/amend Object Clauses of the Memorandum of Association of the Company.

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

**“RESOLVED THAT** pursuant to the provisions of Section 4, Section 13 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), and subject to such other requisite approvals, consent and permission as may be required from time to time, the consent of the shareholders of the Company be and is hereby accorded for the alteration/modification, substitution, addition and deletion in Clause III i.e Object Clause of the Memorandum of Association (“MOA”) of the Company as follows:

I. The existing title of Part A of Clause III of MOA be substituted with the word “ **Object to be pursued by the Company on its incorporation are:-**”

II. **Insertion of the following sub-clause 4 , after the existing sub-clause 3, under Part A of Clause III of Memorandum of Association**

“4. To carry on business as manufacturers, producers, refiners, processors, fabricators, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, stockists, agents, sub-agents, merchants, distributors, consignors, brokers, concessionaires or otherwise deal in all kinds of, ethanol whether grain based or otherwise, Extra Neutral Alcohol (ENA), rectified spirit, alcohol, biofuels and biodiesel fuel and to deal in the by-products and joint products of fuel ethanol for the purpose of selling to petroleum marketing companies or others, whether in India or elsewhere in the world.”

III. The existing title of Part B of Clause III of MOA be substituted with the word “**Matters which are necessary for furtherance of the Objects specified in Part A of Clause III are:-**”

IV. The words “Companies Act, 1956” shall be substituted with the words “Companies Act, 2013” and, reference to various sections of the Companies Act, 1956 be replaced with reference to the corresponding sections of the Companies Act, 2013, wherever required in Part B of Clause III of MOA.

## NOTICE (Contd.)

V. e existing Part C of Clause III of MOA titled “Other Objects” be deleted.

**RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

### 7. To alter/amend Liability Clause of the Memorandum of Association of the Company.

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

**“RESOLVED THAT** pursuant to the provisions of Section 4, Section 13 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), and subject to such other requisite approvals, consent and permission as may be required from time to time, the consent of the shareholders of the Company be and is hereby accorded to alter existing Clause IV i.e. “Liability Clause” of the Memorandum of Association of the Company by substituting the same with the following new Clause IV:

**IV. e liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.”**

**“RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

### 8. To adopt new set of Articles of Association of the Company

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

**“RESOLVED THAT** pursuant to the provisions of Section 5 and 14 and other applicable provisions, if any, of Companies Act, 2013 (‘the Act’) read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other requisite approvals, if any, from appropriate authorities, the dra regulations contained in the Article of Association submitted to this meeting, be and are hereby approved and adopted as new Articles of Association of the Company in substitution, and to the entire exclusion, of the existing Articles of Association of the Company.”

**“RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

### 9. To increase the borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013.

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

**“RESOLVED THAT** in supersession of the special resolution passed by the shareholders of the Company by way of Postal Ballot on April 3, 2022 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made there under (including any statutory modifications or re-enactment thereof, for the time being in force), and in accordance with the Memorandum & Articles of Association of the Company, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereina er referred to as the “Board” which term shall be deemed to include any committee thereof) for borrowing, from time to time, by way of loans, credit facilities, debt instruments or in any other forms, any sum or sums of monies, whether in Indian Rupees or foreign currencies, from banks, nancial institutions, rms, companies, body corporate or any other person or entity, on such terms and conditions and on such security as may be deemed fit, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves and securities premium provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 500 crores or the aggregate of the paid up share capital and free reserves and securities premium of the Company, whichever is higher.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers conferred on it by the foregoing Special Resolution to any committee of Director or to any director or any other o cer of the Company and to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient for the purpose of giving effect to the above resolution.”

## NOTICE (Contd.)

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### 10. To approve creation of charge/mortgage on the properties/assets of the Company under Section 180(1)(a) of the Companies Act, 2013.

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

**“RESOLVED THAT** in supersession of the special resolution passed by shareholders of the Company by way of Postal Ballot on April 3, 2022 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force) read with the Memorandum & Articles of Association of the Company and subject to any other approval, if required, consent of the shareholders of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) to create and/or modify charges, mortgages, pledge, hypothecations and/or other mode of security in addition to the existing charges, mortgages, pledge, hypothecations and security created by the Company, of any description, on such terms and conditions and in such form and manner as the Board may deem fit, on all or any one or more of the movable or immovable properties or such other assets of the Company whether tangible, intangible or otherwise, both present and future, in favour of banks/ financial institutions or any other lender (hereinafter collectively referred to as “Lenders”), to secure all credit facilities/ borrowings of the Company and/or other instruments or non-fund based facilities (hereinafter collectively referred to as “Loans”) availed/to be availed by the Company from time to time from any one or more of the aforesaid lenders together with power to the charge holders to take over the substantial assets of the Company in certain events of default provided that the aggregate amount of such secured loans/borrowings together with interest thereon, additional interest, compound interest, charges, expenses and all other monies payable by the Company in respect of the said loans/borrowings, shall not, at any time exceed the limit of Rs. 500 crores or the aggregate of the paid up share capital and free reserves and securities premium of the Company, whichever is higher.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, to execute all such documents, instruments and writings as may be considered necessary, desirable or expedient to give effect to this Resolution.”

### 11. To ratify the remuneration of Cost Auditors

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration amounting to Rs. 45,000/- (Rupees Forty Five thousands Only) plus applicable taxes and reimbursement of out of pocket expenses, if any, payable to Mr. Satnam Singh Saggi, Cost Accountant, (Membership No.M-10555), who was appointed as Cost Auditor by the Board of Directors of the Company on the recommendation of Audit Committee to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023, be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any committee thereof) and/or Key Managerial Personnel of the Company be and are hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary, proper and expedient for the purpose of giving effect to the above resolution.”

#### Registered Office:

Village akurdwara  
Kashipur Road  
Moradabad (U.P.) – 244601  
CIN: L50102UP1982PLC015532  
Place: New Delhi  
Date: August 10, 2022

By Order of the Board of Directors  
of Pasupati Acrylon Limited

**Bharat Kapoor**  
Company Secretary  
Membership No. - A54267

#### Notes:

1. Explanatory Statement setting out all material facts regarding Business contained in Item Nos. 3 to 11, as required under Section 102 (1) of the Companies Act, 2013 and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY/PROXIES NEED NOT BE MEMBER(S) OF THE COMPANY.** Pursuant to Section 105(1) of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

Instrument appointing proxy in order to be effective should be deposited at the registered office of the company, duly completed, signed and stamped, not less than 48 hours before the commencement of the meeting.

## NOTICE (Contd.)

3. Corporate shareholders intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The AGM will be held strictly by adhering to the social distancing norms and other safety protocols/SOPs (including use of face masks and hand sanitizers).
5. Shareholders/Proxies/Authorised Representatives are requested to bring their duly completed attendance slips enclosed herewith. The route map showing directions to reach the venue of Annual General Meeting is annexed.
6. In case of joint holders attending the meeting, the Shareholder whose name appears as the first holder in the order of names as per the Register of Shareholders of the Company will be entitled to vote at the AGM.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 23, 2022 to Thursday, September 29, 2022 (**both days inclusive**) for the purpose of this Annual General Meeting.
8. Brief details of Directors proposed to be appointed/re-appointed/continued as Director as required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings, are furnished in "**Annexure- 1**" to this Notice.
9. Register of Directors and Key Managerial Personnel & their shareholding and Register of Contracts or Arrangements and all other relevant documents referred in the accompanying notice and statement are available for inspection at the Registered Office of the Company during business hours on working days upto the date of this Annual General Meeting and also at the meeting.
10. In accordance with, the General Circular No. 20/2020 dated May 05, 2020 issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI, dispensing with the requirements of sending physical copies of the Annual Report to the shareholders in view of the COVID Pandemic, Notice of the 39<sup>th</sup> AGM alongwith Annual Report for the financial year 2021-2022 are being sent in electronic mode to those shareholders whose email addresses are registered with the Company / Depository Participant(s)/RTA. Shareholders, who have not registered their email addresses are requested to register/update the same with the Company's Registrar & Share Transfer Agent/Depository Participant. Notice of 39<sup>th</sup> AGM and Annual Report for the financial year 2021-2022 will also be available on the Company's website [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com), website of stock exchanges i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
11. Shareholders desiring to receive the reports in physical form, even after registering for e-mail mode, may request for the same, upon which reports will be dispatched.
12. SEBI has, vide its circulars dated November 3, 2021 and December 14, 2021, introduced mandatory norms for furnishing of PAN, KYC details (i.e postal address, email address, mobile number, bank details) and Nomination details by physical shareholders through various forms prescribed, the format of which are available on the Company's website [https://pasupatiacrylon.com/wp-content/uploads/2022/04/Important\\_Announcement\\_to\\_physical\\_shareholders.pdf](https://pasupatiacrylon.com/wp-content/uploads/2022/04/Important_Announcement_to_physical_shareholders.pdf). It may be noted that any service requests or complaint can be processed only after the folio is KYC compliant.  
Physical Folio(s) wherein PAN/KYC/Nomination details are not available/updated will be frozen by the Company's RTA w.e.f April 1, 2023 in compliance with above SEBI's circulars. Frozen folios would be reverted to normal status by RTA only upon the submission of the prescribed information. If such folios continue to remain frozen as on December 31, 2025, the frozen folios would be referred by RTA / Company to the concerned authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002.
13. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company/RTA in case the shares are held by them in physical form, by following the due procedure as per the aforementioned SEBI's circulars.
14. Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, mandates that requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form. Also transmission/transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form. Further, SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD\_RTAMP/P/CIR/2022/8 dated January 25, 2022 has mandated that listed companies shall issue securities in dematerialized form only while processing service requests relating to issue of duplicate securities certificate, renewal/exchange of securities certificates, endorsement, sub-division/splitting/consolidation of securities certificate, transmission/transposition. Accordingly, shareholders holding shares of the Company in physical form are requested to get their shares converted into demat form to get inherent benefits of dematerialization.
15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is providing the facility of remote e-voting to its Shareholders, to enable them to cast their votes electronically on the resolutions proposed to be passed at the AGM. The facility of casting the votes by the shareholders using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited ("NSDL").

## NOTICE (Contd.)

16. A person, whose name is recorded in the register of Shareholders or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. September 22, 2022 shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
17. Shareholders who have cast their votes by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote at the meeting venue.

### 18. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on September 26, 2022 at 10:00 A.M. and ends on September 28, 2022 at 05:00 P.M. The Shareholders, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 22, 2022 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 22, 2022.

#### **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

#### **Step 1: Access to NSDL e-Voting system**

##### **A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider</b> i.e. <b>NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>3. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> </div> </li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider</b> i.e. <b>NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>



## NOTICE (Contd.)

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period
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**Important note:** Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

### B) Login Method for remote e-Voting for shareholders holding securities in physical mode and shareholders other than Individual shareholders holding securities in demat mode.

#### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Shareholders who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Shareholders who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Shareholders holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

## NOTICE (Contd.)

- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on **“Forgot User Details/Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Shareholders can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically on NSDL e-Voting system.**

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
2. Select “EVEN” of **PASUPATI ACRYLON LIMITED** for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cs\\_sushant@yahoo.co.in](mailto:cs_sushant@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **“Upload Board Resolution / Authority Letter”** displayed under **“e-Voting”** tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **“Forgot User Details/Password?”** or **“Physical User Reset Password?”** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Aman Goyal at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to the Company's email id at [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com)
  2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to the Company at [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
  3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
19. Any person, who become shareholder of the Company subsequent to the mail of the Notice and holds the shares as on the cut-off date i.e. September 22, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company at [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com).

## NOTICE (Contd.)

20. The Company has appointed M/s. S.K. Hota & Associates, Practicing Company Secretaries (Membership No. 16165, Certificate No.6425) as Scrutinizer for conducting the Remote e-voting process and voting during AGM in a fair and transparent manner.
21. The Chairman of the meeting shall, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those shareholders who will be present at the AGM but have not cast their votes by way of remote e-voting facility.
22. The scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the AGM and thereafter, shall unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. He shall submit a consolidated report of the total votes cast in favour or against, within two working days of the conclusion of AGM, to the Managing Director or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
23. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com) and on the website of NSDL and shall also be communicated to stock exchanges, where the shares of the Company are listed.

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

#### ITEM NO. 3

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 however, the same is strictly not required as per Section 102 of the Companies Act, 2013.

The shareholders of the Company at their 34<sup>th</sup> Annual General Meeting ("AGM") held on September 27, 2017 had approved the appointment of M/s Suresh Kumar Mittal & Co., Chartered Accountants (Firm Registration No.500063N) as the Statutory Auditor of the Company, for a period of five consecutive years commencing from the conclusion of 34<sup>th</sup> AGM till the conclusion of the 39<sup>th</sup> AGM. Accordingly, M/s Suresh Kumar Mittal & Co., Chartered Accountants, will complete their present term as the statutory auditors of the company on the conclusion of this 39<sup>th</sup> AGM of the Company and they have expressed, vide their letter dated May 10, 2022, their unwillingness for the re-appointment for second term.

Based on the qualification and experience M/s B.K. Shro & Co., Chartered Accountants (Firm Registration No. 302166E) commensurate with the size and requirements of the Company, Audit Committee and Board of Directors, unanimously, at their meetings held on May 18, 2022 has considered and recommended the appointment of M/s B.K. Shro & Co., Chartered Accountants as the Statutory Auditors of the Company for a period of five consecutive years from the conclusion of ensuing 39<sup>th</sup> AGM till the conclusion of the 44<sup>th</sup> AGM of the Company, subject to the approval of the shareholders of the Company. Further, on the recommendation of the Audit Committee, the Board also recommended the remuneration of M/s. B.K. Shro & Co., Chartered Accountants for FY 2022-23 as set out in the Resolution No. 3 of this notice relating to their appointment, for the approval of the shareholders.

M/s B.K. Shro & Co., Chartered Accountants have conveyed their consent for being appointed as Statutory Auditors of the Company alongwith a confirmation that their appointment, if made, would be within the limits specified under Section 141 of the Companies Act, 2013 and they are not disqualified to be appointed as Statutory Auditor under Section 141 and other relevant provisions of the Companies Act, 2013, the provisions of the Companies (Audit and Auditors) Rules, 2014 and the Chartered Accountants Act, 1949.

The details required to be disclosed under provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

- A. Proposed fees payable to the statutory auditor(s):** The proposed fees to be paid for the statutory audit for the financial year 2022-23 is Rs. 12,00,000/- (Rupees Twelve Lakh Only) plus applicable taxes and reimbursement of out-of-pocket expenses actually to be incurred by them in connection with the audit of accounts of the Company. The remuneration to be paid to the Statutory Auditors for the remaining tenure of their appointment will be subsequently determined by the Board of Directors as per the recommendation of the Audit Committee. The proposed fees is based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmarks. The fees for services in the nature of limited review, statutory certifications and other professional work will be in addition to the audit fee as above and will be determined by the Board/Management in consultation with the Auditors and/or as per the recommendations of the Audit Committee.
- B. Terms of appointment:** Appointment as Statutory Auditors of the Company for a period of five years from conclusion of 39<sup>th</sup> AGM up to conclusion of 44<sup>th</sup> AGM to carry out Statutory Audit of the Financial Statements and Annual Financial Results of the Company and Limited Review of the Unaudited Quarterly Financial Results of the Company.
- C. In case of a new auditor, any material change in the fees payable to such auditor from that paid to the outgoing auditor along with the rationale for such change:** There is increase in the proposed fees of Rs. 12,00,000/- (Rupees Twelve Lakh Only) to be paid to M/s B.K. Shro & Co., Chartered Accountants from fees of Rs. 7,00,000/- (Rupees Seven Lakh) paid to existing auditor - M/s Suresh Kumar Mittal & Co., Chartered Accountants. The rationale for this change is based on the qualification, audit experience and market standing of M/s B.K. Shro & Co., Chartered Accountants.

## NOTICE (Contd.)

**D. Basis of recommendation for appointment:** The Board of Directors and Audit Committee have considered various evaluation criteria with respect to skillset, governance & competitiveness such as independence, industry experience, technical skills, audit team, audit quality etc. and recommended their appointment to the Shareholders of the Company.

**E. Credentials of the Statutory Auditors proposed to be appointed:** M/s. B.K. Shro & Co. is one of the leading Chartered Accountants firm registered with the Institute of Chartered Accountants of India ("ICAI") and holds a valid Peer Review Certificate issued by the Peer Review Board of ICAI. The firm is specialized in conducting statutory audit, tax audit, transfer pricing audit, internal audit, concurrent audit, GST & Income Tax consulting and advisory services to its clients.

The Board recommends the Resolution set out at Item No. 3 of the accompanying Notice for approval by the shareholders of the Company as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested financially or otherwise at Item No. 3 of the Notice, except to the extent of their shareholding, if any, in the Company

### **ITEM NO. 4**

Mr. Vineet Jain (DIN - 00107149) was re-appointed as Managing Director of the Company at 34<sup>th</sup> Annual General Meeting held on September 27, 2017 for a period of five years w.e.f October 1, 2017 to September 30, 2022, pursuant to the provisions of Section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and rules made thereunder. Accordingly, the current term of Mr. Vineet Jain as Managing Director will expire on September 30, 2022.

Mr. Vineet Jain has done B.B.A from University of London. He has been in the service of the Company since 1990 and he has been serving as Managing Director of the Company from 1997 onwards. He has over 3 decades of invaluable experience in the line of business of the Company. Considering the vast experience, knowledge of various aspects relating to the Company's affairs and the contribution made by Mr. Vineet Jain towards the progress of the Company, the Board of Directors and Nomination & Remuneration Committee are of the opinion that their continued association would be of immense benefit and value to the Company.

Accordingly, the Board of Directors of the Company, at its meeting held on May 18, 2022, based on the recommendation of the Nomination & Remuneration Committee at its meeting held on the same date and subject to the approval of the shareholders, approved the re- appointment of Mr. Vineet Jain as Managing Director of the Company, for a further period of five years with effect from October 1, 2022, on the terms and conditions including remuneration payable as hereinafter indicated, in accordance with norms laid down in Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

**the broad particulars of terms and conditions of the re-appointment and remuneration of Mr. Vineet Jain as Managing Director are as under:**

**A. Tenure of Appointment:** The appointment as Managing Director is for a period of five years w.e.f. October 1, 2022.

**B. Remuneration, Allowances and Perquisites:**

1. **Basic Salary:** Rs. 4,75,000/- (Rupees Four Lakh Seventy Five thousand Only) per month.
2. **House Rent Allowance:** 60% of basic salary per month.
3. **Medical Allowance:** Rs. 4,75,000/- per annum.
4. **Leave Travel Allowance:** Rs. 4,75,000/- per annum.
5. **Personal Accident Premium:** Upto a maximum of Rs. 50,000/- per annum.
6. **Medical Insurance Premium:** Upto a maximum of Rs. 50,000/- per annum.
7. **Club Fees:** Actual fees subject to a maximum of Rs. 1,00,000/- per annum.
8. **Car:** The Company shall provide a car with driver. Fuel costs, repairs, maintenance and running expenses including driver's salary shall be borne/reimbursed by the Company.
9. **Commission:** Upto 5% of the net profit including salary, allowances & perquisites in a financial year subject to overall ceiling stipulated in Section 197 read with Schedule V of the Companies Act, 2013. The net profit shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.
10. **Provident Fund & Superannuation Fund:** Contribution to Provident Fund and Superannuation Fund will be as per rules of the Company and statutory provisions.
11. **Gratuity:** As per applicable provisions of Payment of Gratuity Act.
12. **Encashment of Leave:** As per rules of the Company.

### **Explanation:**

The perquisites and allowances shall be valued in terms of actual expenditure incurred by the Company and shall be evaluated, wherever applicable, as per Income Tax Act, 1961 or rules made thereunder and any modification thereof. In the absence of any such rules, perquisites and allowances shall be evaluated at cost.

## NOTICE (Contd.)

### C. Others terms & conditions:

- (a) Mr. Vineet Jain shall be entitled to reimbursement of all expenses incurred by him in connection with the business of the Company.
- (b) Mr. Vineet Jain will not be entitled to sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- (c) Mr. Vineet Jain will not be liable to retire by rotation.
- (d) The respective arrangement may be terminated by either party (company or the Managing Director) by giving three month's prior notice of termination in writing to the other party.

### D. Overall Remuneration

The aggregate sum of remuneration and perquisites in any financial year shall be governed by the limits prescribed, from time to time, under Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

### E. Minimum Remuneration

Notwithstanding anything to the contrary contained herein, in the event of absence or inadequacy of profits in any financial year during the tenure of service of Mr. Vineet Jain as Managing Director of the Company, the Company will, subject to applicable laws and receipt of the requisite approvals, if any, pay him the salary, allowances, perquisites and statutory benefits as detailed above as the Minimum Remuneration and that the following perquisites shall not be included in the computation of the ceiling on remuneration, in accordance with Section II of Part II of Schedule V of the Companies Act, 2013:

- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (c) encashment of leave at the end of tenure.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Vineet Jain under Section 190 of the Companies Act, 2013.

The Company has received a notice from a member proposing the candidature of Mr. Vineet Jain for re-appointment as Managing Director in terms of Section 160 of the Companies Act, 2013 and the said notice is placed on the website of the Company in compliance with Rule 13 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

The Company has also received consent from Mr. Vineet Jain signifying his willingness to be re-appointed as Managing Director of the Company along with a declaration to the effect that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013 and has not been debarred or disqualified from being appointed or continuing as Director of a Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority. Mr. Vineet Jain satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 as also conditions set out under Section 196 (3) of the Companies Act, 2013 for becoming eligible for this re-appointment.

Mr. Vineet Jain is a member of Corporate Social Responsibility Committee and Stakeholders Relationship Committee. Details of Mr. Vineet Jain, as required under Regulation 36(3) of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and the Secretarial Standards on General Meetings, are furnished in **Annexure – 1** to this Notice.

Since the appointment is for a term of five years and the future trend in the profitability will largely depend on the business environment in the domestic and global markets, cost of inputs and general state of economy as a whole, there may be loss or inadequacy of profits in any financial year for payment of managerial remuneration beyond the ceiling specified in Section II of Part II of Schedule V of the Companies Act, 2013. Further, the remuneration to be paid to Mr. Vineet Jain may exceed the ceilings prescribed under Regulation 17(6)(e) of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and hence the same also requires approval of the shareholders by way of a Special Resolution. Accordingly, approval for the re-appointment of Mr. Vineet Jain as Managing Director and payment of remuneration to him is being sought from the shareholders by way of Special Resolution under Item No. 4 of this notice. The additional details as required to be given pursuant to clause (iv) to second proviso of Section II B of Part II of Schedule V of the Companies Act, 2013 are given in **Annexure – 2**.

The Board recommends the Resolution set out at Items No. 4 of the accompanying Notice for the approval of the Shareholders of the Company as a Special Resolution.

Mr. Vineet Jain being appointee or his relatives to the extent of their shareholding may be deemed to be interested in this resolution. Save and except above, none of the other Directors/Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolutions.

## NOTICE (Contd.)

### ITEM NO. 5

Based on the recommendation of Nomination & Remuneration Committee and Board of Directors, the shareholders of the Company, at their 38<sup>th</sup> Annual General Meeting held on September 28, 2021, approved the re-appointment of Mr. Satya Prakash Gupta as Director – Operations of the Company for a period of three consecutive years w.e.f May 29, 2021 and payment of remuneration as set out in the relevant resolution & explanatory statement.

Mr. Satya Prakash Gupta is possessing high level of expertise and rich experience in operations of the plant. He has been shaping and steering the long term strategy and makes invaluable contributions in the expansion of operational activities resulting better growth and profitability of the Company. Considering his able guidance towards operations, strategic inputs and higher responsibilities shouldered by him, the Board of Directors of the Company, at its meeting held on August 10, 2022, based on the recommendation of the Nomination & Remuneration Committee at its meeting held on the same date and subject to the approval of the shareholders, approved the upward revision in the remuneration of Mr. Satya Prakash Gupta with effect from October 1, 2022, on the terms and conditions including remuneration as hereinafter indicated, in accordance with norms laid down in Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

**the broad particulars of terms and conditions of the revised remuneration of Mr. Satya Prakash Gupta, Whole Time Director are as under:**

#### Remuneration, benefits and perquisites:

- I. Period of revised remuneration:** Effective from October 1, 2022
- II. Basic Salary:** Rs. 1,68,000 – 9,000 – Rs. 1,86,000 per month
- III. Allowances/perquisites:**
- a) **House Rent Allowance** : Rs. 20,000/- per month
  - b) **Leave Travel Allowance** : The yearly payment in the form of allowance shall be equivalent to one month's basic salary.
  - c) **Medical Allowance** : Rs. 15,000/- per annum
  - d) **Special Allowance** : Rs. 67,000/- per month
  - e) **Personal Accident Premium** : For a maximum of Rs. 15,000/- per annum
  - f) **Medical Insurance Premium** : For a maximum of Rs. 60,000/- per annum
  - g) **Contribution to Provident Fund** : Provident Fund will be as per statutory provisions
  - h) **Gratuity** : As per applicable provisions of Payment of Gratuity Act
  - i) **Encashment of Leave** : As per rules of the Company

#### Explanation:

the perquisites and allowances shall be valued in terms of actual expenditure incurred by the Company and shall be evaluated, wherever applicable, as per Income Tax Act, 1961 or rules made thereunder and any modification thereof. In the absence of any such rules, perquisites and allowances shall be evaluated at cost.

#### Others terms & conditions:

- a) Mr. Satya Prakash Gupta will not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- b) Mr. Satya Prakash Gupta will be liable to retire by rotation.
- c) The respective arrangement may be terminated by either party (company or the concerned Director-Operations) by giving three month's prior notice of termination in writing to the other party.

#### IV. Overall Remuneration

The aggregate sum of remuneration and perquisites in any financial year shall be governed by the limits prescribed, from time to time, under Sections 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

#### V. Minimum Remuneration

Notwithstanding anything to the contrary contained therein, in the event of absence or inadequacy of profits in any financial year during the tenure of service of Mr. Satya Prakash Gupta as Director (Operations), the Company will, subject to applicable laws and receipt of the requisite approvals, if any, pay him the salary, allowances and perquisites as detailed above as the Minimum Remuneration.

Since the future trend in the profitability will largely depend on the business environment in the domestic and global markets, cost of inputs and general state of economy as a whole, there may be loss or inadequacy of profits in any financial year for payment of managerial remuneration beyond the ceiling specified in Section II of Part II of Schedule V of the Companies Act, 2013. Accordingly, approval for

## NOTICE (Contd.)

the payment of revised remuneration to him is being sought from the shareholders by way of Special Resolution under Item No. 5 of this notice. The additional details as required to be given pursuant to clause (iv) to second proviso of Section II B of Part II of Schedule V of the Companies Act, 2013 are given in **Annexure – 2**.

The Board recommends the Resolutions set out at Items No. 5 of the accompanying Notice for the approval of the Shareholders of the Company as a Special Resolution.

Except Mr. Satya Prakash Gupta and his relatives, none of the other Directors/Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolutions, except to the extent of their respective shareholding, if any, in the Company.

### **ITEM NO. 6**

The Company is looking forward to diversify its business in Ethanol Product and accordingly, the Board of Directors, at its meeting held on May 18, 2022, accorded its approval to the Company to set-up Ethanol Project. For this purpose, it is necessary to alter the main object clause of Memorandum of Association (“MOA”) of the Company by inserting the said business as one of the Company’s main objects. The proposed business activity can be, under the existing circumstances, conveniently and advantageously combined with the present business activities of the Company.

Further, the existing MOA of the Company was framed under the form prescribed under the Companies Act, 1956 and contains references to specific sections of Companies Act, 1956. Upon enactment of the Companies Act, 2013, it is also necessary to re-align its MOA as per the draft suggested in Table A of Schedule I of the Companies Act, 2013. Pursuant to Table A of Schedule I of the Companies Act, 2013, object clause of the Memorandum of Association of the Company shall consist of:-

- A. The objects to be pursued by the company on its incorporation; and
- B. Matters which are necessary for furtherance of the objects specified in (A) above.

In view of the above, it is proposed to amend the Object Clauses of the MOA of the Company as follows:

- I. The existing title of Part A of Clause III of MOA will be substituted with the word “ **The Objects to be pursued by the Company on its incorporation are:-**”
- II. New sub-clauses 4 as stated in the Resolution under Item No. 6 of the Notice will be added, after the existing sub-clause 3, under Part A of Clause III of MOA to widen the scope of business activities.
- III. The existing title of Part B of Clause III of MOA will be substituted with the word “**Matters which are necessary for furtherance of the Objects specified in Part A of Clause III are:-**”
- IV. The words “Companies Act, 1956” shall be substituted with the words “Companies Act, 2013” and, reference to various sections of the Companies Act, 1956 be replaced with reference to the corresponding sections of the Companies Act, 2013, wherever required in Part B of Clause III of MOA
- V. The existing Part C of Clause III of MOA titled “**Other Objects**” shall be deleted.

The Board of Directors in its Meeting held on August 10, 2022, has approved, subject to the approval of shareholders, the aforesaid alteration/amendments in the objects clauses of the Memorandum of Association of the Company. The draft MOA with the proposed alterations would be available for inspection for the shareholders at the Registered Office of the Company during the office hours on any working day, till the date of AGM. The aforesaid alterations/amendments shall be effective upon the registration of the resolutions with the Registrar of the Companies.

Pursuant to Section 13 of the Companies Act, 2013 the consent of the shareholders of the Company by way of Special Resolution is required for proposed alteration of Memorandum of Association of the Company.

The Board recommends the Resolution set out at Items No. 6 of the accompanying Notice for the approval of the Shareholders of the Company as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way, interested or concerned, financially or otherwise, in the Resolution except to the extent of their shareholding, if any, in the Company.

### **ITEM NO. 7**

The existing Clause IV of the Memorandum of Association (MOA) of the Company i.e., ‘the liability of the members is limited’ is in line with the requirement under the erstwhile Companies Act, 1956.

In terms of Section 4(1)(d) (i) and Table A of Schedule I of the Companies Act, 2013, the Liability Clause of Memorandum of Association of a Company limited by shares should read as “ **The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.**”

## **NOTICE (Contd.)**

It is therefore considered prudent to amend the existing Liability Clause of the Memorandum of Association of the Company to align the same with the provisions of the Companies Act, 2013.

The Board of Directors in its Meeting held on August 10, 2022, has approved, subject to the approval of shareholders, the aforesaid amendment in the liability clause of the MOA of the Company. The draft MOA with the proposed alterations would be available for inspection for the shareholders at the Registered Office of the Company during the office hours on any working day, till the date of AGM. The aforesaid alterations/amendments shall be effective upon the registration of the resolutions with the Registrar of the Companies.

Pursuant to Section 13 of the Companies Act, 2013 the consent of the shareholders of the Company by way of Special Resolution is required for proposed alteration of MOA of the Company.

The Board recommends the Resolution set out at Items No. 7 of the accompanying Notice for the approval of the Shareholders of the Company as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way, interested or concerned, financially or otherwise, in the Resolution except to the extent of their shareholding, if any, in the Company.

### **ITEM NO. 8**

The existing Articles of Association ("AOA") of the Company are based on the erstwhile Companies Act, 1956 and several regulations in the existing AOA are no longer in conformity with the Companies Act, 2013. Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have undergone changes and few of them have even become redundant. Further, the Companies Act, 2013 has also been amended several times since its coming into effect.

In view of the above, the existing AOA of the Company needs to be amended to align the same with the prevailing provisions of the Companies Act, 2013. Since, the changes required for aligning the existing AOA with the Companies Act, 2013 are numerous, therefore it is considered prudent to replace wholly the existing AOA by a new set of Articles.

The Board of Directors in its Meeting held on August 10, 2022, has approved, subject to the approval of shareholders, the adoption of new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the Company. The proposed new draft AOA would be available for inspection for the shareholders at the Registered Office of the Company during the office hours on any working day, till the date of AGM.

Pursuant to Section 14 of the Companies Act, 2013 the consent of the shareholders of the Company by way of Special Resolution is required for proposed alteration of AOA of the Company.

The Board recommends the Resolution set out at Items No. 8 of the accompanying Notice for the approval of the Shareholders of the Company as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way, interested or concerned, financially or otherwise, in the Resolution except to the extent of their shareholding, if any, in the Company.

### **ITEM NO. 9 & 10**

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company can, with the consent of the shareholders by a Special Resolution, exercise the powers to borrow monies in excess of the aggregate of the paid up share capital and free reserves and securities premium of the Company.

Further in terms of the provisions of Section 180 (1)(a) of the Companies Act, 2013, the Board of Directors of a Company has the powers to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company with the consent of the Shareholders of the Company by way of a Special Resolution.

In order to secure the borrowings, the Company may be required to create security by way of mortgage/ charge/ hypothecation on its assets and properties both present and future, in favour of the lenders. The terms of the relevant loan/facility agreements and other documents as may be executed by the Company with the lenders may include a right in favour of the lenders to take over control of the said assets and properties of the Company and/or to sale/dispose thereof, in certain events of default by the Company. Enforcement of assets by the Company's lenders upon occurrence of default may be deemed to be a sale/ lease/ disposal of the Company's undertaking/assets within the meaning of Section 180(1)(a) of the Companies Act, 2013.

The shareholders of the Company, through postal ballot resolution dated April 3, 2022, had accorded their consent to the Board of Directors for borrowing monies, from time to time, and for creation of charges/mortgages/hypothecations/pledge on the properties/assets of the Company to secure the borrowings of the Company, upto Rs. 350 crores or the aggregate of the paid up share capital and free reserves and securities premium of the Company, whichever is higher, under Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013 respectively.

As the Company is under the process to diversify its business into Ethanol Project, fund requirements of the Company has been increased to meet the project cost and for this purpose, the Company may, from time to time, raise finance from banks and/or financial institutions or any other lending institutions/bodies corporate and accordingly, the overall borrowings may go beyond the current borrowing limits at any





## **NOTICE (Contd.)**

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point of time. Further, the proposed borrowings of the Company may also be secured by way of charge/ mortgage/ hypothecation/pledge on the Company's assets/properties in favour of the lenders.

In view of the above, it is considered necessary to increase the borrowings limits of the Company and consequently to revise the limit for creation of charges/mortgages/hypothecations/pledge on the properties/assets of the Company.

Board of Directors at its meeting held on August 10, 2022, proposed to seek fresh approval of the shareholders of the Company to increase the powers of the Board under Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 for an amount upto Rs. 500 crores or the aggregate of the paid up share capital and free reserves and securities premium of the Company, whichever is higher.

Accordingly, the Board recommends the Resolutions set out at Items No. 9 and 10 of the accompanying Notice for the approval of the Shareholders by way of Special Resolutions.

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way, interested or concerned, financially or otherwise, in the Resolution except to the extent of their shareholding, if any, in the Company.

### **ITEM NO. 11**

In accordance with Section 148 of the Companies Act, 2013 read with the rules made thereunder, the Company is required to have its cost records audited by a Cost Accountant. Accordingly, the Board of Directors of the Company at its meeting held on May 18, 2022, based on the recommendation of the Audit Committee, has approved the appointment of Mr. Satnam Singh Saggi, Cost Accountant (Membership No. M-10555) as Cost Auditor of the Company to conduct audit of cost accounting records for the financial year ending on March 31, 2023 at a remuneration of Rs. 45,000/- (Rupees Forty Five thousand Only) plus applicable taxes and reimbursement of out of pocket expenses, if any, incurred in connection with the cost audit.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration, as approved by the Board of Directors of the Company on the recommendation of Audit Committee, is required to be subsequently ratified by the Shareholders of the Company.

Accordingly, consent of the Shareholders is sought for passing an Ordinary Resolution as set out at Item No. 11 of this Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2023.

The Board of Directors recommends the Resolution set forth in Item No. 11 of the accompanying Notice for the approval of the Shareholders of the Company as an Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

### **Registered Office:**

Village akurdwara  
Kashipur Road  
Moradabad (U.P.) – 244601  
**CIN:** L50102UP1982PLC015532  
**Place:** New Delhi  
**Date:** August 10, 2022

**By Order of the Board of Directors  
of Pasupati Acrylon Limited**

**Bharat Kapoor**  
**Company Secretary**  
Membership No. - A54267

## NOTICE (Contd.)

### Annexure-1

#### Details of Directors proposed to be appointed/re-appointed/continued as Director as required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings.

Name of the Director	Mr. Vineet Jain	Mr. Satya Prakash Gupta
DIN	00107149	00509809
Date of Birth & Age	July 2, 1969 (53 years)	July 1, 1954 (68 years)
Nationality	Indian	Indian
Qualifications	B.B.A (London)	B.Sc (Engineering)
Date of first appointment on the Board	October 1, 1994	May 29, 2018
Terms and conditions of re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person.	Terms and conditions of re-appointment including remuneration proposed are mentioned in the shareholders' resolution and explanatory statement thereto. Remuneration last drawn was Rs. 324.86 Lakh per annum during the financial year 2021-2022.	Whole Time Director liable to retire by rotation in terms of the provisions of Section 152 of the Companies Act, 2013. Proposed remuneration – as mentioned in the shareholders' resolution and explanatory statement thereto. Remuneration last drawn was Rs. 25.39 Lakh per annum during the financial year 2021-2022.
Brief resume and Nature of Expertise in specific functions	Mr. Vineet Jain has done B.B.A. from London University. He has been in the service of the Company since 1990. He was then elevated as Joint Managing Director in the year 1994 and has been serving as Managing Director from 1997 onwards. As Managing Director, Mr. Vineet Jain oversees all operations of the Company.	Mr. Satya Prakash Gupta is a chemical engineer and is having experience of about 41 years in the industry.
Shareholding in the Company	1,68,51,654 equity shares of Rs. 10/- each (18.91%)	Nil
Relationship with other directors or key managerial personnel of the Company	None	None
Directorship held in other companies as on 31.03.2022	(a) Pasupati Advanced Films Private Limited (b) Vigar Enterprises Private Limited (c) Chemopulp Tissues Limited Except Pasupati Acrylon Limited, Mr. Vineet Jain neither hold directorship in any other listed company nor hold membership of committee of any other listed company.	(a) Pasupati Advanced Films Private Limited (b) Multimax Overdues Legal Solutions Private Ltd Except Pasupati Acrylon Limited, Mr. Satya Prakash Gupta neither hold directorship in any other listed company nor hold membership of committee of any other listed company
Membership/Chairmanship in committees of other Board	Nil	Nil
Number of meeting of the Board attended during the year	Held – 5 Attended – 5	Held – 5 Attended – 5
Resignation from directorship of the listed companies in the past three years	None	None

## NOTICE (Contd.)

### Annexure-2

Additional details as required to be given pursuant to clause (iv) to second proviso of Section II B of Part II of Schedule V of the Companies Act, 2013.

I. General Information:					
(1)	Nature of Industry:	Pasupati Acrylon Limited is engaged in the manufacturing of Acrylic Staple Fibre, both in dyed & grey form as well as production of CPP Films.			
(2)	Date or expected date of commencement of commercial production:	The Company has already started its operation of Acrylic Fiber in the year of 1990 and of CPP Film in the year of 2017.			
(3)	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus:	Not Applicable			
(4)	Financial performance based on given indicators: (For the last three years): (Rs. In Lakhs)		<b>2021-2022</b>	<b>2020-2021</b>	<b>2019-2020</b>
		<b>Total Revenue</b>	<b>78,427.16</b>	51,422.74	67,008.74
		<b>Profit Before Tax</b>	<b>6,183.51</b>	5,853.17	2,039.46
		<b>Profit After Tax</b>	<b>4,589.66</b>	4,034.85	1,304.96
(5)	Foreign investments or collaborators, if any:	The Company is engaged in the manufacturing of Acrylic Staple Fibre, both in dyed & grey form, in technical collaboration with M/s SNIA BPD of Italy, part of the famed FIAT Group, a proven world leader in the manufacture of Acrylic Fibre.			
II. Information about the appointee		<b>Mr. Vineet Jain</b>	<b>Mr. Satya Prakash Gupta</b>		
(1)	Background details:	Mr. Vineet Jain is a Graduate in Business Administration from University of London. He has more than 30 years of experience in the line of business and over all administration of the Company. Mr. Vineet Jain has made significant contribution in the progress of the Company.	Mr. Satya Prakash Gupta is a chemical engineer and is having experience of about 41 years in the industry.		
(2)	Past Remuneration:	Mr. Vineet Jain was paid Rs. 324.86 Lakh per annum for the financial year 2021-22.	Mr. Satya Prakash Gupta was paid Rs. 25.39 Lakh per annum for the financial year 2021-22.		
(3)	Recognition or awards:	None	None		
(4)	Job profile and his suitability:	Mr. Vineet Jain is entrusted with substantial powers of the management and overall control of the Company. Entire management team works under his supervision and all managers report to him. He is responsible for the general conduct and management of the business and affairs of the Company, subject to the superintendence, control and supervision of the Board of Directors of the Company.	Mr. Satya Prakash Gupta is looking after the entire operations of the plant.		
(5)	Remuneration proposed:	As per the details given in Resolution & Explanatory Statement under Item No. 4 above.	As per the details given in Resolution & Explanatory Statement under Item No. 5 above.		
(6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:	Considering the qualification, experience, proven track record and performance of Mr. Vineet Jain and contribution made by him for the growth of the Company as well as his capacity to handle emerging challenges, the remuneration proposed to be paid to him is considered fair, just and reasonable and are at par with the standards of the industry in which the Company operates.	Considering his able guidance towards operations, strategic inputs and the higher responsibilities shouldered by him in the business activities of the Company and his qualification, experience, the remuneration proposed to be paid to him is considered fair, just and reasonable and are at par with the standards of the industry in which the Company operates.		

## NOTICE

(7)	<b>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any:</b>	Except the remuneration paid/payable to Mr. Vineet Jain as Managing Director and holding of shares by him in the Company, Mr. Vineet Jain does not have any pecuniary relationship directly or indirectly with the Company. He is also promoter of the Company. Further, Mr. Vineet Jain is not related to any managerial personnel or director of the Company	Except the remuneration paid/payable to Mr. Satya Prakash Gupta as Director (Operations) of the Company, Mr. Gupta does not have any pecuniary relationship directly or indirectly with the Company. Further, he is not related to any managerial personnel or director of the Company.
<b>III Other Information:</b>			
(1)	<b>Reasons of loss or inadequate profits</b>	The Company has adequate profits as on March 31, 2022. The Company has maintained growth with the consistent profit margins and profitability. The Company proposes to obtain the approval of the shareholders as an abundant caution in case the remuneration paid/payable to the Managing Director as per the above resolution exceeds the limits under the Companies Act, 2013, in situations of loss or inadequacy of profit. While the Company does not envisage any loss or inadequate profits, rising running cost and the challenging business environment may affect the profitability of the Company in future.	
(2)	<b>Steps taken or proposed to be taken for improvement:</b>	The Company keeps on exploring new strategic and operational measures in its normal course of business to increase its profitability, market share and financial performance and to reduce costs.	
(3)	<b>Expected increase in productivity and profits in measurable terms:</b>	The measures being undertaken is expected to yield more positive results in the coming years. However, it is difficult to forecast the productivity and profitability in quantifiable terms but the Company expects that the above initiatives are expected to improve the financial performance of the Company.	
<b>IV Disclosures:</b>			
(1)	<b>All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc.</b>	The details of remuneration package of Mr. Vineet Jain and Mr. Satya Prakash Gupta including other necessary disclosures are as detailed in the explanatory statement. The necessary disclosures are also made in the Corporate Governance report of the Annual Report of 2021-2022.	
(2)	<b>Details of fixed component and performance linked incentives along with the performance criteria:</b>		
(3)	<b>Service contracts, notice period, severance fees:</b>	The appointment may be terminated at any time by either party giving 3 (three) months' notice period of such termination to the other party. The Company does not pay severance fees.	
(4)	<b>Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable</b>	At present, there is no stock option scheme available in the Company.	

## BOARD'S REPORT

### To the Members

Your Directors have pleasure in presenting thirty Ninth Annual Report of Pasupati Acrylon Limited ("the Company") together with the Audited Financial Statements for the financial year ended on March 31, 2022.

### FINANCIAL HIGHLIGHTS

A brief on the financial performance during the year under review as compared to the previous year is given below:-

	<b>(Rs. in Lakhs)</b>	
<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Revenue from Operations	77,553.75	50,544.66
Other Income	873.41	878.08
Profit before Depreciation, Interest & Tax	7,121.37	6,856.39
Finance Cost	316.77	377.65
Depreciation	621.09	625.56
<b>Profit before Taxes</b>	<b>6,183.51</b>	<b>5,853.18</b>
Tax Expenses for the year	1,593.85	1,548.32
<b>Profit after Taxes</b>	<b>4,589.66</b>	<b>4,304.86</b>
<b>Total Comprehensive Income</b>	<b>4,605.67</b>	<b>4,351.67</b>

The financial statements for year ended March 31, 2022 have been prepared in accordance with Indian Accounting Standards (Ind AS), notified under Companies (Indian Accounting Standards) Rules, 2015, read with Section 133 of Companies Act, 2013, ('Act') and other relevant provisions of the Act. In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited financial statements of the Company are available on website of the Company [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).

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

FY 2021-2022 started with a lot of challenges owing to second wave of COVID-19 pandemic as well as other global disturbances resulting low demand of Acrylic Fibre. During the year under review, the Company has recorded production of 29,652 MT and Sale of 30,918 MT, as against production of 29,826 MT and Sale of 31,335 MT respectively during the previous year.

The Company reported EBIDTA in financial year 2021-22 is Rs. 7,121.37 Lakhs as against Rs. 6,856.39 Lakhs in the previous financial year and Net Profit in the financial year 2021-22 is Rs. 4,589.66 Lakhs as against to Rs. 4,304.86 Lakhs in the previous financial year.

Despite various challenges such as volatility in crude prices and abnormal rise in raw material prices, dumping of acrylic fibre by Turkey, China, Thailand and Belarus, foreign exchange fluctuations, the Company is focused on maintaining its growth momentum and in a position to achieve a better turnover and profits as compared to previous year.

### INTEGRATED CPP FILM PROJECT

The production capacity to produce CPP film is 10000 MT PA. During the year under review, the production and sale of CPP film increased to 6,348 MT and 6,210 MT respectively as against production of 3,757 MT and sale of 3,868 MT respectively during the previous year. During the year under review, the Company's exports of CPP Films was 21 MT. The Company expects that this segment shall do better during the FY 2022-23 as the demand of CPP Films is on the rise and product of the company is well accepted in market.

Further, the Company is looking forward to diversify its business in Ethanol Product and accordingly, the Board of Directors, at its meeting held on May 18, 2022, accorded its approval to the Company to set-up Ethanol Project with a production capacity of 100 KL to 150 KL to align with GOI's Ethanol Blending Programme (E20), subject to clearance and approvals from the concerned statutory authorities.

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### ACRYLIC FIBRE

##### a) Industry Structure and Development

During the year under review, the Demand of Acrylic Fibre was stable and the Company's production and sales of Acrylic Fibre was 29,652 MT and 30,918 MT respectively as compared to production of 29,826 MT and sales of 31,335 MT during the previous year. During the year, due to continuing negative sentiments of COVID-19 and US-China Trade War, the Company's exports was 1,415 MT as compared to last year's exports 6,549 MT. The Company is hopeful to increase the exports this year.

## BOARD'S REPORT (Contd.)

### b) Opportunities and Threat

Crude is a raw material to produce Acrylic Fibre is crude derived. The movement in crude affects the raw material prices to some extent and during the year the crude prices remained volatile and witnessed a continued rise due to Russia-Ukraine War. Additionally, since the Company is dependent upon imports, the fluctuation in foreign exchange i.e. USD vs. INR has also a bearing on the margin of the Company.

Further, the outbreak of COVID-19 pandemic had slowed down economic activity and the world continued to reel under the threat of the coronavirus. The second wave of the COVID-19 pandemic hit India hard, and as a company, we were faced with several challenges and disruptions. Though there is a considerable improvement in COVID-19 pandemic situation, but there remained uncertainties on the next waves of COVID-19 and that remains a risk for the Company. If such situation arises again the same may have adverse impact on the functioning /operations of the company.

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

Segment wise/product wise performance is given in the financial statements.

### d) Risk and Concern

The risk from the COVID-19 pandemic continues to be one of the key business risks. COVID-19 had impacted the normal business operations, though the scenario improved significantly. These risks include risks related to employee safety, supply chain, customers, business development efforts and cash flows of the Company. The onset of multiple waves of COVID-19 in almost all geographies and renewed lockdown and restrictions on movement of people imposed by the government in various parts of the world might prove detrimental to growth estimates.

Further, since the Company is dependent upon imported raw materials as such, sudden movement in USD and increase in crude oil prices due to Russia-Ukraine war affects the margin. The Company is giving thrust on increasing the exports so that the effect can be mitigated.

## CPP FILM

### a) Industry Structure and Development

There is intense competition among CPP Film manufacturers in the country. The Company has installed European machinery which shall ensure quality product giving edge over other producers. The global CPP Film Market is anticipated to rise at a considerable rate during the forecast period, between 2022 and 2027. In 2022, the market was growing at a steady rate and with the rising adoption of strategies by key players, the market is expected to rise over the projected horizon.

### b) Opportunities and Threat

Crude is a major raw material to produce CPP Film is available locally. Since the raw material is crude derived as such fluctuation in crude may affect the raw material price.

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

Segment wise/product wise performance is given in the financial statements.

### d) Risk and Concern

Since raw material is crude derived as such movement either side shall affect the raw material price. To mitigate the effect, the Company has entered into long term contracts with suppliers.

## SUBSIDIARY COMPANIES

As on March 31, 2022, the Company does not have any subsidiary, associate or joint venture company.

## TRANSFER OF RESERVES

The Board of Directors of your company, has decided not to transfer any amount to the Reserves for the year under review.

## DIVIDEND

The Board of Directors decided to plough back the earnings to strengthen the financials of the Company and not to recommend dividend for the year under review.

## CHANGE IN THE NATURE OF BUSINESS

During the year under review, there is no change in the nature of the business of the company.

## SHARE CAPITAL

As on March 31, 2022, the Company's issued and paid up capital stands Rs. 89,13,31,210/- divided into 8,91,33,121 fully paid up equity shares of Rs. 10/- each. During the year under review, the Company has not issued any share. Further the Company has also not issued any share

## BOARD'S REPORT (Contd.)

with differential Voting Rights/Sweat Equity shares/under Stock Option Scheme (ESOS) earlier and during the year. The Company has no scheme or provision of money for purchase of its own shares by employees or by trustees, for the benefit of its employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

### DIRECTORS

In accordance with the provisions of section 152(6) of the Act, not less than two-thirds of total number of directors shall be liable to retire by rotation, out of which one-third directors shall retire by rotation at every Annual General Meeting. However, "total number of directors" shall not include independent directors.

The Company has two Non-Independent Directors – Mr. Vineet Jain (Managing Director) and Mr. Satya Prakash Gupta (Director- Operations). Mr. Vineet Jain is not liable to retire by rotation by virtue of Articles of Association of the Company. Accordingly, Mr. Satya Prakash Gupta, Director –Operations will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Further, based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors, at its meeting held on May 18, 2022, approved the re-appointment of Mr. Vineet Jain as Managing Director for a further period of five years w.e.f October 1, 2022, subject to the approval of the shareholders at the ensuing Annual General Meeting and Mr. Vineet Jain has submitted his consent for re-appointment as Managing Director of the Company.

In the opinion of the Board, Mr. Vineet Jain and Mr. Satya Prakash Gupta possess the requisite expertise, integrity and experience for re-appointment. The Board recommends their re-appointment and resolutions seeking shareholders' approval for their re- appointment form part of the AGM Notice.

Mr. Deveshwer Kumar Kapila, Mr. S.C. Malik, Mr. S. Sathyamoorthy and Mrs. Kamlesh Gupta are Independent Directors of the Company.

### KEY MANAGERIAL PERSONNEL

As on March 31, 2022, the Company had the following Whole-time Key Managerial Personnel (KMPs) in accordance with the provisions of Section 203 of the Companies Act, 2013:

1. Mr. Vineet Jain– Managing Director
2. Mr. Satya Prakash Gupta–Director (Operations)
3. Mr. Satish Kumar Bansal- Chief Financial Officer
4. Mr. Bharat Kapoor – Company Secretary

### DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") stating that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations. All the independent directors of the Company are registered with, and are members of Independent Directors Databank maintained by Indian Institute of Corporate Affairs. Further, the Board after taking these declaration/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committees of the Company.

### MEETINGS OF THE BOARD

During the year under review, five meetings of the Board of Directors were held. The details of Board Meetings are set out in Corporate Governance Report which forms part of this Annual Report.

### NOMINATION AND REMUNERATION POLICY

The Board, on the recommendation of the Nomination & Remuneration Committee, has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Nomination and Remuneration Policy is available on the website of the Company [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).

### BOARD EVALUATION

The Company has devised a formal process for annual evaluation of performance of the Board, its Committees and Individual Directors ("Performance Evaluation") which include criteria for performance evaluation of non-executive directors and executive directors as laid down by the Nomination and Remuneration Committee and the Board of Directors of the Company. It covers the areas relevant to the functioning as Independent Directors or other directors, member of the Board or Committee of the Board.

## **BOARD'S REPORT (Contd.)**

In terms of the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Nomination & Remuneration Committee has carried out an annual performance evaluation of Board of Directors, of Board's committees and of each Board Member individually.

The performance of the committees was evaluated by the Nomination & Remuneration Committee after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness, structure & independence of committees, contribution to decisions of the Board etc.

The performance of the Board was evaluated on the basis of various criteria such as the board composition and structure, effectiveness of board processes, information and functioning, role & responsibilities and strategy & performance, Governance & compliance etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of laid down criteria.

Independent Directors of the Company had, in their separate meeting held on November 10, 2021, reviewed the performance of non-independent directors, the Board as a whole and Managing Director of the Company, taking into account the views of Executive and Non-Executive Directors.

Further, the Independent Directors hold unanimous opinion that the Non-Independent Directors as well as the Chairman bring to the Board, abundant knowledge in their respective field and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation and have a deep knowledge of industry. They have been performing reasonably well, under the prevailing circumstances.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a. that in the preparation of the annual accounts for the financial year ended March 31, 2022; the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended March 31, 2022 and of the profit of the company for the year ended on that date;
- c. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. that the directors had prepared the annual accounts on a going concern basis;
- e. that the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f. that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **CORPORATE GOVERNANCE**

The company has complied with the Corporate Governance code as stipulated under SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015. A separate report on Corporate Governance, forming part of the Annual Report of the Company is annexed hereto.

### **SECRETARIAL STANDARDS**

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

In compliance with the provisions of the Act and SEBI Listing Regulations, all related party transactions are placed before the Audit Committee for prior approval and also before the Board wherever necessary.

During the year under review, all Contracts/arrangements/transactions entered into by the Company with related parties were in the ordinary course of business and were on an arm's length basis. None of the transactions with any of the related parties were in conflict with your company's interest. No material related party transactions were entered into during the year by the Company. All related parties transactions are disclosed in Note No. 37 of the Financial Statements forming part of this Annual Report.

Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of contracts or arrangements with related parties referred to Section 188(1) of the Companies Act, 2013 in the prescribed form AOC-2 is appended as **Annexure-I** to the Board's Report.



## **BOARD'S REPORT (Contd.)**

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE DATE OF BOARD'S REPORT AND END OF FINANCIAL YEAR**

There is no such material change and commitment affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statements relate and the date of this report.

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

The Company has in place a Policy for prevention of sexual harassment at the workplace in line with the requirements of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee has been set up to redress complaints regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints on issues covered by the above act were received during the year.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS/TRIBUNALS**

During the year under review, there are no significant or material orders passed by the Regulators / Courts/Tribunals which would impact the going concern status of the Company and its future operations.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Board of Directors has constituted the Corporate Social Responsibility Committee (CSR Committee). The said Committee has been entrusted with the responsibility of recommending to the Board about the activities to be undertaken by the Company for CSR purpose, monitoring the implementation of the frame work of the CSR Policy and recommending the amount to be spent on CSR Activities. The CSR policy is available on the Company's website [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).

The Company's total CSR obligation for the financial year 2021-2022 was Rs. 81.36 Lakh. However, an excess amount of Rs. 1.29 Lakh, which was spent in Financial Year 2020-21, was also available for set-off against the Company's CSR obligations for the financial year 2021-2022 in terms of 3<sup>rd</sup> Proviso to Section 135(5) of the Companies Act, 2013 read with Rule 7(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company's CSR requirements for the FY 2021-22 was Rs. 80.07 Lakh after availing set-off the said excess amount of Rs. 1.29 Lakh pertaining to FY 2020-21. Accordingly, the Company has spent Rs. 80.25 Lakh towards the CSR activities during the financial year 2021-22. In view of the above, the Company's CSR obligation for FY 2021-22 has been duly met.

Further, in terms of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Chief Financial Officer has certified that the funds disbursed for CSR have been used for financial year 2021-2022, for the purpose and in the manner approved by the Board.

The disclosures related to CSR activities pursuant to section 134(3) of the Companies Act 2013, read with Rule 9 of Companies (Accounts) Rules, 2014 and Rule 8 of Companies (Corporate Social Responsibility) Rules 2014 are annexed hereto and form part of this report as **Annexure- II**.

### **RISK MANAGEMENT**

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

Risk Management Policy enables the Company to proactively manage uncertainties and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. The Company has laid down a Risk Management Policy, which is reviewed by the Risk Management Committee, and approved by the Board. The Risk Management Policy has also been hosted on the website of the Company [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).

### **AUDITORS AND AUDITOR'S REPORT**

#### **Statutory Auditors**

M/s Suresh Kumar Mittal & Co., Chartered Accountants (Firm Registration No. 500063N) was appointed as Statutory Auditors of the Company at the 34<sup>th</sup> Annual General Meeting ("AGM") of the Company held on September 27, 2017 for a period of 5 years commencing from the 34<sup>th</sup> AGM till the conclusion of the 39<sup>th</sup> AGM. Accordingly, M/s Suresh Kumar Mittal & Co., Chartered Accountants, will complete their first term as the statutory auditors of the company at the conclusion of the 39<sup>th</sup> AGM of the company and they have conveyed their unwillingness for the re-appointment for second term.

## **BOARD'S REPORT (Contd.)**

Based on the recommendation of Audit Committee and subject to the approval of the shareholders, the Board of Directors, at its meeting held on May 18, 2022, appointed M/s B.K. Shro & Co., Chartered Accountants (Firm Registration No. 302166E) as Statutory Auditors of the Company for a period of five consecutive years from the conclusion of ensuing 39<sup>th</sup> AGM till the conclusion of the 44<sup>th</sup> AGM of the Company. M/s B.K. Shro & Co., Chartered Accountants have confirmed that they are eligible for the appointment under the Companies Act, 2013, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. Hence the resolution seeking appointment of Statutory Auditor forms part of the AGM notice for approval of the shareholders.

The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. During the year under review, the Statutory Auditors has not found any instance of fraud committed against the Company by its officers or employees and accordingly, reporting to the audit committee or Central Government, under Section 143 (12) of the Companies Act, 2013 is not required. The Auditors' report does not contain any qualification, reservation or adverse remark or disclaimer.

### **Cost Auditor**

Pursuant to Section 148(1) and other applicable provisions of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, maintenance of cost records is required by the Company and accordingly, such accounts and records are made and maintained.

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, your Directors, on the recommendation of the Audit committee, appointed Mr. Satnam Singh Saggi, Cost Accountants as Cost Auditors of your company for the Financial Year 2022-23 to carry out the cost audit for the applicable business on a remuneration of Rs. 45,000/- (Rupees forty five thousand only) plus applicable taxes and reimbursement of out of pocket expenses. A certificate from Mr. Satnam Singh Saggi, Cost Accountants has been received to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules made thereunder.

### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company, at its meeting held on June 28, 2021, appointed M/s. V.K. Sharma & Co, Practicing Company Secretaries (FCS No. 3440), to undertake Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report for the Financial Year ended March 31, 2022 is annexed herewith to this Report as **Annexure - III**. The Secretarial Audit Report is self-explanatory and do not call for any further comments. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

### **Internal Auditor**

Pursuant to provisions of Section 138 of the Companies Act, 2013, M/s. Jinender Jain & Company, Chartered Accountants, New Delhi, Internal Auditors of the Company have conducted internal audit of the functions and activities of the Company and effectiveness of Internal Control Systems of the Company during Financial Year 2021-22.

### **INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY**

Your Company remains committed to improve the effectiveness of internal financial controls and processes which would help in efficient conduct of its business operations, ensure security to its assets and timely preparation of reliable financial information.

The internal financial controls with reference to the Financial Statements are adequate in the opinion of the Board of Directors.

The Company has a proper system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. The internal control is supplemented by an extensive programme of internal, external audits and periodic review by the Management. This system is designed to adequately ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets.

The Board of Directors has adopted policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, ensuring accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The Audit Committee of the Board actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Statutory Auditors and the Internal Auditors are inter alia, invited to attend the Audit Committee Meetings and present their observations on adequacy of internal financial controls and the steps required to bridge gaps, if any.



## BOARD'S REPORT (Contd.)

### DISCLOSURES:

#### Audit Committee

Audit Committee of the Board has been constituted as per the SEBI Listing Regulations and section 177 of the Companies Act, 2013. The composition and other details of the Audit Committee are provided in Corporate Governance Report which is part of this Report. All recommendations made by the Audit Committee were accepted by the Board.

#### Vigil Mechanism

The Company has framed and implemented a vigil mechanism named as Whistle Blower Policy to deal with instances of fraud and mismanagement, if any, in terms of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations. The details of the Whistle Blower Policy are provided in the Corporate Governance Report and also posted on the website of the Company [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).

#### Particulars of Loans, Investments, Guarantees.

Particulars of Loans given/Investments made/Guarantees given/Securities provided as per Section 186 of the Companies Act, 2013 along with the purpose for which the Loan or guarantee or security is proposed to be utilized by the Company, is provided in financial statement.

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

The information as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is set out in the **Annexure – IV** to this Report.

#### Annual Return

Pursuant to the amendments to the provisions of Section 92(3) read with Section 134 (3) (a) of Companies Act, the annual return as on March 31, 2022 is available on the website of the Company at <http://pasupatiacrylon.com/investors>.

#### Particulars of Employees

The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is attached as **Annexure - V**.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, in terms of the proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said annexure is open for inspection at the Registered Office of the Company during business hours on all working days, 21 days before the Annual General Meeting. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

#### ISO CERTIFICATION

Your Company is an ISO 9001:2015, accredited by Bureau of Indian Standard, Rooid Voor Accreditatie, and Netherland and OKEO TEX STANDARD 100 Class 1 Appendix 6. Furthermore, the Company's CPP Product meets the requirements set out in the BRC Global Standard for Packaging & Packaging Material and is categorized as HIGH HYGINE Grade A by the BRCGS. These certifications/recognitions are indicative of our commitments in meeting global quality standards and thrust excellence for achieving customer satisfaction.

#### DEPOSITS

During the year under review, your Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. Further, there are no outstanding and/or overdue deposits as at March 31, 2022.

#### ACKNOWLEDGEMENT

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

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

**For and on behalf of the Board**

**Satya Prakash Gupta**  
Director – Operations  
DIN: 00509809

**Vineet Jain**  
Managing Director  
DIN: 00107149

**Place:** New Delhi  
**Date:** May 18, 2022

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

- 1. Details of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis. – NIL**
- 2. Contracts/arrangements/transactions entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arm's length basis:**

<b>S. No.</b>	<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/arrangements/transactions</b>	<b>Duration of the contracts / arrangements / transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	<b>Date(s) of approval by the Board, if any</b>	<b>Amount paid as advances, if any</b>	<b>Justi cation for entering into contracts</b>
1.	Vigar Enterprises Private Limited (Common Director)	Purchase of organic grocery products for o cial use	Perpetual Agreement	Purchase of organic grocery products at arm's length basis, with a maximum limit of Rs.12 Lakh per annum.	August 10, 2019	NIL	e Company entered into an agreement with the related party to purchase the grocery products for its o cial use.

**For and on behalf of the Board**

**Satya Prakash Gupta**  
Director – Operations  
DIN: 00509809

**Vineet Jain**  
Managing Director  
DIN: 00107149

**Place:** New Delhi  
**Date:** May 18, 2022

**Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2021-22**

[Pursuant to Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

**1. Brief Outline On CSR Policy Of the Company:**

The Company has framed its CSR Policy to carry out its CSR activities in accordance with Schedule VII of the Companies Act, 2013. The Company strives to positively impact the community by promoting inclusive growth in the areas of education, art, healthcare, sports, environmental sustainability and conservation etc. The Company's focus areas are concentrated on increasing access to health, education, rural development, environment sustainability, community development and holistic development with a focus on underprivileged people living around its manufacturing units and other establishments. The Company's CSR Policy also focuses on leveraging the full range of the Company's resources to broaden access to the basic facilities for the underserved population. The Company also partners with non-government organizations (NGOs) to make a difference among local communities. The Company's focus has always been to contribute to the sustainable development of the society and environment and to make our planet a better place for future generations.

This Policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different sections of the society. The Company's CSR policy is placed on its website [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).

**2. Composition Of CSR Committee:**

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1.	Mr. S.C. Malik	Chairman (Independent Director)	4	4
2	Mr. Vineet Jain	Member (Executive Managing Director)	4	4
3	Mr. Satya Prakash Gupta	Member (Whole-time Director)	4	4

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

- Composition of CSR Committee: <http://pasupatiacrylon.com/investors/>
- CSR Policy: [https://pasupatiacrylon.com/wp-content/uploads/2022/04/Corporate\\_Social\\_Responsibility\\_CSR\\_Policy.pdf](https://pasupatiacrylon.com/wp-content/uploads/2022/04/Corporate_Social_Responsibility_CSR_Policy.pdf)
- CSR Projects approved by the Board: <http://pasupatiacrylon.com/investors>.

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). - Not Applicable**
**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

S. No.	Financial Year	Amount available for set-off from preceding financial year	Amount required to be set-off for the financial year, if any
1.	2020-21	Rs. 1.29 Lakh	Rs. 1.29 Lakh

**6. Average net profit of the company as per section 135(5) – Rs. 4,068.24 Lakh**
**7. (a) Two percent of average net profit of the company as per section 135(5) – Rs. 81.36 Lakh**

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil**

**(c) Amount required to be set off for the financial year, if any – Rs. 1.29 Lakh**

**(d) Total CSR obligation for the financial year (7a+7b-7c). – Rs. 80.07 Lakh**

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 80.25 Lakh	Not Applicable				

## BOARD'S REPORT (Contd.)

### (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - through Implementing Agency	
				State	District						Name	CSR Registration number
NIL												

### (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (Rs. In Lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - through Implementing Agency	
				State	District			Name	CSR Registration number
1	Infrastructure Development at Mangalaya tan University, Aligarh (U.P.)	Promoting Education - Schedule VII (ii)	Yes	Uttar Pradesh	Aligarh	45.00	No	Mangalaya tan University, Aligarh (U.P.)	CSR00014547
2	Promoting education including special education and employment enhancing vocational skills and expansion of existing academic facilities in Richmond Global School, Mianwali Nagar, Paschim Vihar, New Delhi - 110063	Promoting Education - Schedule VII (ii)	Yes	Delhi	Delhi	35.25	No	Mata Krishnawanti Memorial Educational Society	CSR00006897
<b>Total</b>						<b>80.25</b>			

(d) Amount spent in administrative overheads - Nil

(e) Amount spent on Impact Assessment, if applicable - Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - Rs. 80.25 Lakh

(g) Excess amount for set o , if any

Sl. No.	Particular	Amount (Rs. In Lakh)
(i)	Two percent of average net profit of the company as per Section 135(5)	81.36
(ii)	Total amount spent for the Financial Year	81.54*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.18
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set o in succeeding financial years [(iii)-(iv)]	NIL

\* e Company has availed set-o of excess amount Rs. 1.29 Lakh pertaining to FY 2020-21 against its CSR requirements for the FY 2021-22.

## BOARD'S REPORT (Contd.)

### 9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (Rs. in Lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (Rs. In Lakh)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
Nil							

### (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
Nil								

### 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). - Nil

- Date of creation or acquisition of the capital asset(s). - Not Applicable
- Amount of CSR spent for creation or acquisition of capital asset. - Nil
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - Not Applicable

### 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). - Not Applicable

**S.C. Malik**  
Independent Director &  
Chairman of CSR Committee

**Vineet Jain**  
Managing Director &  
Member of CSR Committee

**Place:** New Delhi

**Date:** May 18, 2022

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31.03.2022**  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**Members,**  
**PASUPATI ACRYLON LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PASUPATI ACRYLON LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **PASUPATI ACRYLON LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **PASUPATI ACRYLON LIMITED** ("the Company") for the financial year ended on 31.03.2022 according to the provisions of:

- (i) the Companies Act, 2013 (the Act) and the rules made there under;
- (ii) the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) the Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (since repealed) and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) We have relied on the representation made by the company and its officers for systems and mechanisms formed by the company for compliances under other Acts, Laws and regulations as applicable specifically to the company.

We have also examined compliance with the applicable clauses of the following:

- (a) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Secretarial Standards issued by the Institute of Company Secretaries of India, in respect of Board and General Meetings.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent they were applicable.

**We further report** that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.





## BOARD'S REPORT (Contd.)

On inspection of the minutes as captured and recorded it was ascertained that all the decisions of the Board have been carried through and there were no dissenting views.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there was no specific event/action which has a major bearing on the affairs of the company in pursuance of above referred laws, rules, regulations, guidelines, standards etc.

**Place: Greater Noida**

**Date: May 18, 2022**

**For V. K. Sharma & Co.**

**Company Secretaries**

**Sd/-**

**(V. K. Sharma)**

**C. P. No.:-2019 FCS:-3440**

**PR: 887/2020**

**UDIN:F003440D000337312**

is report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report

**'Annexure A'**

To,

**e Members,**

**PASUPATI ACRYLON LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required we have obtained the Management representation about compliances of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place: Greater Noida**

**Date: May 18, 2022**

**For V. K. Sharma & Co.**

**Company Secretaries**

**Sd/-**

**(V. K. Sharma)**

**C. P. No.:-2019 FCS:-3440**

**PR: 887/2020**

**UDIN:F003440D000337312**

**INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF COMPANIES (ACCOUNTS) RULES, 2014 FOR THE YEAR ENDED MARCH 2022**

**(A) CONSERVATION OF ENERGY**

1. Energy conservation measures taken during the year are as under:
  - (a) Pressure transmitters were provided to control the header pressure precisely resulting saving energy of 240 KW/Day.
  - (b) Boiler feed water pps were O/H thoroughly resulting saving energy of 360 KW/Day.
  - (c) Replacement of chiller with high-e ciency chiller resulting steam saving of 10T/Day.
2. Additional investments and proposals:
 

e company is continuously exploring various avenues to reduce and optimize energy cost.
3. Impact of the measures at (1) and (2) above for reduction of energy consumption and consequently the cost of production:
 

On account of above measures there would be energy savings of 600 KW/Day and steam saving of 10T/Day.

**(B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:**

1. E orts, in brief, made towards technology absorption, adaptation and innovation : NA
2. Bene ts derived as a result of the above e orts e.g. product improvement, cost reduction, product development, import substitution etc.: NA
3. Particulars of imported technology in the last ve years:
  - i) Technology imported : NA
  - ii) Year of import : NA
  - iii) Has technology been fully absorbed : NA
  - If not fully absorbed, reason for & future action plan : NA
4. Expenditure on R & D.

*(Rs.in Lakh)*

S.No.	PARTICULARS	2021-2022	2020-2021
i)	Capital	<b>121.54</b>	-
ii)	Recurring	<b>51.32</b>	27.99
iii)	<b>TOTAL</b>	<b>172.86</b>	27.99
iv)	Total R&D expenditure as a percentage of total turnover	<b>0.22%</b>	0.06%

**(C) FOREIGN EXCHANGE EARNINGS & OUTGO**

1. Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plan.
 

e Company is continuously exploring new markets and increasing exports. During the year due to negative sentiments of COVID-19 and US-China Trade war, Company's exports were 1,436 MT i.e. 3.87 % of total quantity sold as against 6,549 MT i.e. 21% of total quantity sold in previous year.
2. Total Foreign Exchange Used & Earned **(Rs. in Lakhs)**

Foreign Exchange Utilised		2021-2022	2020-2021
i)	Travelling	-	25.48
ii)	Interest & other charges	<b>35.70</b>	112.17
iii)	Commission on export sales	-	-
iv)	CIF Value of Imports :		
	- Raw Material	<b>48,070.86</b>	28,247.38
	- Stores and spares	<b>19.27</b>	11.24
	- Capital Expenditure	<b>118.12</b>	621.74
Foreign Exchange Earned			
FOB Value of Exports (excluding Rs. 90.92 Lakh export in INR - (Previous year Rs. 8,352.47 Lakh)		<b>2,988.04</b>	208.44

**PARTICULARS OF REMUNERATION OF DIRECTORS /KMP/EMPLOYEES**

- a) Details pertaining to remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

(Rs. in Lakh)

Sr. No.	Name of Director/KMP & Designation	Remuneration of Director /KMP for Financial Year 2021-22	Percentage increase in Remuneration of Director/ KMP for Financial Year 2021-22	Ratio of Remuneration of each Director / KMP to the Median Remuneration of Employees
1	Mr. Vineet Jain Managing Director	<b>324.86</b>	5.73	100.66
2	Mr. Satya Prakash Gupta Director (Operations)	<b>25.39</b>	4.49	7.87
3	Mr. S.C. Malik <sup>1</sup> (Non-executive & Independent Director)	<b>0.31</b>	-	Not Applicable, as only sitting fees was paid during the financial year 2021-2022.
4	Mr. D K Kapila <sup>1</sup> (Non-executive & Independent Director)	<b>0.17</b>	-	Not Applicable, as only sitting fees was paid during the financial year 2021-2022
5	Mrs. Kamlesh Gupta <sup>1</sup> (Non-executive & Independent Director)	<b>0.15</b>	-	Not Applicable, as only sitting fees was paid during the financial year 2021-2022.
6	Mr. S. Sathyamoorthy <sup>1</sup> (Non-executive & Independent Director)	<b>0.17</b>	-	Not Applicable, as only sitting fees was paid during the financial year 2021-2022
7	Mr. Satish Kumar Bansal Chief Financial Officer	<b>18.27</b>	3.88	5.66
8	Mr. Bharat Kapoor Company Secretary	<b>7.96</b>	19.70	2.47

**Note:** 1. Non-executive Directors do not draw any remuneration/commission other than sitting fees.

- b) The percentage increase in the Median Remuneration of Employees in the Financial Year 2021-22: of about 10.49%, reflecting an improvement in the overall employee pyramid.
- c) The number of permanent employees on the rolls of the Company is 442 as on March 31, 2022.
- d) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last Financial Year was about 4.25%. The increase in remuneration is determined based on the performance by the employee of the Company.
- e) It is hereby affirmed that the remuneration is as per the remuneration policy of the company.

**Pursuant to Regulation 34 read with Schedule V(C) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015}**

**1. Company's Philosophy**

Corporate Governance refers to set of policies, principles, laws, regulations and procedures etc. The Company's philosophy on Corporate Governance is aimed at conducting business ethically, efficiently and in a transparent manner, fulfilling its corporate responsibilities to various stakeholders retaining and enhancing investor trust. One of the principal pillars of this philosophy is to have a diverse Board with experts from various fields/industries optimizing the value addition. Over the years the Company has been disclosing information concerning the performance and future prospects of the company in its Board's Report. The Company is committed to comply with all statutory requirements in respect of Corporate Governance. The aim is to best align the interests of individual, company and society at large.

**2. Board of Directors**

The Board of Directors ('the Board') is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness and ensures that shareholders' long-term interests are being served.

**(a) Composition and Category of Directors**

The Board comprises of appropriate mix of Executive and Non-Executive Directors as required under the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") to maintain the independence of the Board. The Directors on the Board are professionals, having expertise in their respective functional areas and bring an extensive range of skills and experience to the Board.

Board consists of six directors. Out of the 6 directors, two directors are Executive Directors including one promoter director (Managing Director) and four directors are Non-Executive Independent Directors including one woman independent director. Mr. Vineet Jain was the Chairman of all Board Meetings held during the financial year 2021-22.

The composition and category of directors and also number of other directorships and committees' memberships/chairmanship held by them in other companies as on March 31, 2022 are given below:

Sl. No	Name of Director	Category of Directorship	No. of other Directorships	No. of Membership of other Committee(s)	Chairmanship of other Committee(s)	Directorship held in other Listed Companies alongwith nature of Directorship
1.	Mr. Vineet Jain	Managing Director & Executive Director (Promoter)	1	-	-	-
2.	Mr. D. K. Kapila	Non-executive Independent Director	1	1	1	Budge Budge Company Limited – (Independent Director)
3.	Mr. S.C. Malik	Non-executive Independent Director	-	-	-	-
4.	Mr. S. Sathyamoorthy	Non-executive Independent Director	-	-	-	-
5.	Mrs. Kamlesh Gupta	Non-executive Independent Director	1	2	1	Sai Capital Limited – (Independent Director)
6	Mr. Satya Prakash Gupta	Director (Operations)- Executive Director	-	-	-	-

**Note:**

- There are no inter-se relationships amongst board members.
- In accordance with Regulation 26 (1) of SEBI Listing Regulations, memberships/chairpersonship of only Audit Committees and Stakeholders Relationship Committees of all Indian Public Limited Companies (excluding Pasupati Acrylon Limited) have been considered.
- Directorships held by directors in other companies do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.

The number of directorships and the position held in Board Committees by the Directors as on March 31, 2022 are in conformity

## CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2021-2022

with the limits on the number of Directorships and Board Committee positions as laid down in the Companies Act, 2013 and SEBI Listing Regulations. None of our Directors serves as Director in more than seven listed companies and none of the Executive Directors serve as an Independent Director in any listed company. Further, none of our Independent Director serves as Non-Independent Director of any company on the Board of which any of the Company's Non-Independent Director is an Independent Director. Further, none of the directors of the Company is a member of more than ten committees of Board and chairperson of more than five committee across all listed entities in which he is a director.

None of the Non-Executive Directors holds any share of the company. The Company has not issued any convertible instruments.

The Board periodically reviews the compliance reports of all laws applicable to the Company.

### (b) Board Meetings

The Board of Directors meets regularly to review strategic, operational and financial matters. The notice of the Board meeting is given well in advance to all the Directors. All the statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company. The Agenda for the Board and Committee Meetings cover items set out as per the guidelines in SEBI Listing Regulations to the extent it is relevant and applicable.

During the Financial Year 2021-22, Five (5) Board Meetings were held on June 28, 2021, August 6, 2021, November 10, 2021, February 7, 2022 and March 3, 2022. The maximum gap between any two consecutive Meetings did not exceed the number of days as stipulated in law in force.

In view of the COVID-19 pandemic related travel restrictions, all Board and Committee Meetings took place virtually.

Details of attendance of the directors at the Board Meetings held during the year 2021-22 and last Annual General Meeting are as under:

Sl. No	Name of Director	Category of Directorship	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM 28.09.2021
1.	Mr. Vineet Jain	Managing Director & Executive Director (Promoter)	5	5	Yes
2.	Mr. D. K. Kapila	Independent Director	5	5	Yes
3.	Mr. S.C. Malik	Independent Director	5	5	Yes
4.	Mr. S. Sathyamoorthy	Independent Director	5	5	No
5.	Mr. Satya Prakash Gupta	Director (Operations)- Executive Director	5	5	Yes
6	Mrs.Kamlesh Gupta	Independent Woman Director	5	5	Yes

### (c) Independent Director

Independent Directors are non-executive directors as defined under Regulation 16 (1) (b) of SEBI Listing Regulations read with Section 149 (6) of the Act along with rules framed there under. Pursuant to Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, (as amended), all the Independent Directors of the Company are registered in the Independent Directors' data bank as maintained by "Indian Institute of Corporate Affairs".

Pursuant to Regulation 25(7) of SEBI Listing Regulations, the Company has in place a system to familiarize the Independent Directors about the Company, their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company through various presentations during the Board Meetings. The Board members are provided with necessary documents /brochures, reports and internal policies to enable them to be familiarized with the Company's procedures and practices. Senior management personnel of the Company make presentations to the Board Members on a periodically basis briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives etc. and seek their opinions and suggestions on the same. The policy and details of familiarization programme for Independent Directors is available on the Company's website. <http://pasupatiacrylon.com/investors>.

In terms of Regulation 25(8) of SEBI Listing Regulations, Independent Directors have submitted the declaration that they meet the criteria of independence as provided in Regulation 16 (1) (b) of SEBI Listing Regulations and they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of SEBI Listing Regulations and that they are independent of the management.

**(d) Separate meeting of Independent Directors:**

In accordance with Regulation 25 (3) of SEBI Listing Regulations read with the provisions of Schedule IV of the Act, a separate meeting of the Independent Directors was held during the year on November 10, 2021 without the presence of Non-Independent directors, interalia to:

- a) Review the performance of the Non-Independent Directors and the Board as a whole;
- b) Review of performance of Chairman of the Board Meeting taking into account the views of executive directors and non-executive directors.
- c) Assess the quality, quantity and timeliness of flow of information between the company’s management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Mr. D. K. Kapila was unanimously elected as Chairman of the meeting and all independent directors were present at the meeting through video conferencing. The Independent Directors also discussed matters pertaining to the Company’s affairs and functioning of the Board.

**(e) Matrix of skills/ expertise/ competence of Directors**

The following core skills/ expertise/competencies have been identified by the Board as required in the context of its business and the sector in which the Company operates:

Leadership, Industry Expertise & Knowledge, Strategic Planning, Business Development & Administration, Plant Operations, Strategy & Risk Management, Technical Expertise, Finance & Accounting, Legal & Governance, Public Relations, Human Resource Management & Industrial Laws, Understanding of government legislation/ legislative process, Corporate Restructuring, Risk Management and Corporate Social Responsibility.

**The Company’s Board comprises of qualified members, who possesses aforesaid knowledge, experience, skills, expertise and professional competencies for effective contribution to the Board and its Committees.**

Name of the Director	Skills/Expertise/Competencies
Mr. Vineet Jain –Managing Director	Leadership, Industry Expertise & Knowledge, Strategic Planning, Business Development & Administration
Mr. D.K. Kapila–Independent Director	Finance & Accounting, Legal & Governance, Public Relations
Mr. S.C. Malik –Independent Director	Finance & Accounting, Corporate Restructuring, Risk Management, Corporate Social Responsibility
Mr. S. Sathyamoorthy– Independent Director	Human Resource Management & Industrial Laws, Understanding of government legislation/ legislative process
Mr. Satya Prakash Gupta –Director (Operations)	Plant Operations, Strategy & Risk Management, Technical Expertise
Mrs. Kamlesh Gupta– Independent Director	Finance & Accounting, Taxation

**(f) Disclosure of Appointment/ Re-appointment of Directors at the Annual General Meeting.**

In accordance with the provisions of section 152 (6) of the Act and the Articles of Association of the Company, Mr. Satya Prakash Gupta, Director–Operations will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Further, based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors, at its meeting held on May 18, 2022, approved the re-appointment of Mr. Vineet Jain as Managing Director for a further period of five years w.e.f October 1, 2022, subject to the approval of the shareholders at the ensuing Annual General Meeting and Mr. Vineet Jain has submitted his consent for re-appointment as Managing Director of the Company.

Mr. Vineet Jain has done B.B.A from London University. He has been in the service of the Company since 1990 and he has been serving as Managing Director of the Company from 1997 onwards. He has over 3 decades of invaluable experience in the line of business of the Company. Considering the vast experience, knowledge of various aspects relating to the Company’s affairs and the contribution made by Mr. Vineet Jain towards the progress of the Company, the Board recommends his re-appointment and resolution seeking shareholders’ approval for his re-appointment forms part of the AGM Notice.

As per Regulation 36 of SEBI Listing Regulations, the brief details of the Mr. Vineet Jain are given in the notice of 39<sup>th</sup> Annual General Meeting.

**3. Audit Committee**

The Audit Committee acts as a link between the Internal and Statutory Auditors and the Board of Directors. The Audit Committee provides the Board with additional assurance as to the adequacy of the Company’s internal control systems and financial disclosures.

## CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2021-2022

### (a) Terms of reference

The broad terms of reference of the Audit Committee are as per Section 177 of the Act and to review with the management and/or Internal Auditor and/or Statutory Auditor, inter alia, in the following are as:

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation to the Board for the appointment/ re-appointment, remuneration and terms of appointment of the Statutory Auditors and Cost Auditor;
3. approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. reviewing, with the management, the annual financial statements and auditor's report there on before submission to the Board for approval, with particular reference to:
  - matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134 (3)(c) of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial results before submission to the Board for approval;
6. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
7. approval or any subsequent modification of transactions of the Company with related parties;
8. scrutiny of inter-corporate loans and investments, if any;
9. valuation of undertakings or assets of the company, wherever it is necessary;
10. evaluation of internal financial controls and risk management systems;
11. reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, standing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. discussion with internal auditors on any significant findings and follow up there on;
14. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
15. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. reviewing the functioning of the Whistle Blower Mechanism;
17. approval of appointment of Chief Financial Officer/Finance Director or any other person heading the finance function after assessing the qualifications, experience & background, etc. of the candidate;
18. review of compliances with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code on Insider Trading;
19. carrying out any other function as is mentioned in the terms of reference of the audit committee.

#### The Audit Committee mandatorily reviews:

1. management discussion and analysis of financial condition and results of operations;
2. management letters/letters of internal control weaknesses issued by the statutory auditors;
3. Internal Audit Reports relating to internal control weaknesses; and
4. the appointment, removal and terms of remuneration of the internal auditor, statutory auditor and cost auditor.

### (b) Composition, Meeting and Attendance

Audit Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act. The members of the Audit Committee are financially literate and have expertise in accounting and financial management.

During the year under review, 4 meetings of Audit Committee were held on June 28, 2021, August 6, 2021, November 10, 2021 and February 7, 2022.

e Composition of the committee and attendance details of the members at these meetings for the year 2021-22 are given below:-

Sl. No.	Name of Member	Position in Committee	No. of Meetings Held	No. of Meetings Attended
1	Mr. D.K. Kapila (Independent Director)	Chairman	4	4
2	Mr. S.C .Malik (Independent Director)	Member	4	4
3	Mr. S. Sathyamoorthy (Independent Director)	Member	4	4
4	Mrs. Kamlesh Gupta (Independent Director)	Member	4	4
5	Mr. Satya Prakash Gupta (Whole-time Director)	Member	4	4

e Statutory Auditor, Internal Auditors and Chief Financial Officer also attend the meetings as invitees, whenever required to address concerns raised by the Committee members. e Company Secretary is in attendance at these meetings.

**4. Nomination & Remuneration Committee**

Nomination & Remuneration Committee of the Board is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.

**(a) Terms of Reference-**

e terms of reference/ powers of the Nomination & Remuneration Committee include the following:

- (i) formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel or other employees;
- (ii) in the case of appointment of an independent director, evaluation of balance of skills, knowledge and experience on the Board and preparation of a description of the role and capabilities required for an independent director;
- (iii) formulation of criteria for evaluation of performance of independent directors and Board;
- (iv) devising a policy on diversity of Board of Directors;
- (v) Identification of persons qualified to become directors and recommend to the Board, appointment/ re-appointment and removal of Director and Senior Management Personnel on the basis of performance and HR Policies or as per criteria laid down in Nomination & Remuneration Policy;
- (vi) recommend to the Board, all remuneration, in whatever form, payable to senior management.
- (vii) specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board or by the Nomination and Remuneration Committee and review its implementation and compliance;
- (viii) Such other matters as per the requirement of Regulation 19 of SEBI Listing Regulations and the Companies Act, 2013.

e Board has adopted the Nomination & Remuneration Policy (“NRC Policy”) for the functioning of the Committee.

e NRC Policy of the Company applies to all future employment agreements with members of the Company’s Senior Management including Key Managerial Personnel and Board of Directors. e policy is available on the website of the Company <http://pasupatiacrylon.com/ investors>.

**(b) Composition, Meeting and Attendance**

All the members of the Nomination and Remuneration Committee are Non-Executive Independent Directors. During the year under review, one meeting of the Nomination & Remuneration Committee was held on June 28, 2021. All the members of the Committee attended the meeting.

e details of the Composition and attendance of each member at this meeting for the year 2021-22 are given below:-

Sl. No.	Name of Member	Position in Committee	No. of Meetings Held	No. of Meetings Attended
1.	Mr. S.C .Malik (Independent Director)	Chairman	1	1
2	Mr. D.K. Kapila (Independent Director)	Member	1	1
3	Mr. S. Sathyamoorthy (Independent Director)	Member	1	1

**(c) Performance Evaluation**

In terms of the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Nomination & Remuneration Committee has carried out the annual performance evaluation of the Board, the Directors individually as well as the evaluation



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of the working of Board Committees. The performance evaluation of the Board and its committees was conducted on the basis of various criteria such as composition, functions, responsibilities, effectiveness, structure, competencies, strategy, independence and contribution, risk identification and its control, diversity, and nature of business. As required under SEBI Listing Regulations, the Company has formulated a policy on Appointment and Evaluation of Board of Directors, Key Managerial Personnel & Senior Management Personnel as defined under the Companies Act, 2013. This policy is available on the website of the Company <http://pasupatiacrylon.com/investors>.

### Criteria for performance evaluation of Independent Directors

The performance of Independent Directors is evaluated by the entire Board of Directors based on the following criteria and in the aforesaid evaluation, the directors who are subject to evaluation do not participate:

- i. Attendance and Participation in Board/ Committee/ General Meetings;
- ii. Understanding duties, responsibilities and liabilities as a director;
- iii. Ability to remain focused at a governance level in Board/Committee Meetings;
- iv. Adequate qualifications and relevant experience in the industry and business environment;
- v. Bringing relevant experience to the Board and uses it effectively;
- vi. Understanding the vision and mission of the Company, strategic plans and key issues;
- vii. Understanding and fulfilling the function as assigned by the Board/ law;
- viii. Actively take initiative with respect to various areas;
- ix. Demonstrating highest level of integrity including conflict of interest disclosure, maintenance of confidentiality etc.;
- x. Rendering independent judgment and unbiased opinion in relation to decision making;
- xi. Timely inputs on the minutes of the board and Committee's if any;
- xii. Director has effectively assisted the company in implementing best corporate governance practice and its monitoring;
- xiii. Adhere to the legal obligations, applicable code of conduct and policies;
- xiv. Director is effective and successful in managing relationships with board members and senior management;
- xv. Competency, as per the criteria identified by the Nomination and Remuneration Committee for the effective functioning of the Board/ Committee;
- xvi. Understanding of governance, regulatory, financial, fiduciary and ethical requirements of the Board/Committees;
- xvii. Actively and successfully refreshes his/her knowledge and skills and up to date with the latest developments in areas such as corporate governance framework, financial reporting, industry and market conditions;
- xviii. Maintains a high standard of ethics and integrity;
- xix. Independence from the Company and other directors;
- xx. Adequately commitment to the Board and the Company.

### 5. Stakeholders' Relationship Committee

Pursuant to the provisions of Section 178 of the Act read with Regulation 20 of SEBI Listing Regulations, the Board has constituted Stakeholders' Relationship Committee to ensure timely and best services to the shareholders and to supervise the performance of the Registrar and Share Transfer Agent (RTA).

The terms of reference of the Stakeholders' Relationship Committee are in conformity with the provisions of Schedule II Part D of SEBI Listing Regulations and Section 178 of the Act. The role of the Committee inter-alia includes the following:

- resolving the grievances of the shareholders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the services standards adopted by the Company in respect of various services being rendered by the Registrar & Transfer Agent;
- review of the various measures and initiatives taken by the Company for ensuring timely receipt of annual reports/ statutory notices by the shareholders of the Company.

During the year, six Stakeholders Relationship Committee meetings were held on June 14, 2021, August 24, 2021, September 15, 2021, December 9, 2021, December 29, 2021 and March 14, 2022. The Company Secretary acts as a Secretary to the meetings.

The details of the Composition and attendance of each member at these meetings for the year 2021-22 are given below:-

Sl. No.	Name of Member	Position in Committee	No. of Meetings Held	No. of Meetings Attended
1.	Mr. S.C .Malik (Independent Director)	Chairman	6	6
2	Mr. Vineet Jain (Executive Managing Director)	Member	6	6
3	Mr. S.P Gupta (Whole-time Director)	Member	6	6

Mr. Bharat Kapoor, Company Secretary is the Compliance Officer of the Company. Mr. Amarjeet Singh, Senior Manager, MCS Share Transfer Agent Ltd. is authorized person on behalf of M/s. MCS Share Transfer Agent Ltd., Registrar & Share Transfer Agent. An email ID exclusive for registering shareholders' complaints/grievance has been formed as [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com).

During the year under review, the Company has received seventy nine queries/ complaints from the shareholders including one complaint received through SEBI SCORE platform. All the complaints were resolved and there was no compliant pending as on March 31, 2022.

#### 6. Risk Management Committee.

The Risk Management Committee has been constituted to identify the existing and prospective risks attached to the business of the Company; to monitor and review the Risk Management Plan of the Company; to suggest measures for mitigation of the Risks attached to the business of the Company; and to take any other action as may be directed by the Board of Directors in respect of the Risk Management. The committee shall also review and reassess the adequacy of this plan periodically and recommend proposed changes.

The Company has in place a Risk Management Policy including Risk Management and Risk Mitigation Procedures relating to various aspects of the operations of the company. The Policy is available on the website of the Company at <http://pasupatiacrylon.com/investors>.

During the year no Risk Management Committee meeting was held. The details of the Composition of the Risk Management Committee as on March 31, 2022 are given below:-

Sl. No.	Name of Member	Position in Committee
1.	Mr. D. K. Kapila (Independent Director)	Chairman
2	Mr. S.C. Malik (Independent Director)	Member
3	Mr. S. Sathyamoorthy (Independent Director)	Member
4	Mrs. Kamlesh Gupta (Independent Director)	Member
5.	Mr. Satya Prakash Gupta (Whole-time Director)	Member

#### 7. Corporate Social Responsibility Committee(CSR)

The Board of Directors of the Company has a Corporate Social Responsibility Committee and the terms of reference are in conformity with the provisions of Section 135 read with Schedule VII of the Act and the Rules framed there under.

The terms of reference of the CSR Committee are:

- i. to formulate and recommend to the Board the CSR policy and a CSR annual action plan, provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect;
- ii. to identify the areas/activities/projects/programmes for CSR expenditure;
- iii. to review and recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company;
- iv. to monitor the implementation of CSR Policy and over see the CSR initiatives of the Company.

The CSR Policy is available on the Company's website <http://pasupatiacrylon.com/investors>. The CSR Policy lays down areas of activities, thrust area, types of projects, programs, modes of undertaking projects/ programs etc.

During the year, four Corporate Social Responsibility Committee meetings were held on June 28, 2021, December 10, 2021, February 22, 2022 and February 23, 2022.

the details of the Composition and attendance of each member at these meetings for the year 2021-22 are given below:-

Sl. No.	Name of Member	Position in Committee	No. of Meetings Held	No. of Meetings Attended
1.	Mr. S.C .Malik (Independent Director)	Chairman	4	4
2	Mr. Vineet Jain (Executive Managing Director)	Member	4	4
3	Mr. S.P Gupta (Whole-time Director)	Member	4	4

**8. Details of remuneration/sitting fees paid to Directors during the financial year 2021-22:**

the terms of remuneration of Executive Directors are approved by the shareholders at their general meetings. Details of remuneration paid to the Directors of the Company for the financial year ended March 31, 2022 are given below:

**(i) Executive Directors**

Name of Director	Salary(Rs.)	Allowances/ Perquisites (Rs.)	Retirement benefits (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Vineet Jain (Executive Managing Director) <sup>1</sup>	51,00,000	36,11,135	12,75,000	2,25,00,000	3,24,86,135
Mr. S.P Gupta (Director-Operations) <sup>2</sup>	19,98,871	3,00,337	2,39,865	-	25,39,073

**Service Contracts:**

- Shareholders of the Company, at their annual general meeting held on September 27, 2017, approved the re-appointment of Mr. Vineet Jain as Managing Director for a period of five years w.e.f October 1, 2017.
- Shareholders of the Company, at their annual general meeting held on September 28, 2021 approved the re-appointment of Mr. Satya Prakash Gupta as Director (Operations) of the Company for a further period of 3 years w.e.f. May 29, 2021.
  - Notice period is ninety days' notice from either party or ninety days' salary in lieu of notice.

**(ii) Non-Executive Independent Directors**

**Criteria of making payment to Non-Executive Directors**

Non-executive Directors are paid sitting fees for attending meetings of the Board and its committees, as recommended by Nomination & Remuneration Committee and fixed by the Board of the Company. Non-executive Directors do not draw any remuneration/ commission other than sitting fees. Details of sitting fee paid to the Non-Executive Directors of the Company for the financial year ended March 31, 2022 are given below-

Name	Sitting fee paid (Rs.)
Mr. D.K.Kapila	16,500
Mr. S.C. Malik	31,500
Mr. S. Sathyamoorthy	16,500
Mrs. Kamlesh Gupta	15,000
<b>Total</b>	<b>79,500</b>

**Notes:**

- the remuneration of executive/non-executive directors is approved by the Board of Directors and shareholders, in line with the NRC Policy of the Company and relevant provisions of the Act.
- there is no separate provision for payment of severance fees.
- there were no variable components and performance linked incentives.
- there were no pecuniary relationships or transactions between Non-Executive Independent Directors and the Company during the financial year 2021-22 except payment of sitting fee for attending the Board/ Committee Meeting(s).
- the Company does not have any Employee Stock Option Scheme.

## CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2021-2022

### 9. General Body Meetings

(a) Details of date, location and time of the last three AGMs and Special Resolution passed thereat:

Financial year	Date	Time	Venue	Special Resolutions Passed
2020-21	28.09.2021	10.00 AM	Held through video conferencing/ other audio visual means and deemed venue was registered office of the Company at Vill. akurdwara, Kashipur Road, Moradabad (UP).	Re-appointment of Mr. Satya Prakash Gupta as Whole Time Director for a further period of three years and approval of his remuneration.
2019-20	29.09.2020	10.00AM	Held through video conferencing/ other audio visual means and deemed venue was registered office of the Company at Vill. akurdwara, Kashipur Road, Moradabad (UP).	1. Re-appointment of Mr. S. C. Malik as an Independent Director for a second term of five years. 2. Re-appointment of Mr. D.K. Kapila as an Independent Director for a second term of five years.
2018-19	27.09.2019	10.00AM	Pasupati Acrylon Ltd., Vill. akurdwara, Kashipur Road, Moradabad (UP)	Re-appointment of Mr. S. Sathyamoorthy as an Independent Director for 2nd term on attaining age of 75 years.

(b) **Extra-Ordinary General Meeting:** No Extra ordinary General Meeting (EGM) was held during the last three financial years i.e. 2021-22, 2020-21 and 2019-20.

(c) **Postal Ballot :** During the year, the Company conducted Postal Ballot for obtaining the approval of the shareholders of the Company for the Resolutions as set out in the Postal Ballot Notice dated March 3, 2022. Details of resolutions passed through Postal Ballot during the year 2021-22 and the voting pattern for the said resolutions are disclosed as under

**Resolution No. 1:** To Increase in Borrowing limits upto Rs. 350 Crores or aggregate of the paid-up share capital, free reserves and securities premium whichever is higher.

Type of Resolution	No. of valid votes polled	Votes cast in favour		Votes cast against		Invalid votes cast
		No. of votes	% of votes	No. of votes	% of votes	
Special	3,68,88,774	3,68,83,011	99.98	5,763	0.02	Nil

**Resolution No. 2:** To Create Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings of the Company.

Type of Resolution	No. of valid votes polled	Votes cast in favour		Votes cast against		Invalid votes cast
		No. of votes	% of votes	No. of votes	% of votes	
Special	3,68,88,774	3,68,82,811	99.98	5,963	0.02	Nil

Mr. Susanta Kumar Hota, proprietor of M/s. S.K. Hota & Associates, Practicing Company Secretaries (Membership No.16165, Certificate No. 6425) was appointed as Scrutinizer to conduct the Postal Ballot Process through remote e-voting in a fair and transparent manner. The aforesaid resolutions are deemed to have been passed on April, 3 2022 being the last date specified for receipt of e-voting.

#### Procedure for Postal Ballot

In compliance with Section 108, 110 and other applicable provision of the Act, read with related Rules and SEBI Listing Regulations and circulars issued by SEBI and MCA in this regard, below is detailed procedure of postal ballot followed by the Company:

- The postal ballot notice was approved by the Board at its meeting held on March 3, 2022. Voting rights were reckoned by fixing the cut-off date of Friday, February 25, 2022 for ascertaining the shareholders to whom the postal ballot notice was sent. The shareholders holding shares as on the cut-off date were provided the option of exercising their right to vote on the said resolutions during the period commencing from Saturday, March 5, 2022 to Sunday, April 3, 2022.
- Due to difficulty in dispatch of the Notice along with the explanatory statement and postal ballot form by post or courier and as permitted under Circulars issued by SEBI and MCA on account of the threat posed by COVID - 19, the Company had sent the Notice in electronic form only.
- The Company had engaged the services of Central Depository Services (India) Limited for providing e-voting facility to the shareholders.

## CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2021-2022

- iv. In compliance with Regulation 44 of the SEBI Listing Regulations and pursuant to the provisions of Sections 108 and 110 of the Act read with the rules framed there under and the MCA Circulars, the Company has extended only the remote e-voting facility for its shareholders, to enable them to cast their votes electronically instead of submitting the postal ballot form.
- v. An advertisement containing prescribed details was published in the Pioneer (English & Hindi) editions informing about having dispatched the notice electronically.
- vi. Based on the Scrutiniser's report, the results of the postal ballot were declared on April 4, 2022 to the stock exchanges and on the website of the Company.

**Proposal for Postal Ballot** – As on the date of this report, there is no immediate proposal for passing any resolution through postal ballot

### 10. Means of Communication

- (a) Quarterly/half yearly/ annual financial results are submitted to BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) immediately after approval of the Board of Directors.
- (b) Financial results are normally published in daily newspapers viz Pioneer English and Hindi Edition. Notice relating to Annual General Meeting for the financial year 2020-21 was published in newspaper viz. Financial Express (English) and Jansatta (Hindi) edition. The Annual Report is posted/mailed to every shareholder of the Company.
- (c) The Company's website contains the updated information pertaining to quarterly, half-yearly and annual financial results, annual reports, shareholding pattern, intimation of board meeting dates, press releases etc. The said information is available in a user friendly and downloadable form in “Investor Section” of the Company's website [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).
- (d) Company displays official news releases on its website as required.
- (e) During the year under review, no presentation has been made to institutional investor/ analysts.
- (f) Management's Discussions and Analysis Report forms part of Board's Report of the Annual Accounts more specially under Operations, Current Year Outlook, Internal Control System and adequacy, Human Resources and Industrial Relations.
- (g) All periodical compliances, filings, corporate announcements, disclosures, financial results and all other corporate communications are filed electronically with BSE and NSE.

### 11. General Shareholder Information

- (a) Annual General Meeting will be held on Thursday, September 29, 2022 at 10:30 AM at Registered Office of the Company at Kashipur Road, Kurukdwara, Dist. Moradabad (Uttar Pradesh) – 244601.
- (b) **Dates of Book Closure:** The Share Transfer Books and Register of Members of the Company shall remain closed from Friday, September 23, 2022 to Thursday, September 29, 2022 (both days inclusive).
- (c) Financial Calendar for the period 2022-23 Tentative schedule for considering financial results:

First Quarter Results (30.06.2022)	By August 14, 2022
Second Quarter Results (30.09.2022)	By November 14, 2022
Third Quarter Results (31.12.2022)	By February 14, 2023
Fourth Quarter Results (31.03.2023)	By May 30, 2023

- (d) No dividend has been declared by the Company for Financial Year 2021-22.

#### (e) Listing of Equity Shares on Stock Exchange:

During the year under review, NSE, vide its letter dated October 8, 2021, approved the listing of the equity shares of the Company on NSE and trading of the Company's equity shares on NSE has been commenced w.e.f October 12, 2021.

The Company's shares are presently listed on the BSE and NSE

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.	Scrip Code -500456
<b>National Stock Exchange of India Limited</b> Exchange Plaza, C – 1, Block G Bandra Kurla Complex, Bandra (E), Mumbai - 400051	Scrip Code - PASUPTAC
<b>ISIN Number for NSDL &amp; CDSL</b>	INE818B01023

The listing fees for the year 2021-22 and 2022-23 have been paid to BSE and NSE within the stipulated time. Further, the Company has also paid Annual Custody Fees for the financial year 2021-22 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

## CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2021-2022

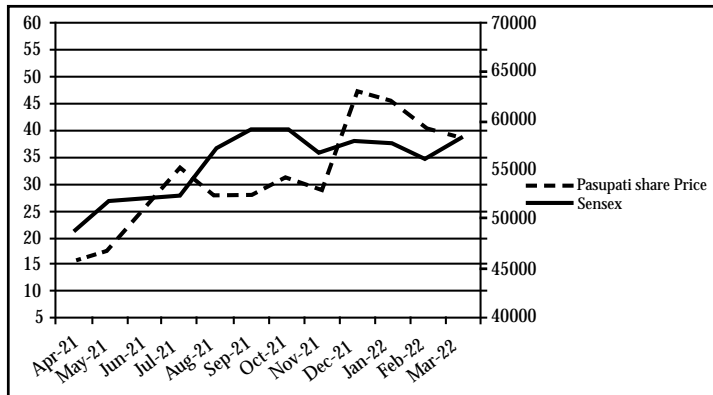
(f) **Market Price Data:** High/Low during each month in last financial year 2021-22 at BSE & NSE are as under:

Month	BSE		NSE*	
	High(Rs.)	Low (Rs.)	High(Rs.)	Low (Rs.)
April, 2021	16.85	12.61	Not Listed	Not Listed
May, 2021	22.45	15.10	Not Listed	Not Listed
June, 2021	28.20	17.40	Not Listed	Not Listed
July, 2021	33.65	25.30	Not Listed	Not Listed
August, 2021	38.85	25.50	Not Listed	Not Listed
September, 2021	31.95	27.40	Not Listed	Not Listed
October 2021	40.30	27.90	40.25	29.85
November, 2021	36.90	28.35	36.80	28.05
December, 2021	51.80	29.00	51.90	29.00
January, 2022	57.85	40.60	57.60	40.55
February, 2022	50.40	33.30	50.55	33.30
March, 2022	43.00	36.95	43.95	37.00

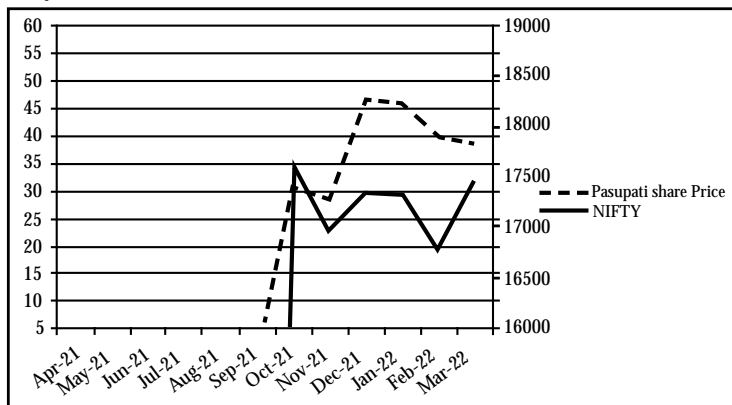
\* e shares of the Company are listed on NSE w.e.f. October 12, 2021.

(g) **Performance of the Company's shareprice in comparison to BSE Sensex as well as Ni y:**

Sensex



Ni y



## CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2021-2022

- (h) e Securities of the Company have never been suspended from trading.
- (i) **Registrar & Share Transfer Agent:** M/s. MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area Phase-I, New Delhi-110020.

Tel: No. 011-41406149; Email ID : [helpdeskreply@mcsregistrars.com](mailto:helpdeskreply@mcsregistrars.com)

- (j) **Share Transfer System:**

e Company's shares are compulsory traded in the Stock Exchanges in electronic mode. erefore, Investors/Shareholders holding shares in physical form are advised to avail the facility of dematerialization. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, transfer of physical shares of listed companies are barred and securities can be transferred only in dematerialized form e ective from April 1, 2019 except in case of transmission or transposition of securities. Further, SEBI vide its circular number SEBI/HO/MIRSD/\_RTAMB/P/CIR/2022/8 dated January 25, 2022 directed listed companies to issue securities in dematerialized form while processing the requests of transmission, transposition, issue of duplicate securities, renewal/exchange of securities, sub-divisions/splitting, consolidation of securities. However, shareholders are not barred from holding shares in physical form.

- (k) Distribution of Shareholding as on March 31, 2022

No. of Shares	No. of Shareholders	% of total shareholders	No. of Shares	% of total shares
1-500	56,357	88.26	76,91,932	8.63
501-1000	4,058	6.35	32,04,561	3.60
1001-2000	1,758	2.75	27,05,432	3.03
2001-3000	533	0.83	13,68,362	1.54
3001-4000	256	0.40	9,16,718	1.03
4001-5000	248	0.39	11,77,798	1.32
5001-10000	369	0.58	27,40,885	3.07
10001-50000	228	0.36	47,77,922	5.36
50001-100000	17	0.03	11,78,174	1.32
100001 and above	32	0.05	6,33,71,337	71.10
<b>Total</b>	<b>63,856</b>	<b>100.00</b>	<b>8,91,33,121</b>	<b>100.00</b>

Share holding Pattern as on March 31, 2022

Category	Shares	Percentage
Promoter	5,87,15,445	65.87
Mutual Funds	1,79,505	0.20
Foreign Portfolio Investors	42,252	0.05
Financial Institutions/Banks	5,085	0.01
Resident Individual	2,65,78,616	29.82
Bodies Corporate	17,24,141	1.93
Non Resident Indians	8,20,118	0.92
Trust	1,000	0.00
Overseas Corporate Bodies	6,51,879	0.73
Foreign Companies	4,15,080	0.47
<b>Total</b>	<b>8,91,33,121</b>	<b>100.00</b>

- (l) **Dematerialization of Shares**

As on March 31, 2022, 92.61% of the Company's total paid up equity shares representing 8,25,48,249 equity shares were held in dematerialized form and the balance 7.39% representing 65,84,872 equity shares were in physical form.

- (m) e Company has never issued any depository receipts or convertible instruments and therefore, there is no outstanding GDR/ ADR/ Warrants or any other convertible instrument as on March 31,2022.

## CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2021-2022

**(n) Registered Office and Plant Location:**

akurdwara, Kashipur Road, Distt. Moradabad (UP) (It is 40KM before on the way to Jim Corbett Park).

**(o) Address of correspondence:**

Shareholders' correspondence may be addressed at below address:

<b>Pasupati Acrylon Ltd.</b> <b>Registered Office</b> akurdwara, Kashipur Road Distt. Moradabad (UP) <b>Phone:</b> 0591-2241263,2241352-55 <b>Fax:</b> 0591-2241262 <b>E-mail:</b> <a href="mailto:works@pasupatiacrylon.com">works@pasupatiacrylon.com</a>	<b>Pasupati Acrylon Ltd</b> <b>Corporate Office:</b> M-14, Connaught Circus (Middle Circle) New Delhi-110001 <b>Phone:</b> 011-47627400 <b>Fax:</b> 011-47627497 <b>E-mail:</b> <a href="mailto:palsecretarial@gmail.com">palsecretarial@gmail.com</a>	<b>MCS Share Transfer Agent Limited</b> <b>Registrar &amp; Transfer Agent</b> F-65, Okhla Industrial Area Phase-I, New Delhi-110020 <b>Phone:</b> 011-41406149 -52 <b>Fax:</b> 011-41709881 <b>Email:</b> <a href="mailto:helpdeskreply@mcsregistrars.com">helpdeskreply@mcsregistrars.com</a>
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**(p) Rating-** There is no debt instrument or any fixed deposit programme or any scheme/proposal of the Company involving mobilization of funds and therefore, no credit rating was required to be obtained for any such purpose.

### 12. Other Disclosures

**(a) Disclosure on materially significant related party transactions**

All transactions entered into with the Related Parties during the financial year 2021-22 were in the ordinary course of business and/or on arm's length basis. Details of related party transactions during the financial year 2021-22 are disclosed in the notes to the accounts. During the year, there were no materially significant transactions with the related parties that may have potential conflict with the interest of the Company at large. The Company has formulated a policy for Related Party Transaction and the said policy is available on the website of the Company under the weblink <http://pasupatiacrylon.com/investors>

**(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority on the matters related to capital markets, during the last three years.**

The Company has complied with all applicable provisions of SEBI Listing Regulations and other SEBI Regulations wherever applicable. 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.

**(c) Vigil Mechanism/ Whistle Blower Policy**

The Company has established a Vigil Mechanism by adopting a Whistle Blower Policy for all stakeholders including directors, employees etc. to report concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct as well as providing adequate safeguards against the victimization of employees who avail of the mechanism. The Policy is available on the Company's website [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com). No personnel of the Company have been denied access to the Audit Committee. The Company has not received any complaint during the financial year 2021-22.

**(d) Details of compliance with mandatory and non-mandatory requirements**

The Company is in compliance with all mandatory requirements of Corporate Governance specified in SEBI Listing Regulations. The Company is not mandatorily required to constitute Risk Management Committee in terms of Regulation 21(5) of SEBI Listing Regulations, but the Board has discretionary constituted Risk Management Committee to identify the existing and prospective risks attached to the business of the Company. The Company has laid down procedure to inform Board Members about the risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure that management controls risk through the means of properly defined framework of the Company.

**(e) Web link where policy for determining material subsidiaries is disclosed.**

The Company does not have a "material subsidiary" in accordance with Regulation 16 of SEBI Listing Regulations. However as required under the aforesaid Regulation, the Company has formulated a policy for determining "Material Subsidiary" policy which is placed on the website of the Company. <http://pasupatiacrylon.com/investors>

**(f) Disclosure of commodity price risks or foreign exchange risks and hedging activities:**

**(i) Commodity Risk**

The Company is subject to commodity risks due to fluctuation in prices of crude oil as there are several raw materials which are directly driven by crude oil. These are monitored on regular basis using pricing trends and forecast from internationally reputed news agencies. Appropriate coverage is taken on rising trends and inventory is cut in declining trends. Accordingly, appropriate actions are taken to minimize commodity risks.

**(ii) Foreign Exchange Risk**

Company's payables and receivables are partly in foreign currencies and due to fluctuations in foreign exchange rates, it is subject to



## CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2021-2022

Currency risks. To control and mitigate exchange risk, the company has an agreement with Green Back Advisory Services Pvt. Ltd. and accordingly, currency forecast is received from them and also from various banks and consultants on regular basis. Additionally regular meetings are also done with banks and important announcements such as unemployment data, G7 meetings, non-farm payroll, RBI announcements etc. are watched carefully. Company is exporting its product to the tune of approximately 4% which provides natural hedge, in addition the company hedges the currency as suggested by consultants.

### (g) Details of utilization of funds raised through preferential allotment or qualified institutional placement

This clause is not applicable, as the Company has not raised fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI Listing Regulations.

### (h) Certificate on Non-disqualification of Directors from Practicing Company Secretaries-

As required by Clause 10 (i) of Part C under Schedule V of SEBI Listing Regulations, the Company has obtained a certificate from M/s V K Sharma & Co., Practicing Company Secretaries certifying that for the financial year ended on March 31, 2022, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by SEBI or Ministry of Corporate Affairs (MCA) or any such statutory authority. A certificate issued by M/s. V K Sharma & Co. to that effect is attached and forming part of this report as **Annexure - A**.

### (i) Recommendations of the committees

During the financial year 2021-22, the Board has accepted and taken on record, all recommendations made by any Committee of the Board.

### (j) Total fees paid by the Company to M/s. Suresh Kumar Mittal & Co., Statutory Auditors for the year ended March 31, 2022

For Statutory Audit-	7.00 Lakhs
For quarterly review Reports	3.75 Lakhs
<b>Total</b>	<b><u>10.75 Lakhs</u></b>

### (k) Disclosure regarding Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to provide a work environment which ensures that every employee is treated with dignity, respect and a ordered equal treatment. The Company has in place a policy for prevention of Sexual Harassment of employee at workplace. The Company has set up an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into complaints relating to sexual harassment at workplace of any woman employee. During the year under review, no complaint pertaining to sexual harassment was received and no complaint was pending as on March 31, 2022.

### (l) Disclosure of Loans and advances to firms/ companies in which directors are interested

During the year under review, the Company has not advanced any amount in the nature of loans to any firm/ company in which directors of the Company are interested and there is no such loan as on March 31, 2022.

13. All the mandatory requirements of SEBI Listing Regulations have been complied with by the Company. There is no non-compliance of any requirement of corporate governance report of sub-para (2) to (10) of Section C of Schedule V of SEBI Listing Regulations.

14. The Company has adopted the following discretionary requirements as specified in Regulation 27(1) read with Part E of Schedule II of SEBI Listing Regulations as given below:

**Board:** The Company does not have a Regular Chairman. The Company has an Executive Managing Director. Chairperson (Executive/ Non-Executive) of the Board Meeting is unanimously elected at the time of Board Meeting.

**Shareholder's Rights:** Quarterly, half-yearly, annual financial results of the Company are published in English and Hindi newspapers and are also forwarded to BSE and NSE. The said results are also uploaded on the website of the Company [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com). However, the Company furnishes the financial results on receipt of request from the shareholders.

**Modified Opinion in Audit Report:** There was no qualification or modified opinion in the Independent Auditors' Report on Audited Financial Statements for the year ended March 31, 2022. The Company continues to adopt best practices to ensure a regime of unequalled financial statements.

**Reporting of Internal Auditors:** The Company is having Independent Internal Auditor. Internal Auditor send their reports to the Chief Financial Officer and in turn, the reports are placed at the meeting of Audit Committee for its review. The Internal Auditor of the Company is perpetual invitee to the Audit Committee Meeting. They attend each Audit Committee Meeting and present their internal audit observations to the Audit Committee. They directly interact with Audit Committee Chairman & Members during the meeting.

### 15. Disclosure with compliance with the requirements of Corporate Governance

All the requirements of Corporate Governance, as specified in Regulation 17 to 27 of SEBI Listing Regulations and applicable to the Company, have been complied with. The Company maintains a functional website [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com) and the Company disseminate the information as specified in sub-regulation (2) of Regulation 46 of SEBI Listing Regulations on its website.

**16. Code of Conduct**

The Company has in place a Code of conduct based on its business principles alongwith implementation framework for its Directors and Senior Management Personnel of the Company. The Code of Conduct, inter alia, specifies the guidance and support for ethical conduct of business and compliance of law as well as the duties of Independent Directors as laid down in the Companies Act, 2013. Directors and Senior Management of the Company affirm the compliance with the Code on annual basis. A declaration on confirmation of compliance of the Code of Conduct signed by the Managing Director is published in this Annual Report in compliance of Regulation 26 of SEBI Listing Regulation.

In compliance with the SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has in place a comprehensive Code of Conduct to Regulate, Monitor and Report Trading by Insiders, for its Directors and Senior Management Officers. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company. Annual Declarations containing the annual disclosures of holding of securities have been obtained from all the Directors and the Designated Persons of the Company for the financial year ended March 31, 2022. The Code is available on the Company's website [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).

**17. CEO/ CFO Certification**

Certificate issued by Managing Director and CFO to the Board of Directors in terms of Regulation 17(8) of SEBI Listing Regulation read with Part B of Schedule II of SEBI Listing Regulations is annexed as **Annexure-B** to this report.

**18. Auditors Certificate on Corporate Governance**

As per SEBI Listing Regulations, the Auditors Certificate confirming compliance with conditions of Corporate Governance is given as an **Annexure -C** to this Report.

**For and on behalf of the Board**

Place: New Delhi

Date: May 18, 2022

**Vineet Jain**

**Managing Director**

**DIN: 00107149**

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**DECLARATION ON CODE OF CONDUCT**

It 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, as adopted by the Board of Directors, for the period ended March 31, 2022, in terms of Schedule V (Part D) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**For and on behalf of the Board**

Place: New Delhi

Date: May 18, 2022

**Vineet Jain**

**Managing Director**

**DIN: 00107149**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34 (3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**Members of  
PASUPATI ACRYLON LIMITED  
akurdwara Kashipur Road,  
Distt. Moradabad UP-244601**

We, **V. K. Sharma & Co. Company Secretaries** have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PASUPATI ACRYLON LIMITED** having **CIN L50102 UP1982 PLC015532** and having registered office at akurdwara Kashipur Road, Distt. Moradabad UP-244601 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ended on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	MR. VINEET JAIN	00107149	01/10/1994
2.	MR. SUBHASH CHANDRA MALIK	00107170	14/02/2012
3.	MR. DEVESHWER KUMAR KAPILA	00179060	25/05/2015
4.	MR. SATHYAMOORTHY SRINIVASAN	00459731	28/09/2006
5.	MR. SATYA PRAKASH GUPTA	00509809	29/05/2018
6.	MRS. KAMLESH GUPTA	07243898	27/07/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: Greater Noida**

**Date: May 11, 2022**

**V.K. Sharma & Co  
Company Secretaries**

**(V. K. Sharma)  
FCS NO.:3440  
C.P. No. 2019  
PR: 887/2020  
UDIN:F003440D000302057**

**MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION  
{Pursuant to Regulation 17(8) AND 33(2)(a) of SEBI (LODR) Regulations, 2015}**

**To,  
The Board of Directors  
Pasupati Acrylon Limited**

**Sub: CEO/CFO Certificate**

We, to the best of our knowledge and belief, certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (2) these statements together present a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2022 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditor and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee;
- (1) significant changes in internal control over financial reporting during the year, if any;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
  - (3) instances of significant fraud of which we have become aware, if any, and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: **New Delhi**  
Date: **May 18, 2022**

**Vineet Jain**  
**Managing Director**

**Satish Kumar Bansal**  
**Chief Financial Officer**

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

To  
**the Members,**  
**PASUPATI ACRYLON LIMITED**

We have examined the compliance of conditions of Corporate Governance by Pasupati Acrylon Limited ("the Company"), for the financial year ended on 31st March, 2022, as stipulated in Regulations 17 to 27 and clause (b) to (i) of Regulations 46 (2) and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

**Managements' Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the 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.

**Auditor's Responsibility**

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountant of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)1, Quality Control for Firms that performs Audits & Reviews of Historical Financial information and other Assurance & related service engagements.

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.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance for the year ended 31<sup>st</sup> March, 2022 as stipulated in the above mentioned Listing Regulations, as applicable.

**For Suresh Kumar Mittal & Co.**  
**Chartered Accountants**  
Reg.No.:500063N

**Ankur Bagla**  
**Partner**  
Membership Number: 521915

Dated: May 18, 2022  
Place: New Delhi

**UDIN: 22521915AJEIOG3839**

## INDEPENDENT AUDITOR'S REPORT

### To the Members of PASUPATI ACRYLON LIMITED Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of PASUPATI ACRYLON LIMITED ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2022, and the statement of Profit and Loss, (including other comprehensive Income) statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit/loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Major portion of the company's business i.e. both export and import, is transacted in foreign currency and consequently the company is exposed to foreign exchange risk. Foreign currency exchange rate exposure due to its imports is partly balanced by export of goods. The balance foreign currency exchange rate exposure is hedged through derivative like foreign exchange forward contracts. (Refer Note No. 38 to the financial statements). We assessed the foreign exchange risk management policies adopted by the company. The company manages risk through formulating risk management objectives and policies which are reviewed by the senior management, Audit Committee and Board of Directors. Our audit approach was a combination of test of internal controls and substantive procedures to evaluate chances of minimizing the risk involved.
2. The company has certain matters under dispute which involves judgement to determine the possible outcome of these disputes (Refer Note No. 22(a) to the financial statements). We obtained the details of the disputes with their present status and documents. We made an in depth analysis of the dispute. We also considered legal procedures and other rulings in evaluating management's position on these disputes to evaluate whether any change was required to management's position on these disputes.
3. Company's major Raw Material is imported which is subject to variation due to volatility in crude oil prices and demand & supply ratio. These are monitored on regular basis using pricing trends and forecast from internationally reputed news agencies. To manage the price risk associated of these transactions, the Company formulates risk management objectives & policies which are reviewed by the senior management, Audit Committee and Board of Directors. Our Audit Approach was a combination of test of material controls & substantive procedures to evaluate chances of minimising the risk involved.

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and those Charged With Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with

## INDEPENDENT AUDITOR'S REPORT (Contd.)

respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-

## INDEPENDENT AUDITOR'S REPORT (Contd.)

section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS Financial Statements - Refer note no. 22(a) & 22(c) to the financial statements.
  - b) The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, in respect of long term contracts including derivative contracts - Refer note no. 38 to the financial statements.
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d) Omitted.
  - e)
    - (i) The management has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (ii) The management has represented, that, to the best of their knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (iii) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
  - f) In our opinion and based on the information and explanation provided to us, no dividend has been declared or paid during the year by the company.

**For Suresh Kumar Mittal & Co.**  
**Chartered Accountants**  
Firm Registration No.: 500063N

(ANKUR BAGLA)

Partner

Membership No.: 521915

**Place: New Delhi**  
**Date: May 18, 2022**  
**Udin 22521915AJEIDJ3470**



## INDEPENDENT AUDITOR'S REPORT (Contd.)

### Annexure A referred to in Paragraph (I) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of PASUPATI ACRYLON LIMITED on the standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2022

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year as per the phased program designed to cover all the fixed assets over a period, which in our opinion is reasonable having regard to the size of the company and nature of its assets. Discrepancies noticed on such verification, which are not material, have been properly dealt with in the books of accounts.
- (c) Title deeds of immovable properties are held in the name of the company.
- (d) During the year, the company has not revalued its property, plant and equipments (including right to use assets) or intangible assets or both and hence provisions of clause (i) (d) are not applicable to the company
- (e) According to the information and explanation given to us and the records maintained by the company no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under
- (ii) (a) Physical verification of inventory (except material in transit or lying with third party) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. Discrepancies of 10% or more in the aggregate for each class of inventory with respect to book records were not noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account.
- (b) In our opinion and according to the information and explanation given to us and records maintained by the company, the quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of account of the company.
- (iii) The company has not granted any loans or advances in the nature of loans either repayable on demand or specifying any terms or period of repayment and hence provisions of clause (iii) (a) to (f) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, no loans, investments, guarantees and security covered under section 185 and 186 of the Companies Act, 2013 has been given by the company, and as such clause (iv) of the order are not applicable to the company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73,74,75 and 76 of the Act and the rules framed thereunder and hence reporting under clause (v) of the Order is not applicable to the Company.
- (vi) 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 148(1) of the Act, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are neither required to carry out nor have carried out detailed examination of such cost accounting records with a view to determine whether they are accurate or complete.
- (vii) According to the records of the company, examined by us and information and explanations given to us:
- (a) The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and others as applicable. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31<sup>st</sup> March 2022 for a period of more than six months from the date they became payable
- (b) There are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax outstanding as at 31<sup>st</sup> March 2022 except:

Sl. No	Name of the statute	Nature of the dues	Amount (Rs in lac)	Period to which the amount relates	Forum where dispute is pending
1.	Service Tax and Customs Act	Cenvat Credit availed on service tax paid	11.39	2007-2008	Allahabad high court
2.	Custom Duty Act	Custom Duty	16.42 32.41	2010-2011 2011-2012	CESTAT(MUMBAI) Delhi High Court
3.	Service Tax Act	Service Tax on Ocean Freight	76.59	2017-2018	Allahabad High Court
4.	Service Tax Act	Cenvat Credit	122.27	Feb. 2005- Feb 2008	Allahabad High Court

- (viii) According to the information and explanations provided to us, there were no transactions which were not recorded in the books of account and have been surrendered or disclosed as income, during the year, in the tax assessments under the Income Tax Act, 1961.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution, banks and Government and dues to debenture holders
- (b) According to the records of the company and information or explanation given to us, the company is/ is not a declared willful defaulter by any bank or financial institution or other lender.
- (c) According to the records of the company and information and explanation given to us, no term loans received during the year, accordingly clause ix(c) of the order not applicable to the company
- (d) According to the records of the company and information and explanation given to us, no funds raised during the year & accordingly clause ix(d) of the order not applicable to the company.
- (e) According to the records of the company and information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint venture.
- (f) According to the records of the company and information and explanation given to us the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) In our opinion and according to the information and explanations given to us, during the year the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- (b) According to the records of the company and information and explanation given to us, during the year the company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures.
- (xi) (a) Based on the audit procedures performed and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year
- (b) No report under sub-section (12) of section 143 of the Companies Act in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of the audit.
- (c) According to the records of the company and information and explanation given to us, no whistle blower complaints have been received by the company during the year.
- (xii) The company is not a nidhi company and hence provisions of clause (xii) of the order are not applicable to the company
- (xiii) In our opinion and according to the information and explanations given to us, the Company's transactions with its related parties are in compliance with sections 177 and 188 of the Act where applicable and details of related party transactions have been disclosed in the Standalone Ind AS financial statements etc as required by the accounting standards in notes to the Financial Statements
- (xiv) (a) According to the information and explanations given to us, in our opinion the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of internal auditors for the period under audit, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanation given to us, during the year, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, Hence reporting under clause 3(xvi) a to c of the order are not applicable to the company
- (xvi) (a) According to the records of the company and information and explanations given to us, the group has no CIC & accordingly reporting under clause 3 (xvi) d of the order is not applicable
- (xvii) The company has not incurred cash losses in the financial year under audit and in the immediately preceding financial year.
- (xviii) During the year there has been no resignation of the statutory auditors of the company and hence provisions of clause (xviii) of the order are not applicable to the company.
- (xix) On the basis of the financial ratio, ageing and expected date of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditors knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) According to the records of the company and information and explanations given to us, in our opinion, there are no amount remaining unspent towards Corporate Social Responsibility (CSR) as specified under sub section (5) of section 135 of the Companies Act, (refer note no. 32 to the financial statements).
- (xxi) There are no subsidiaries accordingly provision of clause (xxi) of the Companies (Auditors' Report) order (CARO) are not applicable to the company.

**For Suresh Kumar Mittal & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 500063N**

**(ANKUR BAGLA)**  
**Partner**  
**Membership No.: 521915**

**Place: New Delhi**  
**Date: May 18, 2022**  
**UDIN 22521915AJEIDJ3470**

## INDEPENDENT AUDITOR'S REPORT (Contd.)

**Annexure B referred to in Paragraph (II)(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of PASUPATI ACRYLON LIMITED on the standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2022**  
**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of PASUPATI ACRYLON LIMITED ("the Company") as of March 31, 2022, in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. These Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI".

**For Suresh Kumar Mittal & Co.**  
**Chartered Accountants**  
**Firm Reg. No.: 500063N**  
**(ANKUR BAGLA)**  
**Partner**  
**Membership No.: 521915**

**Place: New Delhi**  
**Date: May 18, 2022**  
**UDIN: 22521915AJEIDJ3470**

# BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2022



Particulars	Note No	Rs in Lakh	
		As at 31.03.2022	As at 31.03.2021
<b>ASSETS</b>			
<b>I NON CURRENT ASSETS</b>			
1 Property, Plant and Equipments	4	8,077.29	8,462.60
2. Other Non Current Assets	5	405.76	609.91
<b>II CURRENT ASSETS</b>			
1. Inventories	6	14,355.89	11,220.39
2. Financial Assets			
- Current Investment	7	-	2,544.37
- Trade receivables	8	7,782.44	5,498.78
- Cash and cash equivalents	9	7,269.61	6,475.72
- Bank Balances other than Cash & Cash Equivalents	10	3,273.86	1,316.99
3. Other Current Assets	11	1,362.53	952.87
		<b>42,527.38</b>	<b>37,081.63</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I EQUITY</b>			
1 Equity Share Capital	12	8,914.10	8,914.10
2 Other Equity	12	19,037.92	14,432.25
<b>II NON-CURRENT LIABILITIES</b>			
1 Financial Liabilities			
- Borrowings	13	-	1.12
2 Provisions	14	275.07	262.89
3 Deferred Tax Liabilities (net)	15	627.30	577.31
4 Other Non Current Liabilities	16	38.85	48.61
<b>III CURRENT LIABILITIES</b>			
1 Financial liabilities			
-Borrowings	17	5.87	87.76
-Trade Payables	18		
a) Total outstanding dues of micro and small enterprises		23.32	-
b) Total outstanding dues of other than micro and small enterprises		11,425.79	11,084.81
2 Provisions	19	527.46	468.77
3 Other current liabilities	20	1,557.43	711.63
4 Current Tax Liabilities (Net)	21	94.27	492.38
		<b>42,527.38</b>	<b>37,081.63</b>

Signi cant Accounting Policies 1-3  
See Accompanying Notes to the Financial Statements 1 - 42

As per our report of even date annexed  
For Suresh Kumar Mittal & CO.,  
Chartered Accountants  
Reg. No. 500063N

Deveshwer Kumar Kapila  
Director  
DIN : 00179060

Vineet Jain  
Managing Director  
DIN : 00107149

Ankur Bagla  
Partner  
Membership No. 521915

S.C. Malik  
Director  
DIN : 00107170

Satish Kumar Bansal  
Chief Financial Officer

Place: New Delhi  
Date : May 18, 2022

Bharat Kapoor  
Company Secretary

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022

Particulars	Note No.	Rs in Lakh	
		For the Period 01.04.2021 to 31.03.2022	For the Period 01.04.2020 to 31.03.2021
<b>I REVENUE</b>			
Revenue from Operations	24	77,553.75	50,544.66
Other Income	25	873.41	878.08
<b>TOTAL REVENUE</b>		<b>78,427.16</b>	<b>51,422.74</b>
<b>II EXPENSES</b>			
Cost of Material Consumed	26	59,752.73	33,269.58
Purchase Of Stock In Trade	27	22.16	9.36
Changes in Inventory of Finished Goods and Work in Progress	28	201.09	1,919.53
Employee Benefits Expense	29	2,399.18	2,253.29
Finance Costs	30	316.77	377.65
Depreciation & Amortization Expenses	31	621.09	625.56
Other Expenses	32	8,930.63	7,114.60
<b>TOTAL EXPENSES</b>		<b>72,243.65</b>	<b>45,569.57</b>
<b>III PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>6,183.51</b>	<b>5,853.18</b>
Exceptional Items	-	-	-
<b>IV PROFIT/(LOSS) BEFORE TAX</b>		<b>6183.51</b>	<b>5853.18</b>
<b>V TAX EXPENSE</b>			
Current Tax		1,578.84	1520.11
Earlier Year Taxes including MAT Credit written off		(29.59)	80.19
Deferred Tax		44.60	(51.98)
<b>VI PROFIT AFTER TAX</b>		<b>4,589.66</b>	<b>4,304.86</b>
<b>VII OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit & loss		21.39	62.55
Income tax relating to above		(5.38)	(15.74)
Other Comprehensive Income for the year (Net of Tax)		16.01	46.81
<b>VIII TOTAL COMPREHENSIVE INCOME</b>		<b>4,605.67</b>	<b>4,351.67</b>
<b>IX EARNING PER SHARE</b>	33		
Basic		5.15	4.83
Dilutive		5.15	4.83
<b>Weighted Average Equity shares</b>			
Basic		89,133,121	89,133,121
Dilutive		89,133,121	89,133,121

Significant Accounting Policies 1-3  
See Accompanying Notes to the Financial Statements 1 - 42

As per our report of even date annexed  
For Suresh Kumar Mittal & CO.,  
Chartered Accountants  
Reg. No. 500063N

Deveshwer Kumar Kapila  
Director  
DIN : 00179060

Vineet Jain  
Managing Director  
DIN : 00107149

Ankur Bagla  
Partner  
Membership No. 521915

S.C. Malik  
Director  
DIN : 00107170

Satish Kumar Bansal  
Chief Financial Officer

Place: New Delhi  
Date : May 18, 2022

Bharat Kapoor  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022

**Rs. In Lakhs**

Particulars	For the Period 01.04.2021 to 31.03.2022	For the Period 01.04.2020 to 31.03.2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax	6,183.51	5,853.17
<b>Adjustments for:-</b>		
Depreciation and amortisation	621.09	625.56
Interest Paid	316.77	377.65
Interest Income	(200.90)	(211.07)
Profit/Loss on sale of fixed assets	(1.00)	(0.10)
Actuarial Gain/Loss classified as Other Comprehensive Income	21.39	62.55
<b>Operating profit/(Loss) before working capital changes</b>	<b>6,940.86</b>	<b>6,707.76</b>
<b>Change in Working Capital</b>		
<b>Adjustment for (increase)/decrease in operating assets</b>		
Other Non Current Assets	204.15	(140.69)
Inventories	(3,135.50)	(78.06)
Trade and other receivables	(2,283.66)	(2,006.68)
Bank Balances other than Cash & Cash Equivalents	(1,956.88)	319.63
Other Current Assets	(409.65)	1,219.73
<b>Adjustment for increase/(decrease) in operating Liabilities</b>		
Non Current Provisions	12.18	(40.50)
Other Non Current Liabilities	(9.76)	48.61
Trade payable	364.30	(1,582.09)
Other Current Liabilities	845.81	(2,282.55)
Current Provisions	58.69	186.47
Net income tax(paid)/refunds received	(1,947.38)	(975.65)
<b>Net Cash flow from/(used in) operating activities(A)</b>	<b>(1,316.84)</b>	<b>1,375.98</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Advance	-	242.43
Expenditure on Property Plant & Equipment	(235.78)	(1,070.25)
Proceeds from Sale of Capital assets	1.00	0.10
Interest Income	200.90	211.07
(Purchase)/Sale of current investments	2,544.37	(2,544.37)
<b>Net Cash flow from/(used in) Investing Activities (B)</b>	<b>2,510.49</b>	<b>(3,161.02)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost	(316.77)	(377.64)
Repayment of long term borrowings (including Ind AS adjustments)	(1.12)	(6.42)
Increase (Decrease) in short term borrowings	(81.88)	34.22
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>(399.77)</b>	<b>(349.84)</b>
<b>Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>793.88</b>	<b>(2,134.88)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>6,475.72</b>	<b>8,610.60</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>7,269.61</b>	<b>6,475.72</b>

Notes: i) Figures in bracket represent cash out flow.  
ii) Cash flow does not include non cash items.

As per our report of even date annexed  
For Suresh Kumar Mittal & CO.,  
Chartered Accountants  
Reg. No. 500063N

Ankur Bagla  
Partner  
Membership No. 521915

Place: New Delhi  
Date : May 18, 2022

Deveshwer Kumar Kapila  
Director  
DIN : 00179060

S.C. Malik  
Director  
DIN : 00107170

Bharat Kapoor  
Company Secretary

Vineet Jain  
Managing Director  
DIN : 00107149

Satish Kumar Bansal  
Chief Financial Officer

## Statement of Changes in Equity

### A. EQUITY SHARE CAPITAL

Particulars	Number of Shares	Amount (Rs. in Lakhs)
Balance as on 01.04.2020	8,91,33,121	8,914.10
Addition during the period	-	-
Reduction during the period	-	-
<b>Balance as on 31.03.2021</b>	<b>8,91,33,121</b>	<b>8,914.10</b>
Balance as on 01.04.2021	8,91,33,121	8,914.10
Addition during the period	-	-
Reduction during the period	-	-
<b>Balance as on 31.03.2022</b>	<b>8,91,33,121</b>	<b>8,914.10</b>

### B. OTHER EQUITY

(Rs. in Lakhs)

Particulars	Retained Earnings	Capital Reserve*	Items of other comprehensive income	Total Other Equity
			Other items of OCI	
Balance as on 01.04.2020	8,664.45	1,452.78	(36.64)	10,080.59
Addition during the period	-	-	-	-
Pro t(Loss) for the period	4,304.85	-	-	4,304.85
Other comprehensive income	-	-	46.81	46.81
<b>Balance as on 31.03.2021</b>	<b>12,969.30</b>	<b>1,452.78</b>	<b>10.17</b>	<b>14,432.25</b>
Balance as on 01.04.2021	12,969.30	1,452.78	10.17	14,432.25
Addition during the period	-	-	-	-
Pro t(Loss) for the period	4,589.66	-	-	4,589.66
<b>Other comprehensive income</b>	-	-	16.01	16.01
<b>Balance as on 31.03.2022</b>	<b>17,558.96</b>	<b>1,452.78</b>	<b>26.18</b>	<b>19,037.92</b>

\* Created on extinguishment of loan liability in earlier years

### Signi cant Accounting Policies

See Accompanying Notes 1-42 to the Financial Statements

As per our report of even date annexed  
For Suresh Kumar Mittal & CO.,  
Chartered Accountants  
Reg. No. 500063N

Deveshwer Kumar Kapila  
Director  
DIN : 00179060

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S.C. Malik  
Director  
DIN : 00107170

Satish Kumar Bansal  
Chief Financial Officer

Place: New Delhi  
Date : May 18, 2022

Bharat Kapoor  
Company Secretary

## Notes to Financial statements

### 1 Company Overview

Pasupati Acrylon Limited is a public limited company domiciled in India incorporated under the provisions of the Indian Companies Act. The registered office is located at Akurdwara, Distt. Moradabad (U.P), India. Its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is one of the leading manufacturer of Acrylic Fibre, Tow and Tops and was established in 1982, the manufacturing facility is located at Akurdwara, Distt. Moradabad, (UP). The company is also manufacturing Cast Polypropylene Film (CPP Film) at Akurdwara Distt. Moradabad (U.P.)

### 2 Significant Accounting Policies

#### 2.1 Basis of Preparation of Financial statements

Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 and guidelines issued by the Securities Exchange Board of India (SEBI) and relevant amendments thereon.

The Financial Statements have been prepared on the historical cost basis except for certain Financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

#### Reporting Presentation Currency

All amounts in the Financial statements and notes thereon have been presented in Indian Rupees (INR) (reporting and primary functional currency of the company) and rounded off to the nearest Lakh with two decimals, unless otherwise stated.

#### 2.2 Classification of Current and Non-current Assets and Liabilities

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

#### A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The Company classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### 2.3 Revenue Recognition

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

- (i) Revenue from the sale of goods is recognised, when all significant risks and rewards are transferred to the buyer, usually



on delivery of the goods as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sales of goods. Revenue from the sale of goods is measured at the fair value of consideration received or receivable net of returns and allowance.

- (ii) Interest income from deposits and others is recognized on accrual basis. Dividend income is recognized when the right to receive the dividend is unconditionally established. Profit/loss on sale/redemption of investments is recognized on the date of transaction of sale/redemption and is computed with reference to the original cost of the investment sold.
- (iii) Insurance claims are recognized in the books only after certainty of its realization.
- (iv) Revenue are stated exclusive of value added tax, goods and service tax and net of trade and quantity discount.

## 2.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

## 2.5 Foreign currency transactions and translation

- I) Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of transaction.
- II) In respect of monetary assets and liabilities denominated in foreign currencies, exchange differences arising out of settlement are recognised in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the exchange rate on that date, the resultant exchange differences are recognised in the Statement of Profit and Loss.
- III) Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

## 2.6 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Transaction cost in respect of long-term borrowings are amortised over the tenure of respective loans using effective interest method. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

## 2.7 Employee Benefits

### (i) Short Term Employee Benefits

All employee benefits payable 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, ex gratia, incentives are recognized in the period during which the employee renders the related service.

### (ii) Post-Employment Benefits

#### (a) Defined Contribution Plans

- i) Provident Fund Scheme is a defined contribution plan. The contribution paid/payable under the scheme is recognized in the profit & loss account during the period during which the employee renders the related service."
- ii) The company has set up separate provident fund and superannuation trusts in respect of certain categories of employees. For other employees, provident fund is accrued on monthly basis in accordance with the terms of contract with the employees and is deposited with the "Statutory Provident Fund". Liability on account of retirement gratuity to the employees is being provided in accordance with the company's Group Gratuity Cash Accumulation Scheme with Life Insurance Corporation of India. The contributions to the Trusts are charged to the Profit & Loss Account.
- iii) The company extends benefits of leave to the employees while in service as well as on retirement. Provision for leave encashment benefit is being made on the basis of actuarial valuation.
- iv) Keyman insurance policy taken by the company on the life of its Keyman is valued at surrender value.

(b) “Defined Benefit Plans

The present value of obligation under defined benefit plan is determined based on actuarial valuation under the projected unit credit method which recognizes each period of service as giving rise to additional unit of employees benefits entitlement and measures each unit separately to build up the total obligation. The obligation is measured at the present value of future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on government securities as at balance sheet date, having maturity periods approximated to the returns of related obligations. In case of funded plans the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on net basis.”

- (c) Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

## 2.8 Taxation

Income tax expense represents the sum of the Current tax and Deferred tax.

### Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 .”

Current and deferred tax are recognised in profit or loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax asset against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 2.9 Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

Expenditure related to and incurred during implementation of capital projects is included under “Capital Work in Progress”. The same is allocated on a systematic basis to the respective fixed assets on completion of construction of fixed assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses., if any.

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.

## 2.10 Depreciation

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives prescribed in Schedule II to the Companies Act, 2013 except for Plant & Machinery (other than CPP plant) where useful life has been considered as 18 years instead of 25 years on technical evaluation.

Depreciation for Acrylic segment has been calculated on fixed assets on written down method except for Furniture & Fixture, Office Equipment where depreciation is calculated on straight line method in accordance with schedule II of the Companies Act, 2013.

Depreciation for CPP segment has been calculated on fixed assets on straight line method in accordance with schedule II of the Companies Act, 2013.

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% except CPP plant

Depreciation on Assets acquired /capitalised/ disposed off during the year is provided on pro-rata basis with reference to the date of addition/capitalization/ disposal. Lease hold land is amortized over the period of lease.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

## 2.11 Impairment of Property, plant and equipment and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

## 2.12 Inventories

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

## 2.13 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions in the nature of long term are measured at the present value of management's best estimate of the expenditure required to

settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### **2.14 Borrowings.**

Borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

#### **2.15 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits and highly liquid investments with an original maturity of three months or less which are readily convertible in cash and subject to insignificant risk of change in value.

#### **2.16 Earnings Per Share**

Earnings per share is calculated by dividing the Profit after tax by the weighted average number of equity shares outstanding during the year.

#### **2.17 Contingent Liability and Contingent Assets**

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the Financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the Financial statements but disclosed, where an inflow of economic benefit is probable.

#### **2.18 Trade Receivables**

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected to be collected within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets.

#### **2.19 Financial Instruments**

##### **(i) Financial Assets**

##### **Initial Recognition and Measurement**

All Financial assets are recognized initially at fair value plus, in the case of Financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial asset.

Financial assets are classified, at initial recognition, as Financial assets measured at fair value or as Financial assets measured at amortized cost.

##### **Subsequent Measurement**

For purpose of subsequent measurement of Financial assets are classified in two broad categories:

- Financial Assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss, or recognized in other comprehensive income.

A Financial asset that meets the following two conditions is measured at amortized cost.

- **Business Model Test:** The objective of the company's business model is to hold the Financial asset to collect the contractual cash flows.
- **Cash flow characteristics test:** The contractual terms of the Financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A Financial asset that meets the following two conditions is measured at fair value through OCI:

- **Business Model Test:** The Financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial assets.
- **Cash flow characteristics test:** The contractual terms of the Financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other Financial assets are measured at fair value through profit and loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.

## (ii) Financial Liabilities

All Financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified as measured at amortized cost or fair value through profit and loss (FVTPL). A Financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognised in statement of profit and loss. Other Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit and loss.

## 3 Use of Estimates

The preparation of Financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial statements is included in the following notes:

### 3.1 Property, Plant and Equipments

Property, Plant and Equipments represent a significant proportion of the asset base of the company. The management of the Company makes assumptions about the estimated useful lives, depreciation methods or residual values of items of property, plant and equipment, based on past experience and information currently available. In addition, the management assesses annually whether any indications of impairment of tangible assets.

### 3.2 Trade Receivables

The management believe that the net carrying amount of trade receivables is recoverable based on their past experience in the market and their assessment of the credit worthiness of debtors at Balance Sheet date. The provision is made against Trade Receivable based on Expected Credit Loss model as per Ind AS-109.

### 3.3 Defined Benefit Plans

The provisions for defined benefit plans have been calculated by an actuarial expert. The basic assumptions are related to the mortality, discount rate and expected developments with regards to the salaries. The discount rate have been determined by reference to market yields at the end of the reporting period based on the expected duration of the obligation. The future salary increases have been estimated by using the expected inflation plus an additional mark-up based on historical experience and management expectations.

### 3.4 Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

### 3.5 Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### 3.6 Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

#### 4. PROPERTY, PLANT and EQUIPMENTS

Rs. in Lakhs

Particulars	Leasehold Land	Freehold Land	Building (a)	Plant & Machinery (b)	Electrical Installation	Office Equipment	Furniture & Fixture	Vehicles	Live Stock	Total
Gross Carrying Value as on 01.04.2020	16.00	7.62	2,712.25	30,032.54	4,926.18	427.81	251.76	433.07	0.80	<b>38,808.03</b>
Addition	-	-	-	1,017.22	43.44	2.18	-	7.41	-	<b>1,070.25</b>
Deletions	-	-	-	-	-	-	-	0.49	-	<b>0.49</b>
Gross Carrying Value as on 31.03.2021	16.00	7.62	2,712.25	31,049.76	4,969.62	429.99	251.76	439.99	0.80	<b>39,877.79</b>
Accumulated Depreciation as on 01.04.2020	15.10	-	1,681.49	24,047.50	4,081.67	411.70	251.15	301.51	-	<b>30,790.12</b>
Depreciation for the period	0.50	-	74.79	364.09	137.50	7.15	0.19	41.34	-	<b>625.56</b>
Deductions/Adjustments	-	-	-	-	-	-	-	0.49	-	<b>0.49</b>
Accumulated Depreciation as on 31.03.2021	15.60	0.00	1,756.28	24,411.59	4,219.17	418.85	251.34	342.36	0.00	<b>31,415.19</b>
<b>Carrying Value as on 31.03.2021</b>	<b>0.40</b>	<b>7.62</b>	<b>955.97</b>	<b>6,638.17</b>	<b>750.45</b>	<b>11.14</b>	<b>0.42</b>	<b>97.63</b>	<b>0.80</b>	<b>8,462.60</b>
Gross Carrying Value as on 01.04.2021	16.00	7.62	2,712.25	31,049.76	4,969.62	429.99	251.76	439.99	0.80	<b>39,877.79</b>
Addition	-	-	-	-	52.39	131.27	-	52.13	-	<b>235.79</b>
Deletions	-	-	-	-	-	-	-	5.81	-	<b>5.81</b>
<b>Gross Carrying Value as on 31.03.2022</b>	<b>16.00</b>	<b>7.62</b>	<b>2712.25</b>	<b>31049.76</b>	<b>5022.01</b>	<b>561.26</b>	<b>251.76</b>	<b>486.31</b>	<b>0.80</b>	<b>40,107.77</b>
Accumulated Depreciation as on 01.04.2021	15.60	-	1,756.28	24,411.59	4,219.17	418.85	251.34	342.36	-	<b>31,415.19</b>
Depreciation for the period	0.40	-	68.87	382.71	122.45	8.05	0.15	38.47	-	<b>621.10</b>
Deductions/Adjustments	-	-	-	-	-	-	-	5.81	-	<b>5.81</b>
Accumulated Depreciation as on 31.03.2022	16.00	0.00	1825.15	24794.30	4341.62	426.90	251.49	375.02	-	<b>32,030.48</b>
<b>Carrying Value as on 31.03.2022</b>	<b>0.00</b>	<b>7.62</b>	<b>887.10</b>	<b>6,255.46</b>	<b>680.39</b>	<b>134.36</b>	<b>0.27</b>	<b>111.29</b>	<b>0.80</b>	<b>8,077.29</b>

- a) Includes premises cost of Rs.62.96 Lakh which is towards cost of premises, furniture & fixtures and air conditioners. Since separate breakup is not available, therefore depreciation has been charged on total cost at Straight Line Method.
- b) Effective 1st April 2014, the Company had revised its estimated useful life of fixed assets, wherever appropriate, on the basis of useful life specified in Schedule II of the Companies Act, 2013. The carrying amount as on 1st April 2014 was depreciated over the revised remaining useful life. Based on technical evaluation, depreciation has been provided taking Plant & Machinery (except CPP Plant & Zero Liquid Discharge plant) & Captive Power Plant Life to 18 years instead of 25 years as prescribed in the Schedule II of the Companies Act, 2013. Had the useful life be taken to 25 years the depreciation would have been Rs 219.20 Lakh (Previous year Rs. 246.19 Lakh) instead of Rs. 224.83 Lakh (Previous Year Rs. 258.10 lakh), resulting in excess charge of depreciation during the year by Rs. 5.63 Lakh. (Previous Year Rs. 11.91 Lakh).

## 5. OTHER NON CURRENT ASSETS

(Unsecured-considered good)

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
Fixed deposits with banks*		
- Held as margin/security with maturity period of more than 1 year from the balance sheet date	221.03	424.58
Security Deposits to Others	24.78	25.38
Advance for Capital Goods	159.95	159.95
Non-Current Assets held for Sale	-	-
<b>Total</b>	<b>405.76</b>	<b>609.91</b>

\*includes amount held for LC margin money Rs. 141.94 Lakhs (Previous year Rs. 389.27 Lakhs)

\*\* here are no outstanding dues of related parties.

## 6. INVENTORIES

(As taken, valued and certified by the management)

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
Raw Materials*	9,308.56	5,778.69
Work in progress	775.15	569.56
Finished Goods		
- Own Manufactured	3,243.89	3,662.30
- Trading	16.46	4.73
Stores & Spares**	554.81	458.82
Fuel	457.02	746.29
<b>Total</b>	<b>14,355.89</b>	<b>11,220.39</b>

\* includes goods in transit Rs 5257.24 Lakh (Previous Year Rs. 1957.02 Lakh).

\*\* includes goods in transit Rs. 6.85 Lakh (Previous Year Rs. 1.91 Lakh).

## 7. CURRENT INVESTMENTS

(Financial assets at fair value through Profit and Loss)

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
Investments in Mutual Fund (Quoted)		
NIL units of Rs.NIL each at 31.03.2022 (4,93,310.032 units of Rs.515.7757 each at 31.03.2021) of Aditya Birla Sun Life Mutual Fund	-	2,544.37
<b>Total</b>	<b>-</b>	<b>2,544.37</b>

## 8. TRADE RECEIVABLES

(Unsecured considered Good)

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
Considered good- Secured		
Considered good- Unsecured	7,823.38	5,503.29
Having significant increase in Credit Risk	0.28	29.74
Credit Impaired	-	-
Less: Allowance for Credit Loss	(41.22)	(34.25)
<b>Total</b>	<b>7,782.44</b>	<b>5,498.78</b>

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

The Company follows 'simplified approach' for recognition of expected credit loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes expected credit loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

Credit risk is managed through credit approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which the company grants credit terms in the normal course of business. The Company also assesses the financial reliability of customers taking into account the financial condition, current economic trends and historical bad debts and ageing of accounts receivables.

### TRADE RECEIVABLES AGEING SCHEDULE

Particulars	Amount (Rs. Lakh)						Total
	As at 31.03.2022						
	Not Due	Outstanding for following periods from due date of payment					
Less than 6 months		6 months - 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Year		
(i) Undisputed Trade Receivables - Considered Good	6,812.62	1,010.76	-	-	-	-	7,823.38
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	0.13	0.15	-	-	0.28
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
	<b>6,812.62</b>	<b>1,010.76</b>	<b>0.13</b>	<b>0.15</b>	<b>0.00</b>	<b>0.00</b>	<b>7,823.66</b>
Less: Allowance for doubtful trade receivables							41.22
							<b>7,782.44</b>



**TRADE RECEIVABLES AGEING SCHEDULE**

Particulars	Amount (Rs. Lakh)						Total
	As at 31.03.2021						
	Not Due	Outstanding for following periods from due date of payment					
Less than 6 months		6 months - 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Year		
(i) Undisputed Trade Receivables - Considered Good	4,485.18	1,018.11	-	-	-	-	5,503.29
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	20.24	9.50	-	-	29.74
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
	<b>4,485.18</b>	<b>1,018.11</b>	<b>20.24</b>	<b>9.50</b>	<b>0.00</b>	<b>0.00</b>	<b>5,533.03</b>
Less: Allowance for doubtful trade receivables							34.25
							<b>5,498.78</b>

**9. CASH & CASH EQUIVALENTS**

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
Balances with Banks :-		
- Current Account	423.82	425.02
- Cash Credit account	802.75	151.66
Fixed deposits with banks*		
-With maturity period of 3 months from the date of inception	6,040.64	5,895.50
Cash in hand	2.40	3.54
<b>Total</b>	<b>7,269.61</b>	<b>6,475.72</b>

\*includes amount held for LC margin money Rs. 6,040.64 Lakhs (Previous year Rs. 2,143.49 Lakhs)

**10. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
Fixed deposits with banks*		
-Held as margin/security with original maturity of more than 3 months having remaining maturity of less than 12 months from Balance Sheet date	3,219.52	1,255.79
Interest receivable	54.34	61.20
<b>Total</b>	<b>3,273.86</b>	<b>1,316.99</b>

\*includes amount held for LC margin money Rs. 3,180.35 Lakhs (Previous year Rs. 1,204.53 Lakhs)

## 11. OTHER CURRENT ASSETS

(Unsecured Considered Good)

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
Balance with Govt. Authorities	497.83	266.05
Advance recoverable in cash or in kind	567.58	440.17
Loans to Sta - (Considered Good)	40.25	17.10
Others	256.87	229.55
<b>Total</b>	<b>1,362.53</b>	<b>952.87</b>

## 12. EQUITY SHARE CAPITAL

### a. Authorised

Particulars	No. of Shares		Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
<b>Equity Shares of Rs. 10 each</b>				
At the beginning of the period	10,00,00,000	10,00,00,000	10,000	10,000
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	10,00,00,000	10,00,00,000	10,000	10,000

### b. Issued

Particulars	No. of Shares		Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
<b>Equity Shares of Rs. 10 each fully paid up</b>				
At the beginning of the period	8,91,58,825	8,91,58,825	8,915.88	8,915.88
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	8,91,58,825	8,91,58,825	8,915.88	8,915.88

### c. Subscribed and Paid up

Particulars	No. of Shares		Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
<b>Equity Shares of Rs. 10 each fully paid up</b>				
At the beginning of the period @	8,91,33,121	8,91,33,121	8,914.10	8,914.10
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	8,91,33,121	8,91,33,121	8,914.10	8,914.10

@ Does not include 15,800 shares (Previous years 15,800 Shares) forfeited in the earlier years, amount forfeited Rs. 0.79 Lakh (Previous years Rs. 0.79 Lakh) included in share capital subscribed and paid up.

**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		Percentage	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Mr. Vineet Jain	<b>1,68,51,654</b>	1,24,22,422	<b>18.91</b>	13.94
Gurukripa Finvest Private Ltd.	<b>90,00,000</b>	90,00,000	<b>10.10</b>	10.10
Sulabh Plantation & Finance Pvt. Ltd.	<b>82,50,000</b>	82,50,000	<b>9.26</b>	9.26
Arihant Exports Pvt. Ltd.	<b>46,27,867</b>	46,27,867	<b>5.19</b>	5.19
Shubh Exim Ltd.	<b>45,00,000</b>	45,00,000	<b>5.05</b>	5.05
PICUP	<b>44,81,752</b>	44,81,752	<b>5.03</b>	5.03

**Details of shareholding of Promoters as at 31st March 2022 is as follows:**

Name of Promoter	No. of Shares		Percentage		Change during the Year
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	
Vinod Kumar Jain (HUF)	<b>6,03,342</b>	6,03,342	<b>0.68</b>	0.68	0.00%
Mr. Vineet Jain*	<b>1,68,51,654</b>	1,24,22,422	<b>18.91</b>	13.94	35.66%
Mr. Manish Jain*	<b>0</b>	44,29,232	<b>0.00</b>	4.97	-100.00%
Arihant Exports Pvt. Ltd.	<b>46,27,867</b>	46,27,867	<b>5.19</b>	5.19	0.00%
Accurex Traders Private Limited	<b>17,50,000</b>	17,50,000	<b>1.96</b>	1.96	0.00%
Sulabh Plantation & Finance Pvt. Ltd	<b>82,50,000</b>	82,50,000	<b>9.26</b>	9.26	0.00%
Sind Wave Finance Services Limited	<b>40,00,000</b>	40,00,000	<b>4.49</b>	4.49	0.00%
Prabhat Capital Services Limited	<b>35,00,000</b>	35,00,000	<b>3.93</b>	3.93	0.00%
Shubh Exim Ltd.	<b>45,00,000</b>	45,00,000	<b>5.05</b>	5.05	0.00%
Gurukripa Finvest Private Ltd.	<b>90,00,000</b>	90,00,000	<b>10.10</b>	10.10	0.00%
Inder Overseas Private Limited	<b>10,00,000</b>	10,00,000	<b>1.12</b>	1.12	0.00%
Nityanand Exports and Consultants Co. Pvt Ltd.	<b>6,380</b>	6,380	<b>0.01</b>	0.01	0.00%
MVA Finance Private Limited	<b>1,44,450</b>	1,44,450	<b>0.16</b>	0.16	0.00%
PICUP	<b>44,81,752</b>	44,81,752	<b>5.03</b>	5.03	0.00%

\* Inter-se transfer between promoters.

**Details of shareholding of Promoters as at 31st March 2021 is as follows:**

Name of Promoter	No. of Shares		Percentage		Change during the Year
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	
Vinod Kumar Jain (HUF)	6,03,342	6,03,342	0.68	0.68	0.00%
Mr. Vineet Jain*	1,24,22,422	12,02,422	13.94	1.35	933.12%
Mr. Manish Jain*	44,29,232	1,56,49,232	4.97	17.56	-71.70%
Arihant Exports Pvt. Ltd.	46,27,867	46,27,867	5.19	5.19	0.00%
Accurex Traders Private Limited	17,50,000	17,50,000	1.96	1.96	0.00%
Sulabh Plantation & Finance Pvt. Ltd	82,50,000	82,50,000	9.26	9.26	0.00%
Sind Wave Finance Services Limited	40,00,000	40,00,000	4.49	4.49	0.00%
Prabhat Capital Services Limited	35,00,000	35,00,000	3.93	3.93	0.00%
Shubh Exim Ltd.	45,00,000	45,00,000	5.05	5.05	0.00%
Gurukripa Finvest Private Ltd.	90,00,000	90,00,000	10.10	10.10	0.00%
Inder Overseas Private Limited	10,00,000	10,00,000	1.12	1.12	0.00%
Nityanand Exports and Consultants Co. Pvt Ltd.	6,380	6,380	0.01	0.01	0.00%
MVA Finance Private Limited	1,44,450	1,44,450	0.16	0.16	0.00%
PICUP	44,81,752	44,81,752	5.03	5.03	0.00%

\* Inter-se transfer between promoters.

### 13. NON CURRENT BORROWINGS

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
From Banks (Secured)		
Vehicle loan*	-	1.12
<b>Total</b>	-	1.12

\*Secured by hypothecation of specified assets acquired out of the loan amount  
 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. Lakh)	
	As at 31.03.2022	As at 31.03.2021
Payable after 1 year	-	1.12
<b>Total</b>	-	1.12

### 14. NON CURRENT PROVISIONS

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
Provisions for Employee Benefits	275.07	262.89
<b>Total</b>	275.07	262.89

### 15. DEFERRED TAX ASSETS/LIABILITIES (NET)

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
<b>Deferred Tax liability</b>		
Property, Plant and equipment	748.45	684.48
Unrealised Gain in Investment	-	-
<b>Total</b>	748.45	684.48
<b>Deferred Tax Assets</b>		
Expenses allowable on payment basis	110.73	98.50
Expected Credit Loss	10.42	8.67
<b>Total</b>	121.15	107.17
<b>Net Deferred Tax (Assets)/Liabilities</b>	627.30	577.31

### 16. OTHER NON CURRENT LIABILITIES

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
Export Benefit Received in Advance	38.85	48.61
<b>Total</b>	38.85	48.61

## 17. CURRENT BORROWINGS

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
Secured		
Loans repayable on Demand		
From Banks*	4.75	81.34
Current Maturities of Long Term Debts	1.12	6.42
<b>Total</b>	<b>5.87</b>	<b>87.76</b>

\* 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.

## 18. TRADE PAYABLES

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
Sundry Creditors :		
Total outstanding dues of micro enterprises and small enterprise	23.32	-
Total outstanding dues of Creditors other than micro enterprises and small enterprises		
-Trade Payable Others	1,998.17	1,285.42
-Acceptances	9,084.44	9,461.56
-Deferred Credit	343.18	337.83
<b>Total</b>	<b>11,449.11</b>	<b>11,084.81</b>

### Trade Payable Ageing Schedule

Particulars	Amount (Rs. Lakh)					
	As at 31.03.2022					
	Not Due	Outstanding for following periods from due date of payments				
Less than 1 Year		1 - 2 Years	2 - 3 Years	More than 3 Years	Total	
MSME	23.32	-	-	-	-	23.32
Others	11,069.65	325.39	2.30	0.90	1.77	11,400.01
Disputed dues MSME	-	-	-	-	-	-
Disputed dues Others	-	-	-	-	25.78	25.78
<b>Total</b>	<b>11,092.97</b>	<b>325.39</b>	<b>2.30</b>	<b>0.90</b>	<b>27.55</b>	<b>11,449.11</b>

### Trade Payable Ageing Schedule

Particulars	Amount (Rs. Lakh)					
	As at 31.03.2021					
	Not Due	Outstanding for following periods from due date of payments				
Less than 1 Year		1 - 2 Years	2 - 3 Years	More than 3 Years	Total	
MSME	-	-	-	-	-	-
Others	10,759.51	243.52	21.75	17.17	17.07	11,059.03
Disputed dues MSME	-	-	-	-	-	-
Disputed dues Others	-	-	-	-	25.78	25.78
<b>Total</b>	<b>10,759.51</b>	<b>243.52</b>	<b>21.75</b>	<b>17.17</b>	<b>42.85</b>	<b>11,084.81</b>

There are no overdue outstanding of Micro, Small and Medium Enterprises as on 31<sup>st</sup> March 2022.  
Amount payable in respect of Capital Goods Rs. NIL (previous year Rs. NIL)

## 19. CURRENT PROVISIONS

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
Provisions for Employee Bene ts	527.46	468.77
<b>Total</b>	<b>527.46</b>	<b>468.77</b>

Amount payable to related party Rs. 239.18 Lakh (Previous Year Rs.212.86 lakh).

## 20. OTHER CURRENT LIABILITIES

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
Advance from Customers	1,255.43	132.90
Other Payables	301.93	576.35
Interest accrued but not due	0.07	2.38
<b>Total</b>	<b>1,557.43</b>	<b>711.63</b>

ere are no amounts due and outstanding to be credited to Investor Education and Protection Fund as on 31.03.2022.

## 21. CURRENT TAX LIABILITIES (NET)

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
Provision for Income Tax (Net of TDS/TCS Rs.84.05 lakh, Advance Tax Rs. 1400.00 lakh and MAT credit utilisation Rs.NIL (Previous year Net of TDS Rs.26.58 lakh, Advance Tax Rs.1000.00 lakh and MAT credit utilisation Rs.NIL)	94.27	492.38
<b>Total</b>	<b>94.27</b>	<b>492.38</b>

e Company, during the year ended 31st March 2021, have opted for the new tax regime under Section 115BAA of the Income Tax Act, which provides a domestic company with an option to pay tax at a rate of 22% (e ctive Rate of 25.168%).

## 22. CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2022	As at 31.03.2021
<b>Contingent Liabilities</b>		
a) Sale tax/Excise Duty/Custom Duty/Other Statutory Due/ Service Tax disputed in appeal	261.08	138.81
b) Bank Guarantee	142.84	6.02
c) Labour cases disputed in appeal	5.76	5.76
<b>Commitments</b>		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	13.10	13.10
b) Letter of credits opened for which the material has not yet been shipped	11,412.30	6,045.51

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

## 24. REVENUE FROM OPERATIONS

Particulars	Amount (Rs. Lakh)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
Sales of Products	77,523.70	50,370.58
-Export Incentives / Bene ts	30.05	174.08
<b>Total</b>	<b>77,553.75</b>	<b>50,544.66</b>

## 25. OTHER INCOME

Particulars	Amount (Rs. Lakh)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
Interest	200.90	211.07
Claims Received	44.32	20.42
Miscellaneous Receipts & Income	273.09	283.70
Profit on sale of fixed assets	1.00	0.10
Exchange Rate Difference (Net)	354.10	362.79
<b>Total</b>	<b>873.41</b>	<b>878.08</b>

## 26. COST OF MATERIALS CONSUMED

Particulars	Amount (Rs. Lakh)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
At the beginning of the period	5,775.90	3,307.94
Add: Purchases during the period	63,273.04	35,737.54
Less: Inventory at the end of the period	9,296.21	5,775.90
Consumption during the period	59,752.73	33,269.58

### Raw Materials Consumed (Major Heads)

Particulars	Amount (Rs. Lakh)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
ACRYLONITRILE	45,206.45	25,819.48
VINYL ACETATE MONOMER	3,339.18	1,733.91
DIMETHYL FORMAMIDE	443.76	332.65
HOMO POLYMER	5,429.07	2,202.11
OTHERS	5,334.27	3,181.43
<b>TOTAL</b>	<b>59,752.73</b>	<b>33,269.58</b>

## 27. Purchases of Stock In Trade-

Particulars	Amount (Rs. Lakh)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
Traded Goods	22.16	9.36

## 28. CHANGES IN INVENTORIES

Particulars	Amount (Rs. Lakh)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
Closing Stock		
Finished Goods		
- Own Manufactured	3,243.89	3,662.30
- Trading	16.46	4.73
Work in Progress	775.15	569.56
	4,035.50	4,236.59
Opening Stock		
Finished Goods		
- Own Manufactured	3,662.30	5,676.89
- Trading	4.73	2.27
Work in Progress	569.56	476.95
	4,236.59	6,156.11
<b>(Increase)/Decrease in stocks</b>	<b>201.09</b>	<b>1,919.53</b>

## 29. EMPLOYEE BENEFITS EXPENSES

Particulars	Amount (Rs. Lakh)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
Salaries & Wages	2,171.37	2,035.78
Contribution to Provident & Other Funds	166.15	163.47
Staff Welfare Expenses	61.66	54.04
Total	2,399.18	2,253.29

Disclosure as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits.

### Employee Post Retirement Benefits

Particulars	Amount (Rs. Lakh)	
	Current Year	Previous Year
<b>During the year, the following contribution have been made under defined contribution plans:-</b>		
Employer's Contribution to Provident Fund	50.22	46.67
Employer's Contribution to Employees Pension Scheme	50.74	46.68

### Defined Benefit Plans:

#### Changes in the present value of the obligations

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefit	
	Financial Year 2021-22	Financial Year 2020-21	Financial Year 2021-22	Financial Year 2020-21
Present value of defined benefit obligation at the beginning of the year	724.82	730.53	296.55	284.66
Interest cost	45.27	46.35	19.81	18.79
Past Service Cost-Vested	-	-	-	-
Current service cost	38.83	41.97	28.91	33.06
Benefits Paid	(57.77)	(59.33)	(21.71)	(16.75)
Actuarial (gain)/loss on obligations	(18.46)	(34.70)	(13.83)	(23.20)
Present value of defined benefit obligation at the end of the year	732.69	724.82	309.73	296.56

#### Change in fair value of plan asset

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefit*	
	Financial Year 2021-22	Financial Year 2020-21	Financial Year 2021-22	Financial Year 2020-21
Present value of Plan assets at the beginning of the year	720.34	680.83	-	-
Actual return on Plan Assets	44.98	43.20	-	-
Contributions	6.19	50.99	-	-
Benefits paid	(57.77)	(59.33)	-	-
Charges Deducted	(10.90)	4.65	-	-
Fair value of plan assets at the end of the year	702.84	720.34	-	-

\* Not applicable as it is a defined contribution plan.

#### Amount recognized in Balance Sheet

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefit	
	Financial Year 2021-22	Financial Year 2020-21	Financial Year 2021-22	Financial Year 2020-21
Present value of obligation as at the end of the year	732.69	724.82	309.73	296.56
Fair value of Plan Assets as at the end of the year	702.85	720.34	-	-
Unfunded Net Assets/(Liability) recognised in Balance Sheet	(29.84)	(4.48)	(309.73)	(296.56)



**Expenses Recognized in Profit & Loss**
**(Rs. in Lakhs)**

Particulars	Gratuity		Leave Benefit	
	Financial Year 2021-22	Financial Year 2020-21	Financial Year 2021-22	Financial Year 2020-21
Current Service Cost	38.83	41.97	28.91	33.06
Past Service Cost Vested	-	-	-	-
Interest Cost	0.28	3.15	19.81	18.79
Total Expenses recognised in Profit & Loss Account	39.11	45.12	48.72	51.85

**Recognized in Other Comprehensive Income (OCI)**
**(Rs. in Lakhs)**

Particulars	Gratuity		Leave Benefit	
	Financial Year 2021-22	Financial Year 2020-21	Financial Year 2021-22	Financial Year 2020-21
Net cumulative unrecognized actuarial (gain)/loss opening	-	-	-	-
OCI recognized during the year	(7.56)	(39.35)	(13.83)	(23.20)
Unrecognized actuarial (gain)/Loss at the end of the year	-	-	-	-
Total Actuarial (gain)/loss at the end of the year	(7.56)	(39.35)	(13.83)	(23.20)

**Key principal actuarial assumptions used for estimating the Company's defined benefits obligation are set out below: (Rs. in Lakhs)**

Particulars	Gratuity		Leave Benefit	
	Financial Year 2021-22	Financial Year 2020-21	Financial Year 2021-22	Financial Year 2020-21
Discount rate (per annum)	7.10%	6.25%	7.11%	6.68%
Rate of increase in Compensation Levels (Per Annum)	5.60%	5.60%	10.00%	12.00%
Expected average remaining working lives of employees (years)	12.84	12.70	12.40	12.09
Method Used	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit

The assumption of future salary increase taken into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

**30. FINANCE COSTS**

Particulars	Amount (Rs. Lakh)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
Interest Expense:		
- Banks	0.86	1.04
- Others	48.13	125.49
Bank and Finance Charges	267.78	251.12
<b>Total</b>	<b>316.77</b>	<b>377.65</b>

**31. DEPRECIATION & AMORTISATION EXPENSES**

Particulars	Amount (Rs. Lakh)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
Depreciation	621.09	625.56
<b>Total</b>	<b>621.09</b>	<b>625.56</b>

- Effective 1st April 2014, the Company had revised its estimated useful life of fixed assets, wherever appropriate, on the basis of useful life specified in Schedule II of the Companies Act, 2013. The carrying amount as on 1st April 2014 was depreciated over the revised remaining useful life.
- Based on technical evaluation, depreciation has been provided taking Plant & Machinery (except CPP Plant & Zero Liquid Discharge Plant) & Captive Power Plant Life to 18 years instead of 25 years as prescribed in the Schedule II of the Companies Act, 2013. Had the useful life be taken to 25 years the depreciation would have been Rs 219.20 Lakh (Previous year Rs. 246.19 Lakh) instead of Rs. 224.83 Lakh (Previous Year Rs. 258.10 lakh), resulting in excess charge of depreciation during the year by Rs. 5.63 Lakh. (Previous Year Rs. 11.91 Lakh).

### 32. OTHER EXPENSES

Particulars	Amount (Rs. Lakh)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
Consumption of Stores, Spare and Packing Materials	1,057.62	1,019.51
Power & Fuel	5,590.67	3,945.52
Rent	177.82	239.89
Repairs to Buildings	45.01	16.43
Repairs to Machinery	126.37	230.05
Repairs-Others	89.55	55.67
Insurance	139.29	128.22
Rates & Taxes	21.44	13.77
Travelling & Conveyance	43.89	56.92
Rebates and Discounts	42.90	55.97
Commission & Brokerage	1.79	81.79
Freight Outward	932.64	664.90
Packing, Handling & Finishing Charges	60.85	46.72
Charity & Donation	2.56	7.55
Claim Paid/Irrecoverable Advances written off	20.34	-
Bad Debts written off (Net)	11.95	15.81
Miscellaneous Expenses*	565.94	535.88
<b>Total</b>	<b>8,930.63</b>	<b>7,114.60</b>

\* includes Rs. 80.25 Lakh (Previous Year Rs. 115.00 Lakh) being CSR expenses incurred by the Company during the year. In compliance of Section 135(5) of the Companies Act, 2013, the Company's total CSR obligation for the financial year 2021-22 was Rs. 81.36 Lakh which has been complied with by expending Rs. 80.25 Lakh during the year and availing set-off, in terms of 3rd proviso to Section 135(5), of Rs. 1.29 Lakh being excess amount spent in financial year 2020-21.

\*includes payment to auditors

Particulars	Amount (Rs. Lakh)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
As Statutory Audit Fees	7.00	7.00
As Audit Fees for Quarterly Audited Results	3.75	3.75
For Certification Work	0.20	0.10
<b>Total</b>	<b>10.95</b>	<b>10.85</b>

### 33. EARNING PER SHARE (EPS)

Particulars	Amount (Rs. Lakh)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Basic Earnings Per Share</b>		
Profit/(Loss) after tax as per profit & loss account (Rs. Lakh) (A)	4,589.66	4,304.85
No. of equity shares (B)	8,91,33,121	8,91,33,121
Basic Earning Per Share (Rs.) (A/B)	5.15	4.83
<b>Diluted Earnings Per Share</b>		
Profit/(Loss) after tax as per profit & loss account (Rs. Lakh) (A)	4,589.66	4,304.85
No. of equity shares (B)	8,91,33,121	8,91,33,121
Diluted Earning Per Share (Rs.) (A/B)	5.15	4.83

34. The Company has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information available upto the date of approval of these financial results and concluded that no adjustment is required in these results. The Company continues to monitor the future economic conditions.

### 35. Ratios

S. No.	Particulars	Numerator	Denominator	Current Year	Previous Year	Variance %
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	2.50	2.18	14.68%
2	Debt-Equity Ratio (in times)	Total Debt Total Debt= Non-current borrowings and current borrowings	Average equity Equity= Equity Share Capital plus other Equity	Not Significant	Not Significant	-
3	Debt Service Coverage Ratio (in times)	EBDIT	Interest expenses plus Principal repayment made during the period for long term loan	Not Significant	Not Significant	-
4	Return on Equity (in %)	Profit after tax	Average Shareholder Equity	17.89%	20.33%	-12.00%
5	Inventory Turnover Ratio (in times)	Cost of Goods Sold	Average Inventory of Finished Goods, Stock in process & Stock in trade	14.50	6.77	114.18%
6	Trade Receivable Turnover Ratio (in times)	Sale of Product	Average Trade Receivable	11.67	11.20	4.19%
7	Trade Payable Turnover Ratio (in times)	Cost of Goods Sold plus Other Expenses	Average Trade Payable including Expenses payable	5.89	3.60	63.61%
8	Net Capital Turnover Ratio (in times)	Revenue from Operation	Average Working Capital (i.e. Total Current Assets less Total Current Liability)	4.36	3.84	13.54%
9	Net Profit Ratio (in %)	Profit for the year after Tax	Revenue from Operation plus Other Income	5.85%	8.37%	-30.11%
10	Return on Capital Employed (in %)	Profit before Tax & Interest on Borrowings	Capital Employed = Net Worth plus Deferred Tax Liabilities plus Borrowings	21.64%	24.40%	-11.31%
11	Return on Investment (in %)	Income Generated from Invested Funds	Monthly Average Investment	3.28%	2.86%	15.00%

#### Reason for Variance

- Note**
1. Inventory Turnover Ratio and Trade Payable Turnover Ratio: Variation in these ratios is due to significant increase in raw material cost as compared to last year.
  2. Net Profit Ratio: Reduced due to significant increase in raw material and power & fuel cost as compared to last year.

### 36 Additional Regulatory Information

- Title Deeds of all Immovable properties are held in the name of the company
- The company does not have any investment property.
- During the year the company has not revalued its property, plant and Equipment (including right-of-Use Assets)
- During the year the company has not revalued its intangible assets
- During the year the company has not granted any Loan or advance in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are:
  - repayable on demand ; or
  - without specifying any terms or period of repayment,
- The company does not have Intangible assets under development
- No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The company has borrowings from banks or financial institution on the basis of security of current assets and quarterly returns or statement of current assets filed by the company with banks or financial institutions are in agreement with books of accounts.
- The company is not declared wilful defaulter by any bank or financial Institution or other lender.
- The company has not entered into any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- No charges or satisfaction yet to be registered with ROC beyond the statutory period.

- xii) The company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (Restriction on number of layers) rule 2017.
- xiii) During the year any Scheme of Arrangements has not been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- xiv) Utilisation of Borrowed funds and share premium:-
- A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- (B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- xv) Corporate Social Responsibility (CSR)

Particulars	Amount (Rs. Lakh)	
	Current Year	Previous Year
Amount required to be spent by the company during the year	81.36	71.47
Amount of Expenditure incurred	81.54*	71.47**
Shortfall at the end of the year	-	-
Total of previous year shortfall	-	-
Reason for shortfall	N.A	N.A
Nature of CSR activities	Promoting Education	Promoting Education
Details of related party transaction	NIL	NIL

\* In compliance of Section 135(5) of the Companies Act, 2013, the Company's total CSR obligation for the financial year 2021-22 was Rs. 81.36 Lakh which has been complied with by expending Rs. 80.25 Lakh during the year and availing set-off, in terms of 3rd proviso to Section 135(5), of Rs. 1.29 Lakh being excess amount spent in financial year 2020-21.

\*\* There was an obligation of Rs. 71.47 Lakh for FY 2020-21 and a shortfall of Rs. 42.24 Lakhs pertaining to financial year 2019-20 aggregating to Rs. 113.71 Lakhs. In compliance of which the company has spent Rs. 115.00 Lakhs during the year 2020-21 resulting in excess amount spent of Rs. 1.29 Lakhs which was available for set-off in financial year 2021-22.

- xvi) The company has not traded or invested in Crypto Currency or Virtual currency during the year.

### 37 Related Party Disclosure:

- A Names of related parties and description of relationship
- (i) Key managerial personnel  
Mr. Vineet Jain- Managing Director  
Mr. Satish Kumar Bansal- CFO  
Mr. S.P Gupta- Wholetime Director  
Mr. Bharat Kapoor- Company Secretary  
Relatives of key managerial personnel (with whom transactions have taken place.) Mr. Manish Jain- Brother
- (ii) Enterprises over which key managerial personnel of the company and their relatives have significant influence  
Prabhat Capital Services Ltd.  
Accurex Traders Pvt. Ltd.  
Vigar Enterprises Pvt. Ltd.
- iii) Other related Parties  
Pasupati Officer's Provident Fund Trust  
The Pasupati Acrylon Ltd. Employees Superannuation Scheme  
The Pasupati Acrylon Ltd. Employees Group Gratuity Scheme
- iv) Subsidiaries Companies NIL
- v) Joint Venture / Joint control & Associates NIL

the following transactions were carried out with related parties in the ordinary course of business.

Particulars	Amount (Rs. Lakh)		
	Relatives of Key Managerial Personnel	Key Managerial Personnel	Others
Salaries & Allowances	9.76	359.62	-
	(9.70)	(341.99)	(-)
Rent/Lease Rent Paid	-	-	3.70
	(-)	(-)	(3.70)
Loan Repaid	-	-	-
	(-)	(-)	(-)
Interest Paid	-	-	-
	(-)	(-)	(-)
Contribution to Gratuity / PF / Superannuation Fund	2.25	16.87	64.61
	(2.25)	(16.69)	(66.53)
Purchase of Asset	-	-	-
	(-)	(6.50)	(-)
For Expenses	-	-	5.45
	(-)	(-)	(2.56)

Previous period figures are given in bracket.

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

### 38. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk and credit risk. The Company's management advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, trade payables, deposits and investments.

#### ii. Foreign Currency Risk

The Company's raw material are imported and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not Company's functional currency (INR).

#### Unhedged in Foreign Currency Exposure

Particulars	Currency	(FC In Lakh)	
		31.03.2022	31.03.2021
Trade Receivable	USD	3.49	0.48
1% increase		0.03	0.00
1% decrease		(0.03)	(0.00)
Trade Payable	USD	66.26	34.92
1% increase		0.66	0.35
1% decrease		(0.66)	(0.35)

The above sensitivity analysis is based on a reasonably possible change in the underlying foreign currency against the Indian rupee computed from historical data and is representative of the foreign exchange currency risk inherent in financial assets and financial liabilities reported at the reporting date.

### (iii) Impact of Covid -19(Global pandemic)

The Company based on their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by covid-19 pandemic. The company has also considered the changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The company continues to believe that there is no impact on effectiveness of its hedges.

### (iv) Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

## 39. Disclosure as required under IND AS 108- Operating Segments

Operating Segments:

- a. Acrylic Fibre Division
- b. Cast Polypropylene Film Division (CPP Film)

### Identification of Segments

The management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements. The Operating segments have been identified on the basis of the nature of products.

### Segment revenue and results

Expenses and Revenue that are directly identifiable with the segments are considered for determining the segment results. Expenses and Revenue which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure and revenue respectively.

### Segment assets and liabilities

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities, if any, represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

#### For the year ended 31.03.2022

Particulars	Acrylic Fibre	CPP	Unallocated	TOTAL
Segment Revenue	67,565.13	9,988.62	-	77,553.75
Segment Results (Profit before Exceptional Item, Interest and Tax)	5,648.45	851.82	-	6,500.27
Finance Cost	-	-	316.77	316.77
Exceptional Item	-	-	-	-
Profit before Tax	-	-	-	6,183.51
Segment Assets	32,483.46	10,043.93	-	42,527.39
Segment Liabilities	13,957.42	617.95	-	14,575.37
Capital Expenditure	62.19	173.60	-	235.79
Depreciation	373.20	247.88	-	621.09

#### For the year ended 31.03.2021

Particulars	Acrylic Fibre	CPP	Unallocated	TOTAL
Segment Revenue	45,621.30	4,923.36	-	50,544.66
Segment Results (Profit before Exceptional Item, Interest and Tax)	5,800.73	430.10	-	6,230.83
Finance Cost	-	-	377.64	377.64
Exceptional Item	-	-	-	-
Profit before Tax	-	-	-	5,853.19
Segment Assets	28,838.04	8,243.60	-	37,081.64
Segment Liabilities	13,518.78	216.51	-	13,735.29
Capital Expenditure	53.03	1,017.22	-	1,070.25
Depreciation	421.07	204.49	-	625.56

## SECONDARY SEGMENT (GEOGRAPHICAL SEGMENT)

The geographical segment has been considered as secondary segment. The analysis of geographical segment is based on the geographical location of the customers. The company operates primarily in India and has presence in international markets as well. Accordingly the company has considered domestic and export markets as the geographical segments.

(Rs. in Lakhs)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Gross Sale Revenue by Geographical Segment		
Within India	74,518.54	42,138.59
Outside India	3,035.21	8,406.07
<b>Total</b>	<b>77,553.75</b>	<b>50,544.66</b>

## 40. VALUE OF IMPORTED / INDIGENOUS RAW MATERIALS, STORES & SPARES CONSUMED

Class of Goods	For the year ended 31.03.2022		For the year ended 31.03.2021	
	Percentage	Amount (Rs. Lakh)	Percentage	Amount (Rs. Lakh)
<b>Raw Materials</b>				
Imported	85.78	51,253.63	87.45	29,095.75
Indigenous	14.22	8,499.10	12.55	4,173.83
	<b>100.00</b>	<b>59,752.73</b>	<b>100.00</b>	<b>33,269.58</b>
<b>Stores &amp; Spares</b>				
Imported	3.74	39.56	1.91	19.45
Indigenous	96.26	1,018.06	98.09	1,000.06
	<b>100.00</b>	<b>1,057.62</b>	<b>100.00</b>	<b>1,019.51</b>

## 41. OTHER INFORMATIONS

Particulars	Amount (Rs. Lakh)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
CIF value of Imports		
Raw materials	48,070.86	28,247.38
Stores & spares	19.27	11.24
Capital Expenditure	118.12	621.74
Expenditure in Foreign Currency		
Travelling	-	25.48
Commission on export Sales. (excluding Rs. 14.07 Lakh (Previous year Rs. 108.54 Lakh) paid in INR for Export)	-	-
Interest & Other Charges	35.70	112.17
Earnings in Foreign Currency		
FOB value of exports (excluding Rs.90.92 Lakh (Previous year Rs. 8352.47 Lakh) export in INR)	2,988.04	208.44

42. Figures for the previous period have been regrouped / rearranged wherever considered necessary.

For Suresh Kumar Mittal & CO.,  
Chartered Accountants  
Reg. No. 500063N

Deveshwar Kumar Kapila  
Director  
DIN : 00179060

Vineet Jain  
Managing Director  
DIN : 00107149

Ankur Bagla  
Partner  
Membership No. 521915

S.C. Malik  
Director  
DIN : 00107170

Satish Kumar Bansal  
Chief Financial Officer

Place: New Delhi  
Date : May 18, 2022

Bharat Kapoor  
Company Secretary

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## Form No. MGT-11

### Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN:** L50102UP1982PLC015532

**Name of the Company:** Pasupati Acrylon Limited

**Registered office:** Kashipur Road, Akurdwara, Dist. Moradabad (U.P.) – 244601

Name of the Member(s):	
Registered Address:	
Email Id:	
Folio No. / DP Id – Client ID:	

I/ We being the member(s) of ....., holding.....shares of the above named company, hereby appoint

- |   |  |
|---|--|
| 1. Name: _____<br>Address: _____<br>E-mail Id: _____<br>Signature _____, or failing him/her | 2. Name: _____<br>Address: _____<br>E-mail Id: _____<br>Signature: _____, or failing him/her |
| 3. Name: _____<br>E-mail Id: _____  | Address: _____<br>Signature: _____   |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 39<sup>th</sup> Annual General Meeting of the Company, to be held on \_\_\_\_\_, Thursday, September 29, 2022 at 10:30 A.M. at the Registered Office of the Company at Kashipur Road, Akurdwara, Dist. Moradabad (U.P.) - 244601, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
<b>Ordinary Business :</b>	
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with Reports of Board of Directors and Auditors thereon.
2.	To appoint a Director in place of Mr. Satya Prakash Gupta (DIN- 00509809), who retires by rotation and being eligible, offers himself for re-appointment.
3.	To appoint Statutory Auditors of the Company and fix their remuneration.
<b>Special Business :</b>	
4.	To re-appoint Mr. Vineet Jain (DIN 00107149) as Managing Director of the Company for a further period of five years and pay remuneration to him.
5.	To revise the remuneration of Mr. Satya Prakash Gupta, Whole Time Director
6.	To alter Objects Clauses of the Memorandum of Association of the Company.
7.	To alter Liability Clause of the Memorandum of Association of the Company.
8.	To amend/alter Article of Association of the Company.
9.	To Increase in borrowing limits upto Rs. 500 Crores or aggregate of the paid-up share capital, free reserves and securities premium, whichever is higher.
10.	To Create Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings of the Company.
11.	To ratify the remuneration of Cost Auditors.

Signed this ..... day of..... 2022

Signature of Shareholder

Signature of Proxy holder(s)

<b>A x Revenue Stamp</b>
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*Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.*

## PASUPATI ACRYLON LIMITED

CIN : L50102UP1982PLC015532

Regd. Office & Works: Kashipur Road, Akurdwara, Dist. Moradabad (U.P.) - 244601

Corporate Office: M - 14, Middle Circle, Connaught Circus, New Delhi - 110001

Tel. Nos. 91-011-47627400; Fax No.: 91-011-47627497, 47627498

Website: www.pasupatiacrylon.com; Email : palsecretarial@gmail.com

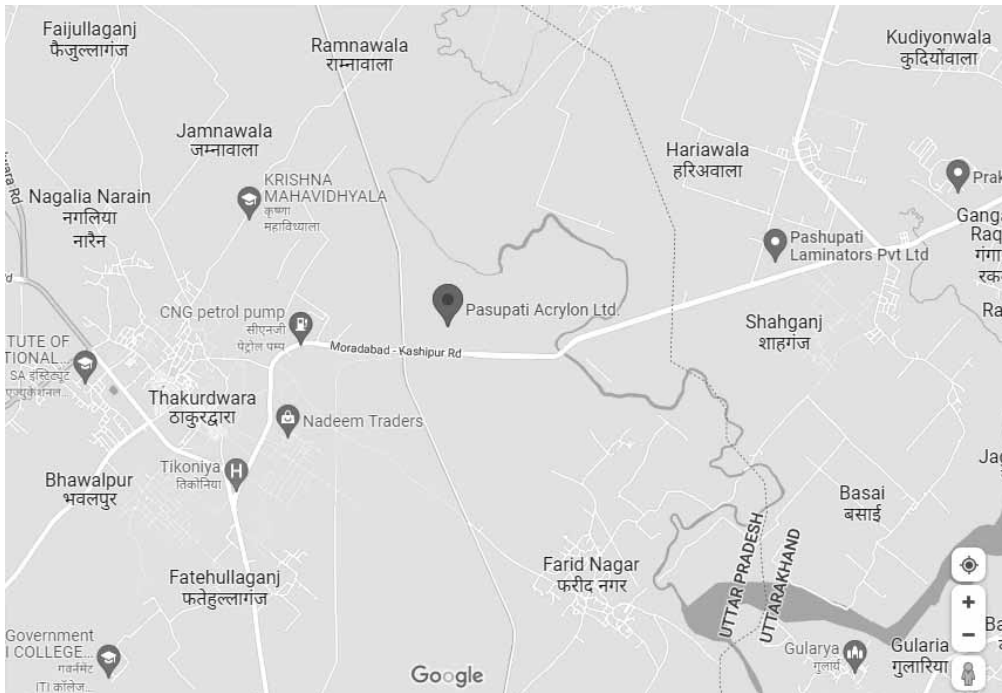
### ATTENDANCE SLIP

Name of the Shareholder	
Registered Address	
Registered Folio No./*DP ID - Client ID No. (*Applicable to investors holding shares in Dematerialized Form)	
No. of Shares Held	
Whether the shareholder is attending the meeting in person or by proxy or by authorized representative	
Name of the proxy (to be filled in if the proxy attends instead of the shareholder)	

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the **39<sup>th</sup> Annual General Meeting** of the Company on **Thursday, the September 29, 2022 at 10:30 A.M.** at Kashipur Road, Akurdwara, Dist. Moradabad - 244601 (U.P.).

\_\_\_\_\_  
Signature of Shareholder/Proxy

**Note: Please complete this attendance slip and hand it over at the Entrance of the Meeting Venue.**



# PASUPATI ACRYLON LIMITED

## FORM NO. MGT-12

### Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

**Name of the Company** : Pasupati Acrylon Limited  
**Registered Office** : Kashipur Road, Akurdwara, Dist. Moradabad (U.P.) – 244601  
**CIN** : L50102UP1982PLC015532

### BALLOT PAPER

Sr. No	Particulars	Details
1.	Name of the First named Shareholder (In Block Letters)	
2.	Postal Address	
3.	Registered Folio No./*DP ID - Client ID No. (*Applicable to investors holding shares in Dematerialized Form)	
4.	Class of Share	Equity Shares

I/we hereby exercise my/our vote in respect of ordinary/special resolution stated in the notice of 39<sup>th</sup> Annual General Meeting scheduled to be held on            Thursday, September 29, 2022 at 10:30 A.M. by recording my/our assent or dissent to the said resolution in the following manner:

Sr. No.	Description of Resolution	No. of Shares held by me	I assent to the resolution	I dissent to the resolution
<b>ORDINARY BUSINESS:</b>				
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with Reports of Board of Directors and Auditors thereon.			
2.	To appoint a Director in place of Mr. Satya Prakash Gupta (DIN- 00509809), who retires by rotation and being eligible, offers himself for re-appointment.			
3.	To appoint Statutory Auditors of the Company and fix their remuneration.			
<b>SPECIAL BUSINESS:</b>				
4.	To re-appoint Mr. Vineet Jain (DIN 00107149) as Managing Director of the Company for a further period of <u>      </u> years and pay remuneration to him.			
5.	To revise the remuneration of Mr. Satya Prakash Gupta, Whole Time Director			
6.	To alter Objects Clauses of the Memorandum of Association of the Company.			
7.	To alter Liability Clause of the Memorandum of Association of the Company.			
8.	To amend/alter Article of Association of the Company.			
9.	To increase borrowing limits upto Rs. 500 Crores or aggregate of the paid-up share capital, free reserves and securities premium whichever is higher.			
10.	To create Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings of the Company.			
11.	To ratify the remuneration of Cost Auditors.			

**Place :**

**Date :**

(\*as per Company records)

(Signature of the shareholder)

*IF UNDELIVERED PLEASE RETURN TO*



**PASUPATI ACRYLON LTD.**

*Corporate Office*

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