

PAL/2K19/
August 31, 2019



The Secretary
The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI - 420 023

Scrip Code : 500456

Sub: **Annual Report for the period ended 31st March 2019**

Dear Sir,

Under Regulation 34 of the SEBI (Listing, Obligation and Disclosure Requirements) Regulations 2015 (LODR), we hereby upload Annual Report for the financial year ended 31st March 2019 of the Company.

Kindly note that Annual General Meeting of the Company will be held on 27th September 2019.

You are requested to take the same on your record.

Thanking you,

Yours faithfully,
for **PASUPATI ACRYLON LIMITED**

Ankush Kumar Chokhani
Company Secretary & Compliance Officer

Encl : As above

P A S U P A T I A C R Y L O N L T D .



Quality Assured Company
ISO-9001:2000



ANNUAL REPORT 2018-2019

PASUPATI ACRYLON LIMITED

BOARD OF DIRECTORS

Managing Director

Mr. Vineet Jain

Directors

Mr. D. K. Kapila

Mr. S.C. Malik

Mr. S. Sathyamoorthy

Ms. Remmy Jain

Mr. Satya Prakash Gupta (Director Operations)

Auditors

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

Bankers

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

Regd. Office & Works

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

Corporate Office

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

Registrar & Share Transfer Agents

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

NOTICE



Notice is hereby given that the 36th Annual General Meeting of the members of Pasupati Acrylon Limited will be held on Friday the 27th day of September 2019 at the Registered Office of the Company at Village Thakurdwara, Kashipur Road, Distt. Moradabad (U.P.) at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Financial Statements comprising the Balance Sheet as at March 31st, 2019 and the Statement of Profit & Loss, the Statement of Change in Equity and Cash Flow Statement for the year ended on that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S.P Gupta (DIN 00509809), who retires by rotation at this Annual General Meeting. In terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To appoint Mr. Sathyamoorthy Srinivasan (DIN 00459731) as an Independent Director for second term and in this regard to consider and if thought fit, pass with or without modification(s), the following resolution as a **Special Resolution**.

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Reg. 25 of SEBI (Listing Obligation & Disclosure Requirement) 2015 (Listing Regulations) Mr. Sathyamoorthy Srinivasan, who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligation & Disclosure Requirement) 2015, be and is hereby re-appointed as an Independent Director of the Company for second term to hold office for five consecutive years from 27.09.2019 to 26.09.2024.

RESOLVED FURTHER THAT that pursuant to Section 196 of the Companies Act, 2013 and Regulation 17(1A) of the SEBI (Listing Obligation & Disclosure Requirement) 2015, the re-appointment of Mr. Sathyamoorthy Srinivasan, notwithstanding his attaining the age of 75 years on 03.12.2019, be continued for the remaining term up to 26.09.2024 on the same terms and conditions and this resolution may be considered as the requisite approval of the shareholders as required under the Companies Act, 2013 and the Listing Regulations.

“RESOLVED FURTHER THAT Mr. Vineet Jain, Managing Director and Mr. Ankush Kumar Chokhani, Company Secretary be and are hereby authorised severally to do all such things as may be necessary to fulfil the conditions of the appointment of Mr. Sathyamoorthy Srinivasan as Independent Director of the Company.”

4. To appoint Mrs. Remmy Jain (DIN 08277269) as Director and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution as an Ordinary Resolution.

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

“RESOLVED FURTHER THAT Mr. Vineet Jain, Managing Director and/or Mr. Ankush Kumar Chokhani, Company Secretary be and are hereby authorised to do all such things as may be necessary to fulfil the conditions of the appointment of Mrs Remmy Jain, as Director of the Company.”

5. To appoint Mrs Remmy Jain (DIN 08277269) as an Independent Director and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Reg. 25 of SEBI (Listing Obligation & Disclosure Requirement) 2015, Mrs Remmy Jain be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation and to hold office from 13 .11 2018 up to 12.11 2023.

“RESOLVED FURTHER THAT Mr. Vineet Jain, Managing Director and Mr. Ankush Kumar Chokhani, Company Secretary be and are hereby authorised severally to do all such things as may be necessary to fulfil the conditions of the appointment of Mrs Remmy Jain, as Director of the Company.”

6. Ratification of remuneration of Cost Auditors

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

NOTICE (Contd.)



“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of Rs.45000/- plus GST and out of pocket expenses payable to M/s. Satnam Singh Saggu, Cost Auditor, (Membership No.M-10555) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020.

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

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.
A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Messrs Suresh Kumar Mittal & Co., Chartered Accountants (Firm Registration No.500063N) were appointed as Auditors of the Company at the AGM held on September 27,2017 to hold office for a period of 5 years till the conclusion of the 39thAGM. In terms of Section139 of the Act as amended by the Companies (Amendment) Act, 2017, notified on May 7, 2018, appointment of Auditors need not be ratified at every AGM. Accordingly, the Notice convening the ensuing AGM does not carry Resolution for ratification of appointment of Statutory Auditors. The Auditors have confirmed that they continue to fulfil the criteria for appointment as Auditor of the Company as prescribed under the Act and the Rules framed there under.
4. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold Directorships and Memberships / Chairmanships of the Board Committees, shareholding and relationships between Directors inter se as stipulated under SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, are provided in the Corporate Governance Report forming part of the Annual Report.
5. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working day, except Saturdays, during business hours up to the date of the Meeting.
9. The Company has notified closure of Register of Members and Share Transfer Books from Friday, September 20, 2019 to Friday, September 27, 2019 (both days inclusive).
10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/MCS.
11. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. In compliance with the provision of Section 108 of the Act and the Rules framed there-under, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this notice.

The instructions for e-voting are as under:

VOTING THROUGH ELECTRONIC MEANS

1. Pursuant to Section 108 and corresponding Rules of Companies Act, 2013, the Company will provide e-voting facility to the members. All business to be transacted at the Annual General Meeting can be transacted through the electronic voting system provided by Central Depository Services (India) Limited (CDSL).



NOTICE (Contd.)

2. The notice of Annual General Meeting will be send to the members, whose names appear in the Register of Members/ depositories as at closing hours of business, on 14th August, 2019.
3. The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every folio/client ID, irrespective of the number of joint holders.
4. The Company has appointed M/s. S.K. Hota & Associates, Practicing Company Secretaries (Membership No.16165, Certificate No.6425,) as Scrutinizer for conducting the e-voting process in a fair and transparent manner.
5. The scrutinizer shall, within a period of not exceeding three working days from the date of conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a final report to the Chairman of the Company.
6. The results shall be declared at the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.pasupatiacrylon.com and on the website of CDSL within two days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the BSE.
7. The Scrutinizer's decision on the validity of e-voting will be final.

Instructions for Voting through electronic mode.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24th September, 2019 (10AM) and ends on 26th September, 2019 (5.00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence No. / Folio No. in the PAN field. • In case the sequence No. / Folio No. is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence / Folio No. 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "**SUBMIT**" tab.



NOTICE (Contd.)

- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the **EVSN** of "Pasupati Acrylon Limited" on which you choose to vote.
- (xiii) On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "**YES/NO**" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows Phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Those persons, who have acquired shares and have become Members of the Company after the despatch of Notice of the AGM by the Company and whose names appear in the Register of Members or Register of beneficial holders as on the cut-off date i.e, 20.09.2019 shall view the Notice of the 36th AGM on the Company's website. Such members shall exercise their voting rights through remote e-voting by following the procedure as mentioned above or by voting at the AGM.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to Mr. Rakesh Dalvi, Manager, CDSL, A Wing, 25th Floor, Marat M Joshi Marg, Lower Parel (East), Mumbai – 400 013, e- mail : helpdesk.evoting@cdslindia.com., Phone : 1800225533.

Route of AGM Venue

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

By order of the Board
PASUPATI ACRYLON LIMITED
Ankush Kumar Chokhani
Company Secretary

Place : New Delhi
Dated : 25th May, 2019
Registered Office
Thakurdwara Kashipur Road
Distt. Moradabad, Uttar Pradesh



NOTICE (Contd.)

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

ITEM NO. 3

Mr. Sathyamoorthy Srinivasan (DIN 00459731) is proposed to be appointed for the Second Term, pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Reg. 25 of SEBI (Listing Obligation & Disclosure Requirement) 2015 and would hold office for five consecutive years from 27.09.2019 to 26.09.2024

Mr. Sathyamoorthy Srinivasan, aged about 74 years attaining the age of 75 years on 03.12.2019, be continued for the remaining term up to 26.09.2024 on the same terms and conditions, is a B.com, I.A.A.S, C.A.I.I.B, Post Graduate Diploma in Development Finance (U.K) and also Retd. Dy. Comptroller & Auditor General in the Rank of Secretary to Govt of India with expertise in the field of Audit, Accounts and also have rich assorted experience in the field of Economic, Law and General Management.

Your Director's consider that Mr. Sathyamoorthy Srinivasan's experience and guidance will be of immense value to the Company and accordingly commended his appointment for your approval.

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

ITEM NO. 4 & 5

The Board of Directors on 13.11.2018 appointed, Mrs Remmy Jain (DIN 08277269) as an Independent Director pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Reg. 25 of SEBI (Listing Obligation & Disclosure Requirement) 2015 and would hold office for five consecutive years up to 12.11.2023

Mrs Remmy Jain, aged about 50 years, is a M.Com and Chartered Accountant and having an experience of 23 years in the field of Finance, Accounts, Taxation and Audit.

Your Director's consider that Mrs Remmy Jain's experience and guidance will be immense value to the Company and accordingly commended his appointment for your approval.

Except Mrs Remmy Jain, none other Directors of the Company is in any way concerned or interested in the proposed resolution.

ITEM NO. 6

The Board, has approved the appointment and remuneration of Rs.45,000/- (Rupees forty five thousand only) of the Cost Auditors to conduct the Audit of the cost records of the Company for the financial year ending March 31, 2020.

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

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in the Item No. 6 of this Notice.

The Board commends the Ordinary Resolution set out at Item No. 4, 5 and 6 of this Notice for approval by the shareholders.

By order of the Board
PASUPATI ACRYLON LIMITED

Ankush Kumar Chokhani
Company Secretary

Place : New Delhi
Dated : 25th May, 2019

Registered Office
Thakurdwara Kashipur Road
Distt. Moradabad, Uttar Pradesh

NOTICE (Contd.)



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

Name of Director	Mr. Satya Prakash Gupta	Mr. Sathyamoorthy Srinivasan	Mrs. Remmy Jain
Date of Birth	01.07.1954	03.12.1944	04.11.1968
Date of Appointment	27.09.2018	25.05.2019	13.11.2018
Expertise in specific functional Areas	A Chemical Engineer from HBTI Kanpur has been in the service of your Company since 2013, and had held senior positions in Production and Operations of your company, prior to his appointment as Director (Operations).	Retd. Dy. Comptroller & Auditor General in the Rank of secretary to Govt of India with expertise in the field of Audit, Accounts and also have rich assorted experience in the field of Economic, Law and General Management. Accounts, Finance, Taxation and Audit	Accounts, Finance, Taxation and Audit
Qualifications	BSc Engineering	B.com, I.A.AS, C.A.I.I.B, Post Graduate Diploma in Development Finance (U.K)	M.Com, Chartered Accountant
List of other companies in which directorship held as on 31.3.2018	1) Pasupati Advanced Films Ltd. 2) Multimax Asset Reconstruction Pvt.Ltd.	1) APS Management Services Pvt. Ltd. 2) Shriram Vyapar Pvt. Ltd.	Nil
Chairman /Member of the committee of other public companies on which individual is a director as on 31.3.2018	Nil	Nil	Nil
No of shares held in the Company as on 31.3.2019	3500	Nil	Nil
Relationship between directors inter se	Nil	Nil	Nil

DIRECTORS' REPORT



To the Members

Your Directors have pleasure in presenting Annual Report of the Company together with the Audited Accounts for the year ended on 31st March, 2019.

FINANCIAL RESULTS

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

	2018-19	(Rs./ Crore) 2017-18
Sales (Gross) & Other Income	825.31	574.15
Profit before Interest & Depreciation	57.05	60.07
Finance Cost	8.17	4.64
Depreciation	5.76	5.24
Profit before Taxes	43.12	50.19
Tax Expenses for the year :—		
- Current Tax	10.44	12.13
- Deferred Tax Liability /(Assets)	5.30	3.54
Less: Exceptional Items	-	6.51
Profit after Taxes	27.38	28.01

DIVIDEND

The Board of Directors decided to plough back the earnings to strengthen the financials of the Company, hence do not recommend dividend for the year.

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

The Company has recorded production of 43462 MT and Sale of 44505 MT during the year under review, as against 37429 MT and Sale of 38590 MT respectively during the previous year. The Company has during the year achieved highest production and highest sales both in quantity and value.

The Company posted EBIDTA for the year of Rs. 57.05 Crore as compared to Rs.60.07 Crore in the previous year and Net Profit of Rs.27.38 as compared to Rs.28.01 Crore in the previous year.

Despite various challenges such as volatility in raw material prices, inadequate working capital limits, dumping of acrylic fibre by China, Peru and Belarus, foreign exchange fluctuations, the Company's performance has been satisfactory.

INTEGRATED CPP FILM PROJECT

The Company had during the year implemented expansion of CPP Film by another 5000 MT, taking total production capacity to 10000 MT. The new capacity started commercial production w.e.f 26.03.2019. The Company expects that this segment shall do well as the demand of CPP Films is on the rise.

CDR EXIT

The Company had during the year paid agreed amount of Rs.15 Crore towards CDR recompense to Consortium of Banks.

With this payment the Company has successfully come out of CDR.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ACRYLIC FIBRE

a) Industry Structure and Development

The Demand of Acrylic Fibre during the year has risen, despite dumping by China, Peru and Belarus the Company could sale 44505 MT which is 15.32% higher than the previous year. The Company's export has helped in achieving higher sales. During the year under review the Company's export were 12379 MT as compared to 9300 MT in the previous year.



DIRECTORS' REPORT (Contd.)

b) Opportunities and Threat

The raw material to produce Acrylic Fibre is crude derived. The movement in crude affects the raw material prices to some extent, during the year the crude prices remained volatile, it moved in a band of 50-86 USD a barrel, so as the A C N prices. Since Company is dependent upon imports, the fluctuation in foreign exchange i.e. USD vs. INR has a bearing on the margin of the Company.

c) Segment-wise / Product-wise performance

Segment wise/product wise performance is given–

d) Risk and Concern

Since Company is dependent upon imported raw materials as such sudden movement in USD and volatility in crude oil affects the margin. The Company is giving thrust on increasing the exports so that effect can be mitigated. During the year export surged by 33%.

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 Industry is growing at 7- 8% Per Annum.

b) Opportunities and Threat

The 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–

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.

DIRECTORS

As per terms and conditions of appointment, Mr. S. P Gupta, Director (Operations), retire by rotation in the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment

Smt Soma Garg has resigned from the directorship w.e.f 30.10.2018, Mrs. Remmy Jain was appointed as independent director w.e.f 13.11.2018, her appointment needs to be confirmed at the forth coming Annual General Meetings..

All independent Directors have declared that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 40 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, of the Listing Agreement with Stock Exchanges.

INDEPENDENT DIRECTORS:

Mr. D.K. Kapila, Shri S.C. Malik, Mr. S. Sathyamoorthy and Mrs. Remmy Jian, Independent directors of the Company have submitted their disclosures to the Board that they fulfill all requirements as stipulated in Section 149(6) of the Companies Act, 2013 and read with the relevant rules.

KEY MANAGERIAL PERSONNEL

As required under Section 203 of the Companies Act, 2013, the Company has noted that Mr. Vineet Jain, Managing Director, Mr. Satya Prakash Gupta, Director (Operations), Mr Satish Kumar Bansal, CFO and Mr Ankush Chokhani, Company Secretary are the Key Managerial Personnel of the Company.

NOMINATION AND REMUNERATION POLICY

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

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

DIRECTORS' REPORT (Contd.)

EVALUATION OF BOARD PERFORMANCE

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- a) That in the preparation of the annual accounts for the financial year ended 31st March, 2019; 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 31st March, 2019 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. A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Corporate Governance Clauses of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 is annexed as Annexure – I.

Auditors Comment on non-compliance of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, as regards to non-filing of Annual report for financial year 2017-18 with BSE as stipulated, consequently BSE had levied a penalty. Company represented to BSE to waive the penalty since the mistake was inadvertent and unintended, the decision of BSE is yet awaited.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

None of the transactions with any of the related parties were in conflict with your company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No.36 of the Financial Statements forming part of this Annual Report.

All related party transactions are negotiated on arm's length basis.

DISCLOSURE UNDER SEXUAL HARRASSMENT OF WOMEN AT WORK PLACE

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant and material orders passed against your Company by the regulators or courts or tribunals during the FY 2018-19 impacting the going concern status and your Company's operations in future.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

During the year Company spent Rs. 106 Lakh on CSR activities against its obligation of Rs.105.56 Lakh, including the short fall of Rs.11.44 Lakh during the year 2017-18.

DIRECTORS' REPORT (Contd.)



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 Companies (Corporate Social Responsibility) Rules 2014 are annexed hereto and form part of this report as Annexure- II.

RISK MANAGEMENT

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

AUDITORS AND AUDITORS REPORT

Statutory Auditors

M/s. Suresh Kumar Mittal & Co., Chartered Accountants, (Reg. No. 500063N) as Statutory Auditors of the Company, hold office till the conclusion of the Annual General Meeting to be held on 2022 subject to ratification of their appointment every year and are eligible for reappointment. They have confirmed their eligibility to the effect that it would be within the prescribed limits under the Act and that they are not disqualified for ratification.

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

Cost Auditor

The company is maintaining the Cost Records, as specified by the Central Government under section 148 (1) of the Companies Act 2013. Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, your Directors, on the recommendation of the Audit committee, appointed M/s. Satnam Singh Saggu, Cost Accountants as Cost Auditors of your company for the Financial Year 2019-20 to carry out the cost audit for the applicable business on a remuneration of Rs.45000/- (Rupees forty five thousand only) plus applicable taxes and reimbursement of out of pocket expenses. A certificate from M/s. Satnam Sigh Saggu, 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 Company appointed M/s. V.K. Sharma & Co, Practicing Company Secretaries, to undertake Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the Financial Year ended 31st March 2019 is annexed herewith to this Report as Annexure III.

Mr. V.K. Sharma Practicing Company Secretary is appointed as Secretarial Auditors of the Company for the financial year 2019-20 pursuant Section 204 of the Companies Act, 2013.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year 2018-19 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by M/s. V.K. Sharma & Co, Practicing Company Secretaries has been submitted to the Stock Exchanges within 60 days of the end of the Financial Year.

Internal Auditor

Pursuant to provisions of Section 138 of the Companies Act, 2013 M/s. Jinender Jain & Company, Internal Auditors have conducted internal audit of the functions and activities of the Company and maintained Internal Control Systems of the Company during Financial Year 2018-19.

DISCLOSURES:

Audit Committee

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

Vigil Mechanism

The Company has established a Vigil Mechanism policy in accordance with the provisions of the Companies Act, 2013 read with Rules there



DIRECTORS' REPORT (Contd.)

under and the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 to deal with the instances of fraud and mismanagement. The details of the vigil mechanism are posted on the website of the Company.

Meetings of the Board

During the year four meetings of the Board of Directors were held. The maximum interval between any two Board Meeting did not exceed 120 (One hundred twenty) days. The details of Board Meetings are set out in Corporate Governance Report which form part of this Annual Report.

Particulars of Loans , Investments, Guarantees.

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

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

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

Extract of Annual Return

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

Pursuant to the provisions of section 134 (3) (a) of Companies Act 2013 substituted by Companies (Amendment) Act 2017 w.e.f. July 31, 2018 the web address of the extract of Annual Return of the Company is <http://pasupatiacrylon.com/annual-other-reports/>

Particulars of Remuneration of Directors / KMP /Employees

Disclosure pertaining to remuneration and other details a required Under Section 197 (12) of the Companies Act, 2013 and Rule 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure - VI.

ISO CERTIFICATION

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

FIXED DEPOSITS

The company does not accept fixed deposits.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Management of the Company has been focused on building a process driven organization with sound checks and controls. The adequacy of the checks and balances is continuously evaluated through self audits, well defined MIS and internal audits. The business process and operational SOPs are updated on regular basis to incorporate the internal learning and best practices of other organisations. Senior management remains actively engaged in reviewing and strengthening Internal Control Systems. The internal Audit observations are carefully studied and implementation of the remedial action continuously monitored. Both the observations of internal audit and remedial action plan are presented and discussed in detail in the Audit Committee of the Board of Directors.

Internal Financial Control:

he Company has in place robust internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

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)

Vineet Jain
Managing Director

Place : New Delhi
Dated : 25th May, 2019



ANNEXURE I

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITION 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 2019, as per relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations')

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.

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 Accounts 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable, except the following:-

BSE had levied a Penalty of Rs. 219480/- for non-filing of Annual Report for FY 2017-18 which is unpaid. The Company has made representation to the BSE for waiver of the same as it was inadvertent, unintended mistake.

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

For SURESH KUMAR MITTAL & CO.
Chartered Accountants
Firm Registration No: 500063N
Sd/-

Ankur Bagla
Partner

Membership No.521915

Place : New Delhi
Dated : 25th May 2019

ANNEXURE II

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2018-19

Sr. No.	Particulars	Details
1	Brief Outline of CSR Policy	Broad contours of CSR Policy of the Company : 1. Promotion of Education 2. Rural Development 3. Promoting Health Care 4. Environment Protection & Energy Conservation 5. Any other project/programme pertaining to activities listed in Companies (Corporate Social Responsibility) Rules, 2014.
2	Composition of CSR Committee	The CSR Committee of the Company consists of : i. Mr. Vineet Jain, Chairman ii. Mr. S.C Malik, Member iii. Mr. S.P. Gupta, Member iv. Mr. Rakesh Mundra, Member (Retired on 29.05.2018)
3	Average net profit of the Company for the last three Financial years	Rs.4706.05 Lakhs
4	Prescribe CSR Expenses	CSR @ 2% is Rs. 94.12 Lakh for this year plus short fall of Rs.11.44 Lakh of last year aggregating to Rs. 105.56 Lakh.
5	Details of CSR Spent during the Year: Total Amount spent for the Financial year Amount unspent, if any Manner in which the amount spent during the Financial Year.	Rs.106 Lakh Nil ANNEXURE - A
6	In case the Company has failed to spent two percent, reason thereof.	N.A
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in Compliance with CSR objectives and policy of the Company.	ANNEXURE - B

DIRECTORS' REPORT (Contd.)



ANNEXURE –A

Manner in which the amount spent during the Financial year is detailed below:

Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where project or programs was undertaken	Amount outlay (budget) project or programs wise (Rs.in Lakhs)	Amount spent of the projects or programmes Sub Heads : (1) Direct expenditure on projects or programs (2) Overheads. (Rs.in Lakhs)	Cumulative expenditure up to the reporting period. (Rs. in Lakhs)	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Contribution Health Care	“ i “ of Schedule vii of the Act (Promoting preventive health care) for health care)	Jhajjar, Haryana	55.00	Nil	55.00	Through implementing agency
2	Contribution health Care	“ i “ of Schedule vii of the Act (Promoting preventive health care)	Rohini, Delhi	25.00	Nil	25.00	Through implementing agency
3	Contribution for Health Care	“ i “ of Schedule vii of the Act (Promoting preventive health care)	Jaipur, Rajasthan	25.00	Nil	25.00	Through implementing agency
4	Environmental sustainability by Tree Plantation	“ iv “ of Schedule vii of the Act (Environmental sustainability)	Faridkot, Punjab	1.00	Nil	1.00	Direct

ANNEXURE – B

Responsibility statement

It is hereby affirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives of the Company.

For and on behalf of the Board

Satya Prakash Gupta
Director (Operations)

Vineet Jain
Managing Director

Place : New Delhi
Dated : 25th May, 2019.

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31.03.2019

*[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 THE 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 31.03.2019 generally 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 31.03.2019 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 thereunder 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;
 - (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:

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (ii) 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 generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent they were applicable except that:

- (i). An inadvertent lapse occurred in attaching Annual report in the online filing with BSE for complying with Regulation 34(1) of the

DIRECTORS' REPORT (Contd.)



Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. However it was filed/resubmitted on 05.02.2019 on receipt of letter dated 31.01.2019 from BSE.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

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: Noida
Date: 24th May 2019

for V. K. Sharma & Co.
Company Secretaries
Sd/-
(V. K. Sharma)
C. P. No.: 2019
FCS:-3440

This 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

To,

'Annexure A'

The 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: Noida
Date: 24th May 2019

for V. K. Sharma & Co.
Company Secretaries
Sd/-
(V. K. Sharma)
C. P. No.: 2019
FCS:-3440

ANNEXURE IV

**INFORMATION AS PER SECTION 134 OF THE COMPANIES ACT, 2013
READ WITH RULE 8(3) OF COMPANIES (ACCOUNTS) RULES, 2014
FOR THE YEAR ENDED 31ST MARCH, 2019.**

A. CONSERVATION OF ENERGY

1. Energy conservation measures taken during the period under report are as under:
 - i) Installation of variable speed drives and pressure controller.
 - ii) Procurement of IE3 type high efficiency motors.
 - iii) Replacement of fluorescent tube light fittings, CFL with LED light fittings.
 - iv) Replacement of water pumps with high efficiency pumps.
2. Additional investments and proposals
The company is continuously exploring various avenues to reduce and optimize energy cost.
3. Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production.
On account of above measures there would be savings.

B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

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

(Rs. in Lakh)

S. No.	Particulars	2018-2019	2017-2018
i)	Capital	-	-
ii)	Recurring	35.22	36.80
iii)	Total	35.22	36.80
iv)	Total R&D expenditure as a percentage of total turnover	0.04%	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.
The Company is continuously exploring new markets and increasing exports. During the year Company's exports were 12379 MT i.e.27.81% of total quantity sold as against 9300 MT i.e. 24.1% of total quantity sold in previous year.
2. **Total Foreign Exchange Used & Earned**

(Rs.in Lakh)

Foreign Exchange Utilized		2018-2019	2017-2018
i)	Travelling	47.77	49.10
ii)	Interest & other charges	286.05	82.77
iii)	Commission on export sales	54.04	27.02
iv)	CIF Value of imports		
	- Raw Material	56496.95	37871.01
	- Stores and Spares	1947.36	40.87
Foreign Exchange Earned			
FOB Value of Exports (excluding Rs.17645.41 Lakh, export to Iran in INR - (Previous year Rs.11372.08 Lakh)		3732.95	612.89



EXTRACT OF ANNUAL RETURN
For the Financial Year ended on 31st March 2019
[Pursuant to Section 93 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies
(Management and Administration) Rules, 2014]

Form No. MGT- 9

I. REGISTRATION AND OTHER DETAILS

Particulars	Details
CIN	L50102UP1982PLC015532
Registration date	22/10/1982
Name of the company	Pasupati Acrylon Ltd.
Category / Sub Category of the Company	Company having Share Capital
Address of Registered Office and Contact details.	Thakurdwara Kashipur Road, Distt. Moradabad (U.P) – 244 601 Tel. 0591 2241352-55 · Fax – 0591 2241262 Email:works@pasupatiacrylon.com
Whether listed Company Yes/No.	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any.	MCS Share Transfer Agent Limited F-65, Okhla Industrial Area, Phase – I, New Delhi 110 020 Tel ; 011 41406149 – 52 E mail : helpdeskdelhi@mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Name and Description of Main Products / Service	NIC Code of the Product / Service	% to total turnover of the Company.
Acrylic Filre, Tow & Tops	2030	94.98
Cast Poly Propylene (CPP) Films	22209	5.02

III. PARTICULARS OF HOLDINGS, SUBSIDIARY AND ASSOCIATE COMPANIES

Name & address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Share held	Applicable Section
		N A		

DIRECTORS' REPORT (Contd.)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	17454996	-	17454996	19.58	17454996	-	17454996	19.58	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govts.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	36778697	-	36778697	41.26	36778697	-	36778697	41.26	-
e) Banks/ FI	4481752	-	4481752	5.03	4481752	-	4481752	5.03	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	58715445	-	58715445	65.87	58715445	-	58715445	65.87	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
c) Banks/ FI	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	58715445	-	58715445	65.87	58715445	-	58715445	65.87	-
B. Public Shareholdings									
1. Institutions									
a) Mutual Funds/UTI	97020	82485	179505	0.20	97020	82485	179505	0.20	-
b) Banks/ FI	4815	270	5085	0.01	4815	270	5085	0.01	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub total (B) (1)	101835	82755	184590	0.21	101835	82755	184590	0.21	-
2. Non Institutions									
a) Bodies Corporate	2256871	187296	2444167	2.74	1703121	181604	1884725	2.11	-0.63
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 Lakh	13656322	6181107	19837429	22.26	14328482	5704557	20033039	22.48	0.22

DIRECTORS' REPORT (Contd.)



Category of Shareholders	No. of shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
ii) Individual shareholders holding nominal share capital excess Rs.2 Lakh	5707936	-	5707936	6.40	6068541	117422	6185963	6.94	0.54
c) Qualified foreign Investor	-	-	-	-	-	-	-	-	-
d) NBFCs registered with RBI	90	-	90	0.001	90	-	90	0.001	-
e) Others (Specify)									
i) Trust & Foundations	-	-	-	-	-	-	-	-	-
ii) Non Resident Individual	487413	443315	930728	1.00	519289	295244	814533	0.91	-0.09
iii) Cooperative Societies	90	-	90	0.001	90	-	90	0.001	-
iv) Foreign Companies	-	415080	415080	0.47	-	415080	415080	0.47	-
v) Educational Institutions	-	-	-	-	-	-	-	-	-
vi) OCBs	897566	-	897566	1.01	897566	-	897566	1.01	-
Sub Total (B) (2)	23006288	7226798	30233086	33.92	23519179	6713907	30233086	33.92	-
Total Public									
Share Holding (B)= (B)(1)+(B)(2)	23108123	7309553	30417676	34.13	23621014	6796662	30417676	34.13	-
Total A + B	81823568	7309553	89133121	100	82336459	6796662	89133121	100	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B=C)	81823568	7309553	89133121	100	82336459	6796662	89133121	100	-

(ii) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total shares of the Company	No. of Shares Pledged	No. of Shares	% of total shares of the Company	No. of Shares pledged	
1	Manish Jain	15649232	17.56	-	15649232	17.56	-	-
2	Gurukripa Finvest Pvt. Ltd.	9000000	10.09	1000000	9000000	10.09	1000000	-
3	Sulabh Plantation & Finance Ltd.	8250000	9.25	-	8250000	9.25	-	-
4	Arihant Exports Ltd	4627867	5.19	-	4627867	5.19	-	-
5	Shubh Exim Ltd.	4500000	5.05	4500000	4500000	5.05	4500000	-
6	The Pradeshiya Industrial & Investment Corporation of UP Ltd.	4481752	5.03	-	4481752	5.03	-	-
7	Sind Wave Finance Services Ltd.	4000000	4.48	4000000	4000000	4.48	4000000	-
8	Prabhat Capital Services Ltd.	3500000	3.93	3500000	3500000	3.93	3500000	-
9	Accurex Traders Private Ltd.	1750000	1.96	-	1750000	1.96	-	-
10	Vineet Jain	1202422	1.35	1125000	1202422	1.35	1125000	-
11	Inder Overseas Pvt. Ltd.	1000000	1.12	1000000	1000000	1.12	1000000	-
12	Vinod Kumar Jain	603342	0.68	-	603342	0.68	-	-
13	MVA Finance Pvt.Ltd.	144450	0.16	-	144450	0.16	-	-
14	Nityanand Exports & Consultants Co.Ltd.	6380	0.01	-	6380	0.01	-	-
	Total	58715445	65.87	15125000	58715445	65.87	15125000	

DIRECTORS' REPORT (Contd.)



(iii) Change in Promoter's Shareholding (Please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	58715445	65.87	58715445	65.87
Date wise increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	No change			
At the end of the year	58715445	65.87	58715445	65.87

(iv) Shareholding Pattern of top ten Shareholders (other than directors, Promoters and Holders of GDRs and ADRs)

S.No.	Name of Shareholder	Shareholding at the beginning of the year		Increase/Decrease during the year	Cumulative shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	No of Shares	% of total shares of the Company
1	Cerex Trading U K Ltd	895856	1.01	-	895856	1.01
2	Annu Narayan	846677	0.95	6495	853172	0.95
3	Nilamber Securities Private Limited	300893	0.34	-	300893	0.34
4	Sahistaakhtar Sarvarhussian Nagad	300000	0.34	-	300000	0.34
5	Keshav Garg	349000	0.39	(53360)	295640	0.33
6	Jardine Fleming Intc Mgt Inc	263970	0.30	-	263970	0.30
7	Rajiv Garg	100000	0.11	122000	222000	0.25
8	Rajendra Kumar Gupta	200000	0.22	-	200000	0.22
9	Shashi Rani Gupta	176729	0.20	-	176729	0.20
10	Edelweiss Broking Limited	0	0	166661	166661	0.19

(v) Shareholding of Directors and Key Managerial Personnel:

	Shareholding at the beginning of the year		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
For Each of the Directors and KMP					
Shri Vineet Jain	1202422	1.35	No change during the year	1202422	1.35

DIRECTORS' REPORT (Contd.)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in Crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3.19	1.75	-	4.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	3.19	1.75	-	4.94
Change in Indebtedness during the financial year				
i) Addition	-	-	-	1.03
ii) Reduction	2.48	1.75	-	4.37
Net Change	(2.48)	(1.75)	-	(4.37)
Indebtedness at the end of the financial year				
i) Principal Amount	0.71	-	-	0.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	0.71	-	-	0.71

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount (In Rs.)
		Mr. Vinet Jain Managing Director	Mr. Rakesh Mundra Director (Finance & Co. Secretary*	Mr. S.P. Gupta Director (Operations)**	Mr. S.K. Bansal CFO**	Mr. A.K. Chokhani Secretary***	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5525000.00	210083.00	1514516.00	851719.00	78176.00	8179494.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	114259.00	7779.00	15803.00	7858.00	1314.00	147013.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4.	Commission - as % of profit - others, specify	11000000.00 -	N.A. -	N.A. -	N.A. -	N.A. -	11000000.00 -
5.	Others, please specify	5185004.00	2298354.00*	1043185.00	479068.00	216007.00	9221818.00
	Total (A)	21824263.00	2516416.00	2573504.00	1338645.00	295497.00	28548325.00

* includes retirement benefits . Retired w.e.f 29.5.2018.

** Appointed w.e.f. 29.05.2018

*** Appointed w.e.f. 13.11.2018

DIRECTORS' REPORT (Contd.)



B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors					Total Amount (In Rs.)
	Shri S. Sathyamoorthy	Mr. S.C. Malik	Shri D.K. Kapila	Smt. Soma Garg*	Mrs. Remmy Jain*	
Independent Directors						
• Fee for attending board / committee meetings	9000	51000	15000	4500	1500	81000
Total (1)	9000	51000	15000	4500	1500	81000
Non-Executive Directors						
• Fee for attending board / committee meetings						
Total (2)						-
Total (B) = (1+2)						81000
Total Managerial Remuneration						28629325

*Mrs. Soma Garg resigned w.e.f. 30.10.2018 and Mrs. Remmy Jain appointed w.e.f. 13.11.2018

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S.No.	Particulars of Remuneration	Key Managerial Personnel
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil
2.	Stock Option	N.A.
3.	Sweat Equity	N.A.
4.	Commission as % of profit others, specify	N.A.
5.	Others, please specify	N.A.
	Total	Nil

DIRECTORS' REPORT (Contd.)

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (giveDetails)
A. COMPANY					
Penalty	Reg 34 of LORD	Delay in submission of Annual Report 2018	Rs. 2,19,480/-	BSE	Co. has ratified and filed Annual Report and applied for waiver of penalty. Decision awaited
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

ANNEXURE VI

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)

S. No.	Name of Director/KMP & Designation	Remuneration of Director / KMP for Financial Year 2018-19	Percentage increase in Remuneration for Financial Year 2018-19	Ratio of Remuneration of each Director / KMP to the Median Remuneration of Employees
1.	Mr. Vineet Jain Managing Director	218.24	56	76.31
2.	Mr. Rakesh Mundra * Director (Finance) & Company Secretary	25.16	-	8.79
3.	Mr. Satya Prakash Gupta Director (Operations)	25.74	-	9.00
4.	Mr. Satish Kumar Bansal * Chief Financial Officer	13.38	-	4.17
5.	Mr. Ankush Kumar Chokhani * Company Secretary	2.95	-	1.03
6.	Mr. S.C. Malik (Non-executive & Independent Director)	0.51	-	-
7.	Mr. D K Kapila (Non-executive & Independent Director)	0.15	-	-
8.	Smt. Soma Garg * (Non-executive & Independent Director)	0.045	-	-
9.	Mrs. Remmy Jain * (Non-executive & Independent Director)	0.015	-	-
10.	Mr. S. Sathyamoorthy (Non-executive & Independent Director)	0.09	-	-

- Mr. Rakesh Mundra resigned w.e.f 29.05.2018, includes retirement benefits, Mr. Satya Prakash Gupta and Mr. Satish Kumar Bansal appointed w.e.f 29.05.2018, Mr. Ankush Kumar Chokhani appointed w.e.f. 13.11.2018, Mrs. Soma Garg resigned w.e.f. 30.10.2018 and Mrs. Remmy Jain joined w.e.f 13.11.2018.
- b) The percentage increase in the Median Remuneration of Employees in the Financial Year: of about 2%, reflecting an improvement in the overall employee pyramid.
- c) The number of permanent employees on the rolls of the Company is 481.
- d) The Market Capitalisation as on 31st March 2019 was Rs. 143.59 Crore as compared to Rs.213.05 Crore as on 31st March 2018. Price Earnings Ratio of the Company is 5.24 as on 31.3.2019 against 8 as on 31.3.2018.
- e) Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year was about 5%. The increase in remuneration is determined based on the performance by the employee of the Company.
- f) It is hereby affirmed that the remuneration is as per the remuneration policy of the company
- g) The key parameters of variable component of remuneration availed by the Whole-time Directors and the Company's performance and performance / track record of the Whole-time Directors, financial results and profitability of the Company.

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2018-19



Corporate Governance

(Pursuant to Schedule V(C) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance is given below:)

1. Company's Philosophy

Corporate Governance refers to set of policies, principles, laws, regulations and procedures etc. Our company has made the requisite compliance under Corporate Governance. Over the years the company has been disclosing information concerning the performance and future prospects of the company in its Director's Report. As required under Regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, following disclosures are set out towards achievements of good Corporate Governance.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act"). The Company's corporate governance philosophy has been further strengthened through the Code of Conduct for Prevention of Insider Trading.

2. Board of Directors

(a) Composition

The Board of Directors consists of One promoter director (Managing Director), one whole time director and four non-executive independent directors including one Women Director.

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

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

Mr. Vineet Jain was the Chairman of Board Meetings.

The composition of Directors and also number of other directorships and Committee Memberships are given below:

Sl. No.	Name of Director	Category of Directorship	No. of other Directorships	No. of Member other Committee(s)	Chairmanship of other	Directorship held in other Listed Cos. alongwith nature of Directorship	Note
1	Mr. Vineet Jain	Managing Director & Executive Director	3	-	-	-	A
2	Mr. D K Kapila	Non-executive Director	1	1	-	Budge Budge Company Limited –Non Executive Independent Director	B
3	Mr. S.C. Malik	Non-executive Director	-	-	-	-	B
4	Mrs. Soma Garg	Non-executive Director	1	-	-	-	C
5	Mr. S. Sathyamoorthy	Non-executive Director	2	-	-	-	B
6	Mr. RakeshMundra	Director (Finance) & Executive Director	0	-	-	-	C
7	Mrs. Remmy Jain	Non-executive Director	0	-	-	-	B, D
8	Mr. SatyaPrakash Gupta	Executive Director	2	-	-	-	D

A. Promoter Directors.

B. Non-executive and independent Directors

C. Retirement of Mr. RakeshMundra on 29.05.2018 & Resignation of Mrs. Soma Garg on 30.10.2018.

D. Mr. S.P Gupta and Mrs. Remmy Jain were appointed on 29.05.2018 & 13.11.2018 respectively during the Year.

(b) Independent Director

Independent Directors, as required under the Companies Act, 2013, are appointed for a term of upto 5 years in Annual General Meeting, and are eligible for re-appointment but cannot hold office for more than two consecutive terms (becoming eligible again after the expiry of three years from ceasing to be an Independent Director). All other Directors retire every year and, when eligible, qualify for re-appointment. Nominees of Financial Institutions (if any) are not considered independent and do not usually retire by rotation.

The Company ensures that the Independent Directors have been properly informed about their role and 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 policy on familiarization programme for Independent Directors is disclosed on the Company's website.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that 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. 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 the SEBI Listing Regulations and that they are independent of the management.

Every director currently on the Board of the Company has personally attended at least one Board / Committee of Directors' Meeting in the financial year 2018-19.

None of the Director is a member of more than 10 Board Level Committees, or a Chairman of more than five committees i.e. Audit Committee and Stakeholders' Relationship Committees across all listed entities in which he/she is a director as required under Regulation 26 of the SEBI (Listing Obligations and disclosure Requirements) Regulations 2015.

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors of the Company holds the position of the Independent Director in more than Seven (7) listed companies, including Independent Directorship in PasupatiAcrylon Ltd. and any such Director serving as a whole-time director in a listed Company is not serving as an Independent Director in more than three (3) listed Companies including PasupatiAcrylon Ltd.

The number of directorships and the position held in Board Committees by the Directors are in conformity with the limits on the number of Directorships and Board Committee positions as laid down in the Companies Act 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations as on 31st March 2019.

In terms of Schedule V(C) and Regulation 36 (3) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, none of the Directors are related to each other.

None of the Non-Executive Directors holding any shares of the company. Company has not issued any convertible instruments. Mrs.Soma Garg, our independent director has resigned from directorship w.e.f. 30.10.2018 due to her personal reason and she has confirmed that there is no other material reason other than those provided.

Familiarization Programme Imparted to Independent Directors-

Details of familiarization programmes imparted to independent directors is disclosed on the website of the Company under the web link <http://pasupatiacrylon.com/wp-content/uploads/2019/05/Familiarization-Programme-for-Independent-Director.pdf>

(c) Separate meeting of Independent Directors:

In accordance with the Provisions of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held during the year on 13th November 2018 without the attendance of Non-Independent directors and members of management, inter alia to:

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

The meeting was attended by Mr.S. Sathyamoorthy, and Mr. D K Kapila Independent Directors. Mr. S.C Malik was on leave of absence. The Independent Directors discussed matters pertaining to the Company's affairs and functioning of the Board and presented their views to the Managing Director for appropriate action.

(d) Matrix of skills/competence/expertise of Directors

The following matrix summarizes list of core skills/ expertise/competencies identified by the Board as required in the context of its business and the sector in which the Company operates.

Board Competency Matrix		
Industry Knowledge/Experience	Technical Skills/Expertise/Competencies	
Industry Experience	Finance & Accounting	Leadership
Knowledge of Sector	Legal & Governance	Business Administration
Knowledge of broad public policy direction	Sales and Marketing	Corporate Restructuring
Understanding of government legislation /legislative process	Information Technology	Human Resource Management & Labour Laws
Global Business	Public Relations	Strategy and Business Development
Supply Chain Management	Risk Management	Corporate Social Responsibility

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

(e) Board Meetings

During the Financial Year 2018-19, Four (4) Board Meetings were held on 29th May, 2018, 13th August, 2018, 13th November, 2018 and 11th February, 2019. The maximum gap between any two consecutive Meetings did not exceed 120 days.

Composition and Physical Attendance of Directors at the Board Meetings and Annual General Meeting held during the year under review 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 27.09.2018
1	Mr.Vineet Jain	Managing Director & Executive Director	4	4	Yes
2	Mr. D K Kapila	Non-executive Director	4	4	Yes
3	Mr.S.C.Malik	Non-executive Director	4	2	No
4	Mr. S. Sathyamoorthy	Non-executive Director	4	3	No
5	Mr. SatyaPrakash Gupta	Executive Director	4	3	No
6	Mr. RakeshMundra*	Director (Finance) & Executive Director	1	1	No
7	Mrs. Soma Garg**	Non-executive Director	2	2	No
8	Mrs. Remmy Jain***	Non-executive Director	2	1	No

*Mr.RakeshMundra resigned w.e.f.29.05.2018

**Mrs. Soma Garg resigned w.e.f. 30.10.2018

***Mrs. Remmy Jain appointed w.e.f. 13.11.2018

(f) The board periodically reviews the compliance reports of all laws applicable to the company.

3. Audit Committee**(a) Terms of reference**

Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.

- Oversight of financial reporting process.
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
- Evaluation of internal financial controls and risk management systems
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

(b) Composition, Meeting and Attendance

The Audit Committee of the Company met four times during the year i.e. on 29.05.2018, 13.08.2018, 13.11.2018 and 11.02.2019. Composition and attendances of the members at these meetings were as follows:-

Sl.No.	Name of Director	Status	Meetings Attended
1	Mr.D.K. Kapila	Chairman & Independent Director	4
2	Mr. S.C. Malik	Independent Director	2
4	Mr. Rakesh Mundra	Executive Director	1
5	Mr. S.P. Gupta	Executive Director	3
6.	Mr. S. Sathyamoorthy	Executive Director	1

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

Mr. D.K. Kapila, Chairman of the Audit Committee had also attended the Annual General Meeting held on 27.09.2018.

4. Nomination & Remuneration Committee**(A) Terms of Reference-****Nomination & Remuneration Policy-**

(1) Objective:

To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

(2) Applicability:

The Policy shall be applicable to:

(a) Key Managerial Personnel, which means.

- (i) Directors (Executive and Non-Executive)
- (ii) Company Secretary.
- (iii) Chief Financial Officer.
- (iv) Such other person as may be prescribed.

(b) Senior Management, which means:-

- (i) Personnel of the Company who are members of its core management team excluding Board of Directors. This would also include all members of management one level below the executive directors including all functional heads, for the purpose of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

(3) Constitution Of Committee:

- (i) The Committee shall consist of minimum 3 Non-Executive Directors and majority of them being Independent Director.
- (ii) Minimum two members shall constitute a quorum for the meeting.
- (iii) Constitution and membership of the Committee shall be disclosed in the Annual Report of the Company.

(4) Role of the Committee:

- (i) Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- (ii) Recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial and Senior Management Personnel or other employees.
- (iii) Formulation of criteria for evaluation of Independent Directors and Board.
- (iv) Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- (v) Any other matter as the Board may decide from time to time.

(5) Duties of Committee:

The duty of the Committee covers the matters relating to nomination and remuneration of the Directors, Key Managerial and Senior Management Personnel of the Company.

(6) (a) Nomination matters includes:

- (i) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- (ii) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment as per the provisions of Companies Act 2013;
- (iii) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- (iv) Determining the appropriate size, diversity and composition of the Board as per the provisions of Companies Act 2013.
- (v) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- (vi) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- (vii) Delegating any of its powers to one or more of its members or the Secretary of the Committee
- (viii) Recommend any necessary changes to the Board.
- (ix) Considering any other matters as may be requested by the Board

(b) Remuneration matters includes:

- (i) To consider and determine the Remuneration, based on the principles of (i) pay for responsibilities, (ii) pay for performance and potential and (iii) pay for growth and ensure that the remuneration fixed is reasonable and sufficient to attract, retain and motivate the members.
- (ii) To take into account, financial position of the Company, trend in the Industry, appointee's qualification, experience, past performance, past remuneration, etc.
- (iii) To bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- (iv) To consider other factors as the Committee shall deem appropriate for elements of the remuneration of the

- members of the Board and ensure compliance of provisions of Companies Act 2013 and other applicable laws.
- (v) To consider any other matters as may be requested by the Board;
The Remuneration policy will be disclosed in the Annual Report of the Company.

(7) General:-

This Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Personnel and Board of Directors.

(B) Composition of Committee

All the members of the Nomination and Remuneration Committee are Non-Executive and Independent Directors. The members and chairman of the Committee are:

Mr. D.K. Kapila (Chairman of Committee & Independent Director)

Mr. S.C. Malik (Independent Director)

Mr. S. Sathyamoorthy (Independent Director)

(C) Meeting and Attendance during the year:

One meeting of committee was held during the year dated 29.05.2018

Sl.No.	Name of Director	Status	Meetings Attended
1	Mr.D.K. Kapila	Chairman & Independent Director	1
2	Mr. S.C. Malik	Independent Director	1
3	Mr. S. Sathyamoorthy	Independent Director	1

(D) Criteria for performance evaluation of Independent Directors

NRC has formulated following criteria for performance evaluation of Independent Directors:

- Attendance and Participation in Board /Committee Meetings
- Raising concerns to the Boards
- Safeguard of confidential information
- Rendering independent, unbiased opinion and resolution of issues at meetings and maintains of high standard of ethics and confidentiality
- Initiative in terms of new ideas and planning for the company and contribution at meetings are high and innovative.
- Safeguarding interest of whistle blowers under vigil mechanism
- Timely inputs on the minutes of the minutes of the board and Committee's if any.
- Director has effectively assisted the company is implementing best corporate governance practice and then monitors the same.
- Adhere to applicable code of conduct and policies.

5. Details of remuneration to Directors for the year ended on 31.03.2019**(i) Executive Directors**

Amount in (Rs.)

Name	Salary (Rs.)	Allowances/ Perquisites (Rs.)	Retirement benefits (Rs.)	Commission (Rs.)
Mr.Vineet Jain, Managing Director	5525000	4024263	1275000	11000000
Mr. Rakesh Mundra,* Director (Finance)	232583	7779	2276054	-
Mr. S.P Gupta Director (Operation)**	1514516	680359	378629	-

* Retired on 29.05.2018

** Remuneration Committee has approved the payment of remuneration in their meeting held on 29.5.2018.

Apart from above payment, no payment has been paid to Executive Directors.

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

(ii) Non-Executive Directors

Remuneration by way of sitting fee for attending various Board/ Committee Meetings, paid to the non-executive directors is as under.

Name	Sitting fee paid (Rs.)
Mr.D K Kapila	15000
Mr. S.C. Malik	51000
Mr. S. Sathymoorthy	9000
Mrs. Soma Garg	4500
Mrs. Rimmy Jain	1500
Total	81000

Notes:

- There is no separate provision for payment of severance fees.
- There are no variable components and performance linked incentives.
- There are no pecuniary relationships or transactions between Non-Executive Directors and the Company during the year 2018-19.
- The Company does not have any Employee Stock Option Scheme.

Criteria of making payment to Non-Executive Directors

There is only sitting fees payment to Non-Executive directors, other than that there is no other payment to Non-Executive directors.

6. Stakeholders Relationship Committee

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

Sl.No	Name of Director	Position	No of Meetings held	No of Meetings attended
1	Mr.S.C.Malik	Chairman	26	25
2	Mr.Vineet Jain	Member	26	16
3	Mr. Rakesh Mundra	Member	26	4
4	Mr. S.P. Gupta	Member	26	22

The Company Secretary has joined during the year w.e.f 13.11.2018 and attended 8 meetings.

Mr.RakeshMundra was Retired on 29.05.2018 and after that Mr. S.P Gupta was appointed as member.

The Committee deals with matters relating to :

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

Mr. Ankush Kumar Chokhani, Company Secretary is the Compliance Officer of the Company and 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.

Further the Company confirms that there were no share transfers lying pending as on 31.03.2019, and all requests for dematerialization and re-materialization of shares as on that date were confirmed / rejected into the NSDL/CDSL system.

The Shareholder complaints received and resolved during the year from 1.04.2018 to 31.03.2019 are as under.

Sl.No.	Type of Compliant	Pending As on 01.04.2018	Total Complaints Received	Complaints Redressed	Redressal under process	Pending As on 31.03.2019
1	Letter received from SEBI	Nil	Nil	Nil	Nil	Nil
2	Letter received from Stock Exchanges	Nil	Nil	Nil	Nil	Nil
3	Letter received from DCA	Nil	Nil	Nil	Nil	Nil
4	Court/Consumer forum /Legal cases	Nil	Nil	Nil	Nil	Nil
5	Change of Address etc.	Nil	Nil	Nil	Nil	Nil
6	Issue of Duplicate Shares	Nil	Nil	Nil	Nil	Nil
7	Non receipt of Dividend	Nil	Nil	Nil	Nil	Nil
8	Share Transfers etc.	Nil	10	10	Nil	Nil

- Note: The Company has endeavored to settle all shareholder complaints in the minimum possible time. The average time of settlement may vary from 7 days to 15 days.
- An email ID exclusive for registering complaints / grievance has been formed as palsecretarial@gmail.com.

7. Risk Management Committee.

i) Terms of Reference

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.

ii) Composition

Sl.No.	Name of Director	Status
1	Mr. S. C. Malik	Chairman & Independent Director
2	Ms. Soma Garg*	Independent Director
3	Mrs. Remmy Jain	Independent Director
4	Mr. S.P Gupta	Director (Operation)

* Mrs Soma Garg Resigned on 30.10.2018

iii) Meetings of Risk Management Committee

During the year no Risk Management Committee meeting was held on 13.08.2018.

8. Corporate Social Responsibility Committee (CSR)

i) Terms of reference

The Corporate Social Responsibility Committee of the Board has been constituted to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; recommend the amount of expenditure to be incurred on the activities referred above; and monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the year Five Corporate Social Responsibility Committee meeting was held on 29.05.2018, 06.08.2018, 23.08.2018, 18.12.2018, 18.03.2019 attended by Mr. Vineet Jain, Mr. S.C Malik, Mr. RakeshMundra (Retired on 29.05.2018) and Mr. S.P Gupta. Mr. S.C Malik Chaired the Meetings.

A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The Company has formulated CSR Policy and is available at Investor page on the Company's website www.pasupatiacrylon.com.

ii) Composition of the CSR Committee

Sl.No.	Name of Director	Status	
1	Mr. Vineet Jain	Managing Director	Chairman
2	Mr. S.C. Malik	Independent Director	Member
3	Mr. Rakesh Mundra	Director (Finance)	Member
4.	M. S.P. Gupta	Director (Operation)	Member

iii) **Average net profit of the Company for the last three financial years.**

Average net profit -Rs. 4706.05Lacs

iv) **Prescribed CSR Expenditure (two percent of average net profits):**

CSR @ 2% - 94.12

Last Year Balance - 11.44

Company is required to spend Rs. 105.56Lacs towards CSR.

v) **Details of CSR spent during the financial year:**

a) Total amount spent for the Financial Year – Rs. 106Lacs

b) Manner in which the amount spent during the financial year is detailed below:

(Rs./Lakh)

S. No.	CSR Project or Activity identified	Sector in which the project is covered	Project or program	Amount spent on the Projects or Programs	Amount spent. Direct or through implementing agency
1	Contribution for Health care	" i " of Schedule vii of the Act (Promoting preventive health care)	Health care and Allied Activities	105	Through Implementing Agency
2	Environmental sustainability by tree plantation	" iv " of Schedule vii of the Act (Environmental sustainability)	Environmental Projection	1	"Direct "
	Total			106	

9. **General Body Meetings**

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

Financial year	Date	Time	Venue
31.03.2016	27.09.2016	10.00 AM	Pasupati Acrylon Ltd., Vill. Thakurdwara, Kashipur Road, Moradabad (UP)
31.03.2017	27.09.2017	10.00 AM	
31.03.2018	27.09.2018	10.00 AM	

In the last three Annual General Meeting, no special resolution was passed.

Extra-Ordinary General Meeting: No Extra-ordinary General Meeting was held during the year under review.

Postal Ballot: No Postal Ballot was conducted during the year under review. At present, there is no proposal to pass any resolution through postal ballot.

10. **Means of Communication**

- Quarterly/ yearly results are being published in daily newspapers viz. Business Standard / Pioneer English and Hindi Edition. The Annual Report is posted / mailed to every shareholder of the Company.
- The Company's website www.pasupatiacrylon.com 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 website.
- Management's Discussions and Analysis Report forms part of Directors' Report on the Annual Accounts more specifically under Operations, Current Year Outlook, Internal Control System and adequacy, Human Resources and Industrial Relations.
- Requisite information, statements and reports are being filed under www.corpfilng.co.in also as per SEBI directions.
- Uploading on BSE Listing Centre: The quarterly results, quarterly compliances and all other corporate communications and disclosures are filed electronically on BSE Listing Centre.
- Company displays official news releases on its website as required.
- As there is no Institutional Investor during the year under review, no presentation has been made.

11. **General Shareholder Information**

- Notes on Directors seeking re-appointment as required under Regulation 40(9) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Shri Satya Prakash Gupta will retire at the ensuing Annual General Meeting by rotation and has offered himself for re-appointment. The Board has recommended the re-appointment of the retiring Director.

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

2. Annual General Meeting will be held on Friday 27th Day of September 2019, at Registered office of the Company i.e. Thakurdwara, Kashipur Road, Distt. Moradabad (UP) at 10 AM.
3. The Company has furnished information as required by Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, relating to appointment/re-appointment of Director(s). Shareholders may kindly refer to the Notice convening the 36th Annual General Meeting of the Company. The number of companies in which the person also holds directorship and the membership of Committees of the board are given separately.
4. Financial Calendar for the period 2019-20 (Provisional)

First Quarter Results (30.06.2019)	By 14th August 2019
Second Quarter Results (30.09.2019)	By 14th November 2019
Third Quarter Results (31.12.2019)	By 14th February 2020
Fourth Quarter Results (31.03.2020)	By 30th May 2020
Mailing of Annual Report	By August, 2020
Annual General Meeting	By September, 2020

5. No dividend has been declared by the Company for Financial Year 2018-19.
6. Outstanding GDR's / ADR's / warrant / convertible instruments and their impact on equity: NIL.
7. **Rating**-External Credit Rating Agency CARE has assigned BBB+ rating to the company for the purpose of short term and long term borrowing taken by company from banks.

12. Other Disclosures

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and on arm's length basis and do not attract Provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year that may have potential conflict with the interest of the Company at large.

a) Related Party Transactions

Details of related party transactions during the year have been set out under Note No. 36 of Annual Accounts. However, these are not having any potential conflict with the interests of the company at large. During the year under review Related Party Transactions were not material in nature considering the size of the company.

The Company has formulated a policy for Related Party Transactions and the said policy has been hosted on the website of the Company under the web link <http://pasupatiacrylon.com/wp-content/uploads/2015/06/related-party-Transaction-policy.pdf>

- b) 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 two years. However in current financial year a penalty of Rs. 219480/- was levied by BSE for inadvertent lapse occurred in attaching Annual Report for the year 2017-18 in an online filing with Stock Exchange (BSE). However it was filed /resubmitted on 5th February 2019. Penalty is unpaid as company has applied to BSE for waiver since the same is inadvertent, unintended mistake, the decision of BSE is awaited.
- c) Presently the company is having a Whistle Mechanism Policy. No personnel of the Company have been denied access to the Audit Committee
- d) PAL has implemented a Code of conduct based on its business principles along with implementation framework for its Directors and Senior Management of the Company. In compliance with the code, Directors and Senior Management of the Company have affirmed compliance with the Code for the year ended on 31st March 2019. A declaration to this effect signed by the Managing Director form part of this Annual Report.
- e) **Compliance with mandatory and non-mandatory requirements**

The Company has complied with all mandatory requirements of Corporate Governance specified in Listing Regulations subject to matters mentioned in points 3 (c) and 12 (a) of this Corporate Governance Report.

The Company has adopted discretionary requirements specified in Part E of Schedule II of Listing Regulations as given below:

The Board: Since the company has an Executive Chairman, requirements regarding Non-Executive Chairman are not applicable.

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 Limited. The said results are also uploaded on the website of the Company www.pasupatiacrylon.com. Hence, the same are not sent to the Shareholders of the Company by email or physically.

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 31st March, 2019.

Separate posts of Chairperson and Chief Executive Officer: Mr. Vineet Jain, Executive Director is the Chairperson of the company. Position of Chief Executive Officer has not been designated.

Reporting of Internal Auditors: The Internal Auditor of the Company are permanent 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.

f) Commodity Risk

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.

g) Foreign Exchange Risk

To control and mitigate exchange risk, the company has an agreement with Green Back Forex, according to which 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, G 7 meetings, non-farm payroll, RBI announcements etc. are watched carefully. Company is exporting its product to the tune of approximately 27% which provides natural hedge, in addition the company hedges the currency as suggested by consultants.

h) Policy On Material Subsidiaries

Company has formulated a policy on material subsidiaries. The said policy is hosted on website of the Company under the web-link <http://pasupatiacrylon.com/wp-content/uploads/2019/06/POLICY-FOR-DETERMINING-MATERIAL-SUBSIDIARIES.pdf>

i) There is no fund raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

j) Certificate on Non-disqualification of Directors from Practising Company Secretaries-

M/s V K Sharma & Co., Practicing Company Secretaries have certified that for the financial year ended on 31st March, 2019, none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India (SEBI) or Ministry of Corporate Affairs (MCA) or any such authority. A certificate issued by M/s. V K Sharma & Co. to that effect is attached and forming part of this report.

k) Recommendations of the committees

During FY 2018-19, the Board has accepted all recommendations made by Audit Committee and Nomination and Remuneration Committee.

l) Total fees paid to Statutory Auditors and all entities in network group

During FY 2018-19, details of fees paid to M/s. Suresh Kumar Mittal & Co., Statutory Auditors are as under:

For Statutory Audit	-	7.00 Lakhs
For quarterly review Reports	-	3.75 Lakhs
For other services	-	0.20 Lakhs
Total	-	<u>10.95 Lakhs</u>

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

In order to prevent sexual harassment of women at workplace, your Company has adopted a policy for prevention of Sexual Harassment of Women 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 complaints pertaining to sexual harassment were received and no complaint was pending as on 31st March, 2019.

n) 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 (LODR) Regulations 2015 subject to matters reported in point 12(b) of this Corporate Governance Report (under clause (b) of sub-para 10 of Section C of Schedule V of SEBI (LODR) Regulations 2015).

o) The company has adopted the discretionary requirements as specified in Part E of Schedule II as per the requirement and applicability as mentioned in point 12 (e) of this Corporate Governance Report.

p) Compliance with the requirements of Corporate Governance

All the requirements of Corporate Governance specified in Regulation 17 to 27 of Listing Regulations and of clause (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations have been complied with subject to matters reported in point 3 (c) and 12 (a) of this Corporate Governance Report.

13. Dates of Book Closure

The Share Transfer Books and Register of Members of the Company shall remain close from Friday the 20th of September 2019 to Friday the 27th of September 2019 (both days inclusive).

14. Stock Code

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

Bombay Stock Exchange	500456
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Demat – ISIN Number for NSDL & CDSL : IN818B01023

The Securities of the Company have never been suspended from trading.

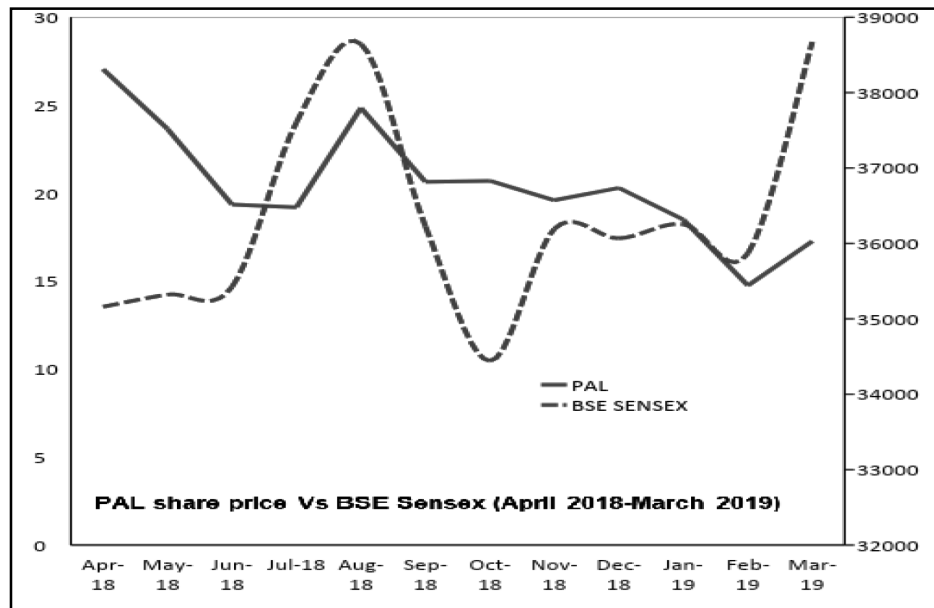
15. Listing of Equity Shares on Stock Exchanges, etc.

The Company's shares are presently listed on the Stock Exchange at Mumbai. The listing fees for the year 2019-20 have been paid to the Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 420 023.

16. Stock Market Price Data for the period 1.04.2018 to 31.03.2019.

Share Price on BSE

Month	B S E		B S E SENSEX	
	High (Rs.)	Low (Rs.)	High	Low
April, 2018	30.00	24.00	35213	32973
May, 2018	27.90	23.15	35994	34303
June, 2018	24.60	18.15	35877	34785
July, 2018	22.20	17.05	37645	35107
August, 2018	27.65	19.20	38990	37129
September, 2018	25.95	20.50	38934	35986
October, 2018	23.00	18.80	36617	33292
November, 2018	23.80	19.20	36389	34303
December, 2018	21.00	18.60	36555	34426
January, 2019	22.20	18.35	36701	35376
February, 2019	18.95	13.00	37172	35287
March, 2019	17.80	14.75	38749	35927



17. Share Transfer Agent

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

18. Share Transfer System

As already stated, the Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Therefore, Investors/ Shareholders are requested to kindly note that physical documents, viz Demat Request Forms (DRF) and Share Certificates etc. should be sent by their Depository Participants (DP's) directly to the Share Transfer Agents. Any delay on the part of the DP's to send the DRF and the Share Certificates beyond 21 days from the date of generation of the DRF by the DP will be rejected/ cancelled. This is being done to ensure that no demat requests remain pending with the Share Transfer Agent beyond a period of 21 days. Investors/ Shareholders should, therefore, ensure that their DP's do not delay in sending the DRF and Share Certificates to Share Transfer Agent after generating the DRF.

19. Distribution of Shareholding as on 31st March 2019

No. of Shares	No. of Shareholders	%	No. of Shares	%
1-500	50366	87.35	7228915	8.11
501-1000	3978	6.90	3168674	3.56
1001-2000	1603	2.78	2496554	2.80
2001-3000	500	0.87	1293306	1.45
3001-4000	272	0.47	994875	1.12
4001-5000	280	0.49	1334709	1.50
5001-10000	360	0.62	2682607	3.00
10001 -50000	255	0.44	5333711	5.98
50001- 100000	17	0.03	1126173	1.26
100001 and above	31	0.05	63473597	71.21
Total	57662	100	89133121	100

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2018-19



20. Dematerialization of Shares

As on March 31, 2019, 92.37% of the Company's total shares representing 82336459 shares were held in dematerialized form and the balance 7.63% representing 6796662 shares were in paper form.

21. CEO / CFO Certification

CEO and CFO have given a certificate to the Board as contemplated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

22. Registered Office and Works

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

23. Address of correspondence and corporate office

Company's corporate office is situated at

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

Shareholders correspondence should be addressed to :

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

As per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Auditors Certificate is given as an annexure to the Directors' Report.

For and on behalf of the Board

Place : New Delhi
Dated : 25th May, 2019

Vineet Jain
Managing Director

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board members and senior management of the Company. The Code of Conduct has also been posted on the website of the company. It is further confirmed that all directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the period ended March 31, 2019, as envisaged in Schedule V (D) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, of the Listing Agreement with stock exchanges.

Vineet Jain
Managing Director

Place : New Delhi
Dated : 25th May, 2019

INDEPENDENT AUDITORS' 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 31st March 2019, and the statement of Profit and Loss, 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, 2019, and profit, 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. 37 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. 24(b) to the financial statements). We obtained the details of the disputes with their present status and documents. We made an indepth 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 AUDITORS' 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.

Those 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-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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS Financial Statements - Refer note no. 24 to the financial statements.
 - ii. 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. 37 to the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Suresh Kumar Mittal & Co.
Chartered Accountants
Firm Registration No. 500063N
Sd/-

Ankur Bagla
Partner

Membership No. : 521915

Place : New Delhi

Date : 25th May, 2019

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 31st March 2019.

- (i)
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The 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) The title deeds of immovable properties are held in the name of the company.
- (ii) As explained to us, the inventories have been physically verified by the management during the year except stocks lying with third parties in respect of whom confirmations have been obtained and the discrepancies noticed on physical verification as compared to book record, which are not material, have been properly dealt with in the books of account. In our opinion, the frequency of such

verification is reasonable.

- (iii) The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and as such clauses (iii) (a), (b) and (c) 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 31st March 2019 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 31st March 2019 except:

S. No.	Name of the Statute	Nature of dues	Amount Rs.in lacs	Period to which amount relates	Forum where dispute is pending
1.	Commercial Tax Department	Demand against Vat Assessment	35.02	2016-2017	Commissioner of Central Excise (A), Moradabad
2	Service Tax	CENVAT Credit	11.39	2007-2008	Allahabad high court
3.	Custom Duty Act	Custom Duty	14.99	2010-2011	CETSAT(MUMBAI)
			33.54	2011-2012	CETSAT(DELHI)
4.	Service Tax Act	Service Tax on Ocean Freight	76.59	2017-2018	Allahabad High Court

- (viii) 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
- (ix) 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). Further, the Term loans have been applied by the Company for the purposes for which they were raised.
- (x) 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
- (xi) In our opinion and according to the information and explanations given to us, the company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (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) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company
- (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

For Suresh Kumar Mittal & Co.

Chartered Accountants

Firm Registration No. 500063N

Sd/-

Ankur Bagla

Partner

Membership No. : 521915

Place : New Delhi

Date : 25th May, 2019

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 31st March 2019.

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 PasupatiAcrylonLimited (“the Company”) as of March 31st, 2019 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. Those 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:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) 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
- (c) 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 2019, 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 Registration No. 500063N
Sd/-

Ankur Bagla
Partner

Membership No : 521915

Place : New Delhi
Date : 25th May, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019



Particulars	Note No.	As at 31.03.2019 (Rs./Lakh)	As at 31.03.2018 (Rs./Lakh)
ASSETS			
I NON CURRENT ASSETS			
1 Property, Plant and Equipments	4	8,507.31	6,122.34
2 Capital Work in Progress	4	-	310.61
3 Other Financial Assets	5	598.32	1,750.26
4 Deferred Tax Assets (Net)	6	-	48.87
II CURRENT ASSETS			
1 Inventories	7	9,066.91	11,691.54
2 Financial Assets			
- Current Investment	8	3,054.48	4,096.54
- Trade receivables	9	6,753.99	4,691.68
- Cash and cash equivalents	10	6,426.44	2,751.96
- Other Current Financial Assets	11	611.61	396.37
3 Current Tax Assets (Net)	12	325.74	416.94
4 Other Current Assets	13	1,397.34	809.04
		36,742.14	33,086.15
EQUITY AND LIABILITIES			
I Equity			
1 Equity Share Capital	14	8,914.10	8,914.10
2 Other Equity		8,756.08	6,041.94
II NON-CURRENT LIABILITIES			
1 Financial Liabilities			
- Borrowings	15	40.46	70.88
2 Provisions	16	285.38	272.00
3 Deferred Tax Liabilities (net)	6	468.93	-
4 Other Non Current Liabilities	17	40.95	164.75
III CURRENT LIABILITIES			
1 Financial liabilities			
- Borrowings	18	328.55	362.46
- Trade Payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises		2.38	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		14,743.60	14,111.98
- Other Financial Liabilities	20	30.41	247.87
2 Other current liabilities	21	2,732.91	2,305.74
3 Provisions	22	394.19	354.38
4 Current Tax Liabilities (Net)	23	4.20	240.05
		36,742.14	33,086.15

Significant Accounting Policies 1-3

See Accompanying Notes to the Financial Statements

As per our report of even date annexed

For Suresh Kumar Mittal & Co.,
Chartered Accountants
Registration No. 500063N

Deveshwar Kumar Kapila
Director
DIN : 00179060

Vineet Jain
Managing Director
DIN : 00107149

Remy Jain
Director
DIN : 08277269

Ankur Bagla
Partner
Membership No. 521915

S.C.Malik
Director
DIN : 00107170

S. Sathyamoorthy
Director
DIN : 00459731

S.P. Gupta
Director
DIN : 00509809

Place : New Delhi
Dated : 25th May, 2019

Ankush Kumar Chokhani
Company Secretary

Satish Kumar Bansal
Chief Financial Officer

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019



Particulars	Note No.	For the Year ended 31.03.2019 (Rs./Lakh)	For the Year ended 31.03.2018 (Rs./Lakh)
I REVENUE			
Revenue from Operations	26	82,531.12	57,414.66
Other Income	27	934.74	469.26
TOTAL REVENUE		83,465.86	57,883.92
II EXPENSES			
Cost of Material Consumed	28	65,155.81	41,772.49
Purchase Of Stock In Trade	28	16.91	21.89
Changes in Inventory of Finished Goods and Work in Progress	29	811.97	224.71
Employee Benefits Expense	30	2,434.73	2,217.63
Finance Costs	31	816.83	464.32
Depreciation & Amortization Expenses	32	575.97	524.34
Other Expenses	33	9,341.54	7,639.10
TOTAL EXPENSES		79,153.76	52,864.48
III Profit before exceptional items and tax		4,312.10	5,019.44
IV Exceptional items	34	-	651.14
V Profit before tax (III-IV)		4312.10	4368.30
VI TAX EXPENSE			
Current Tax		1043.70	1213.29
Deferred Tax		530.54	354.42
VII PROFIT AFTER TAX		2,737.86	2,800.59
VIII OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit & loss		(36.46)	(30.82)
Income tax relating to above		12.74	10.67
Other Comprehensive Income for the year (Net of Tax)		(23.72)	(20.15)
IX TOTAL COMPREHENSIVE INCOME		2,714.14	2,780.45
X EARNING PER SHARE			
Basic and diluted	35	3.07	3.14

Significant Accounting Policies 1-3

See Accompanying Notes to the Financial Statements

As per our report of even date annexed

For Suresh Kumar Mittal & Co.,
Chartered Accountants
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S.P. Gupta
Director
DIN : 00509809

Ankush Kumar Chokhani
Company Secretary

Satish Kumar Bansal
Chief Financial Officer

Place : New Delhi
Dated : 25th May, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019



Particulars	For the Year ended 31.03.2019 (Rs./Lakh)	For the Year ended 31.03.2018 (Rs./Lakh)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before exceptional items and tax	4,312.10	5,019.44
Adjustments for:-		
Depreciation and amortisation	575.97	524.34
Finance Cost	816.83	464.32
Interest Income	(565.28)	(126.80)
Profit on sale of assets	-	(13.37)
Other Comprehensive Income	(36.46)	(30.82)
Operating profit before working capital changes	5,103.16	5,837.11
Change in Working Capital		
Adjustment for (increase)/decrease in operating assets		
Non Current other Financial Assets	1,151.94	(559.37)
Inventories	2,624.63	(1,621.96)
Trade receivables	(2,062.30)	(1,472.83)
Other Current Financial Assets	(215.25)	1,065.86
Other Current Assets	(588.31)	173.83
Adjustment for (increase)/decrease in operating Liabilities		
Non Current Provisions	13.38	47.12
Other Non Current Liabilities	(123.80)	125.67
Trade payable	935.46	5,016.07
Other Current Financial Liabilities	(217.46)	(184.73)
Other Current Liabilities	427.17	(602.64)
Current Provisions	39.81	96.21
Net income tax(paid)/refunds received	(1,188.34)	(1,193.76)
Net Cash flow from /(used in) operating activities(A)	5,900.08	6,726.58
CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure	(2,650.33)	(1,561.22)
Proceeds from Sale of assets	-	13.39
Interest Income	565.28	126.80
Purchase of current investments	1,042.06	(763.12)
Net Cash flow from/(used in) Investing Activities(B)	(1,042.99)	(2,184.15)
CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost	(816.83)	(464.32)
Repayment of long term borrowings (including Ind AS adjustments)	(30.41)	(143.84)
Repayment of unsecured loans	(175.00)	-
Increase (Decrease) in short term borrowings	(160.36)	(1,971.69)
Net Cash Flow from /(used in) Financing Activities (C)	(1,182.61)	(2,579.85)
Net Increase /(decrease) in Cash and Cash Equivalents (A+B+C)	3,674.49	1,962.58
Cash and cash equivalents at the beginning of the year	2,751.96	789.38
Cash and cash equivalents at the end of the year	6,426.45	2,751.95

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

As per our report of even date annexed

For Suresh Kumar Mittal & Co.,
Chartered Accountants
Registration No. 500063N

Deveshwar Kumar Kapila
Director
DIN : 00179060

Vineet Jain
Managing Director
DIN : 00107149

Remmy Jain
Director
DIN : 08277269

Ankur Bagla
Partner
Membership No. 521915

S.C.Malik
Director
DIN : 00107170

S. Sathyamoorthy
Director
DIN : 00459731

S.P. Gupta
Director
DIN : 00509809

Place : New Delhi
Dated : 25th May, 2019

Ankush Kumar Chokhani
Company Secretary

Satish Kumar Bansal
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

A EQUITY SHARE CAPITAL

Particulars	Number of Shares	Amount (Rs. Lakh)
Balance as on 01.04.2017	89133121	8,914.10
Addition during the period	-	-
Reduction during the period	-	-
Balance as on 31.03.2018	89133121	8,914.10
Balance as on 01.04.2018	89133121	8,914.10
Addition during the period	-	-
Reduction during the period	-	-
Balance as on 31.03.2019	89133121	8,914.10

B OTHER EQUITY

Particulars	Retained Earnings	Capital Reserve*	Items of other Comprehensive Income	Total Other Equity
			Other item of OCI	
Balance as on 01.04.2017	1,821.04	1,452.78	(12.32)	3,261.50
Addition during the period	-	-	-	-
Profit (Loss) for the period	2,800.59	-	-	2,800.59
Other comprehensive income	-	-	(20.15)	(20.15)
Balance as on 31.03.2018	4,621.63	1,452.78	(32.47)	6,041.94
Balance as on 01.04.2018	4,621.63	1,452.78	(32.47)	6,041.94
Addition during the period	-	-	-	-
Profit(Loss) for the period	2,737.86	-	-	2,737.86
Other comprehensive income	-	-	(23.72)	(23.72)
Balance as on 31.03.2019	7,359.49	1,452.78	(56.19)	8,756.08

* Created on extinguishment of loan liability in earlier years

Significant Accounting Policies

See Accompanying Notes to the Financial Statements

For Suresh Kumar Mittal & Co.,
Chartered Accountants
Registration No. 500063N

Deveshwar Kumar Kapila
Director
DIN : 00179060

Vineet Jain
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S.C.Malik
Director
DIN : 00107170

S. Sathyamoorthy
Director
DIN : 00459731

S.P. Gupta
Director
DIN : 00509809

Place : New Delhi
Dated : 25th May, 2019

Ankush Kumar Chokhani
Company Secretary

Satish Kumar Bansal
Chief Financial Officer

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 Thakurdwara, Distt. Moradabad (U.P.), India. Its shares are listed on Bombay Stock Exchange (BSE). The Company is one of the leading manufacturers of Acrylic Fibre, Tow and Tops and was established in 1982, the manufacturing facility is located at Thakurdwara, Distt. Moradabad, (U.P.). The company is also manufacturing Cast Polypropylene Film (CPP Film) at Thakurdwara 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).

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 sales tax, value added tax, goods and service tax and net of trade and quantity discount.

Revenue is inclusive of excise duty.

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 final 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 .

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised 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 a 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./Lakh)

Particulars	Leasehold Land	Freehold Land	Building (a)	Plant & Machinery (b)	Electrical Installation	Office Equipment	Furniture & Fixture	Vehicles	Livestock	Total	Capital work in Progress
Gross Carrying Value as on 01.04.2017	16.00	7.62	2,056.82	24,197.44	4,926.18	404.36	251.37	375.01	0.80	32,235.60	3,227.94
Addition	-	-	233.89	3,176.81	-	8.88	-	153.74	-	3,573.32	310.61
Deletions	-	-	-	-	-	-	-	126.38	-	126.38	3,227.94
Gross Carrying Value as on 31.03.2018	16.00	7.62	2,290.71	27,374.25	4,926.18	413.24	251.37	402.37	0.80	35,682.54	310.61
Accumulated Depreciation as on 01.04.2017	13.48	-	1,499.64	23,235.07	3,528.10	382.75	250.45	249.00	-	29,158.49	-
Depreciation for the period	0.54	-	42.81	205.29	215.10	8.54	0.22	51.84	-	524.34	-
Deductions/Adjustments	-	-	(3.73)	-	-	-	-	126.36	-	122.63	-
Accumulated Depreciation as on 31.03.2018	14.02	0.00	1546.18	23440.36	3743.20	391.29	250.67	174.48	-	29560.20	-
Carrying Value as on 31.03.2018	1.98	7.62	744.53	3933.89	1182.98	21.95	0.70	227.89	0.80	6122.34	310.61
Gross Carrying Value as on 01.04.2018	16.00	7.62	2,290.71	27,374.25	4,926.18	413.24	251.37	402.37	0.80	35,682.54	310.61
Addition	-	-	421.54	2,488.25	-	5.32	0.39	45.44	-	2,960.94	-
Deletions	-	-	-	-	-	-	-	-	-	-	310.61
Gross Carrying Value as on 31.03.2019	16.00	7.62	2712.25	29862.50	4926.18	418.56	251.76	447.81	0.80	38,643.48	-
Accumulated Depreciation as on 01.04.2018	14.02	-	1,546.18	23,440.36	3,743.20	391.29	250.67	174.48	-	29,560.20	-
Depreciation for the period	0.54	-	54.07	250.34	182.87	9.92	0.25	77.95	-	575.97	-
Deductions/Adjustments	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as on 31.03.2019	14.56	0.00	1600.25	23690.70	3926.07	401.21	250.92	252.43	-	30136.17	-
Carrying Value as on 31.03.2019	1.44	7.62	1112.00	6171.80	1000.11	17.35	0.84	195.38	0.80	8,507.31	-

- 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 249.95 Lakh (Previous year Rs. 276.02 Lakh) instead of Rs. 284.27 Lakh (Previous Year Rs. 330.26 lakh), resulting in excess charge of depreciation during the year by Rs. 34.32 Lakh. (Previous Year Rs. 54.24 Lakh)

5 OTHER FINANCIAL ASSETS (NON CURRENT)

(Unsecured-considered good)

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Fixed deposits with banks		
-Held as margin/security with maturity period of more than 12 months from the balance sheet date	434.97	677.97
Security Deposits to Others	5.55	5.53
Capital Advance	157.80	1,066.76
Total	598.32	1,750.26

6 DEFERRED TAX ASSETS (NET)

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Deferred Tax liability		
Property, Plant and equipment	627.47	411.15
Unrealised Gain in Investment	1.57	11.96
Amortisation of upfront fee	-	0.31
Expected Credit Loss	-	-
Total	629.04	423.42
Deferred Tax Assets		
Carry forward loss	-	-
Expenses allowable on payment basis	145.42	465.01
Expected Credit Loss	14.69	7.28
Amortisation of upfront fee	-	-
Total	160.11	472.29
Net Deferred Tax Assets	(468.93)	48.87

7 INVENTORIES

(As taken, valued and certified by the management)

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Raw Materials*	4,886.81	5,590.31
Work in progress	480.44	431.53
Finished Goods		
- Own Manufactured	2,740.24	3,606.97
- Trading	9.18	3.33
Stores & Spares**	453.36	768.96
Fuel	496.88	1,290.44
Total	9,066.91	11,691.54

* includes goods in transit Rs 2953.78 Lakh (Previous Year Rs. 3192.00 Lakh).

** includes goods in transit Rs.10.44 Lakh (Previous Year Rs. 3.84 Lakh).

8 CURRENT INVESTMENTS

Financial assets at fair value through Profit and Loss

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Investments in Mutual Fund (Quoted)		
NIL units of Rs.NIL each at 31.03.2019 (54569.414 units of Rs.1939.6435 each at 31.03.2018) of UTI Money Market Fund Institutional Plan- Growth	-	1,058.45
NIL units of Rs.NIL each at 31.03.2019 (27608.038 units of Rs.4222.2458 each at 31.03.2018) of Reliance Mutual Fund	-	1,165.68
104737.869 units of Rs.2916.309 each at 31.03.2019 (NIL units of Rs.NIL each at 31.03.2018) of SBI Liquid Fund	3,054.48	-
NIL units of Rs.NIL each at 31.03.2019 (52019.132 units of Rs.3599.4694 each at 31.03.2018) of HDFC Mutual Fund	-	1,872.41
Total	3,054.48	4,096.54

9. TRADE RECEIVABLES

(Unsecured considered Good)

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Trade Receivables considered good- Secured		
Trade Receivables considered good- Unsecured	6,791.60	4,582.68
Trade Receivables which have significant increase in Credit Risk	4.43	130.04
Trade Receivables- Credit Impired	-	
Total	6,796.03	4,712.72
Less: Allowance for Credit Loss	(42.04)	(21.05)
Total	6,753.99	4,691.68

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.

10 CASH & CASH EQUIVALENTS

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Balances with Banks :-		
- Current Account	355.32	150.78
- Cash Credit account	1,053.43	330.66
Fixed deposits with banks		
- Held as margin/security with maturity period of 3 months from the date of inception	5,017.00	2,267.44
Cash in hand	0.69	3.08
Total	6,426.44	2,751.96

11 OTHER CURRENT FINANCIAL ASSETS

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Interest receivable	75.13	59.40
Fixed Deposit with Banks :		
- Held as margin/security with maturity period of within 12 months from the Balance Sheet date	536.48	336.97
Total	611.61	396.37

12 CURRENT TAX ASSETS

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Advance Income Tax	-	19.00
MAT Credit Entitlement	325.74	397.94
Total	325.74	416.94

13 OTHER CURRENT ASSETS

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Balance with Custom/Excise & Other Govt. Authorities	654.98	448.69
Advance recoverable in cash or in kind	537.46	168.61
Loans to Staff (Considered Good)	21.59	28.01
Others	183.32	163.73
Total	1,397.34	809.04

14 EQUITY SHARE CAPITAL

(a) Authorised

Particulars	No. of Shares		Amount (Rs. Lakh)	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Equity Shares of Rs. 10 each				
At the beginning of the period	100,000,000	100,000,000	10,000	10,000
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	100,000,000	100,000,000	10,000	10,000

(b) Issued

Particulars	No. of Shares		Amount (Rs. Lakh)	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Equity Shares of Rs. 10 each fully paid up				
At the beginning of the period	89158825	89158825	8,915.88	8,915.88
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	89158825	89158825	8,915.88	8,915.88

(c) Subscribed and Paid up

Particulars	No. of Shares		Amount (Rs. Lakh)	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Equity Shares of Rs. 10 each fully paid up				
At the beginning of the period	89133121	89133121	8,914.10	8,914.10
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	89133121	89133121	8,914.10	8,914.10

@ Does not include 15800 shares (Previous years 15800 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:

Particulars	No. of Shares		Percentage	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Mr. Manish Jain	15649232	15649232	17.56	17.56
Gurukripa Finvest Private Ltd.	9000000	9000000	10.10	10.10
Sulabh Plantation & finance pvt. Ltd	8250000	8250000	9.26	9.26
Arihant Exports Pvt Ltd	4627867	4627867	5.19	5.19
Shubh Exim Ltd.	4500000	4500000	5.05	5.05
PICUP	4481752	4481752	5.03	5.03

15 NON CURRENT BORROWINGS

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
From Banks (SECURED)		
Vehicle loan*	40.46	70.88
Total	40.46	70.88

* 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 31.03.2019	As at 31.03.2018
Payable after 1 year	32.02	30.41
Payable after 2 years	6.42	32.93
Payable after 3 years	1.12	6.42
Payable after 4 years	-	1.12
Total	40.46	70.88

16 NON CURRENT PROVISIONS

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Provisions for Employee Benefits	285.38	272.00
Total	285.38	272.00

17 OTHER NON CURRENT LIABILITIES

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Export Benefit Received in Advance	40.95	164.75
Total	40.95	164.75

18 CURRENT BORROWINGS

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Secured		
Loans repayable on Demand		
From Banks*	6.05	166.42
Sub Total	6.05	166.42
Unsecured		
Inter Corporate loan from related party	-	175.00
Deferred Credit	322.50	21.04
Sub Total	322.50	196.04
Total	328.55	362.46

* 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.

19 TRADE PAYABLES

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Acceptances	13,248.61	13,215.78
Sundry Creditors		
a) Total outstanding dues of micro enterprises and small enterprises *	2.38	-
b) Total outstanding dues of Creditors other than micro enterprises and small enterprises**.	1,494.99	896.20
Total	14,745.98	14,111.98

* The information regarding Micro, Small and Medium Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified on the basis of information available with the Company is given below:

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Principal amount due outstanding as at end of year	2.38	-
Interest due on above and unpaid as at end of year	-	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the period	12.42	-
Interest due and payable for the period of delay	0.12	-
Interest accrued and remaining unpaid as at end of period	0.12	-

** Includes liabilities of Rs.81.49 Lakh (Previous year Rs. 228.33 Lakh) in respect of capital goods.

20 OTHER FINANCIAL LIABILITIES

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Current Maturities of Long Term Debts	30.41	247.87
Total	30.41	247.87

a) Loan of Rs.Nil (Previous year Rs.197.18 Lakh) are secured by 1st charge on New Plant & Machinery on pari-passu basis. 2nd Pari-passu charge by way of hypothecation of current assets of the Company, subject to existing charge of working capital bankers and assignment of project related documents, contract right interest, insurance contracts etc. and further guaranteed by the Managing Director

b) Vehicle Loan of Rs. 30.41 Lakh (Previous year Rs. 50.68 Lakh) Secured by hypothecation of specified assets acquired out of the loan amount.

21 OTHER CURRENT LIABILITIES

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Advance from Customers	2,424.34	20.25
Other Payables	283.30	2,278.20
Interest accrued but not due on borrowings	25.26	7.29
Total	2,732.91	2,305.74

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as on 31.03.2019.

22 PROVISIONS

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Provisions for Employee Benefits	394.19	354.38
Total	394.19	354.38

Amount payable to related party Rs. 126.53 Lakh (Previous Year Rs.79.93 lakh).

23 CURRENT TAX LIABILITIES (NET)

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Provision for Income Tax (Net of TDS Rs.56.79 lakh, Advance Tax Rs.900.00 lakh and MAT credit utilisation Rs.88.59 lakh (Previous year Net of TDS Rs.13.43 lakh, Advance Tax Rs.700 lakh and MAT credit utilisation Rs.252.96 lakh)	4.20	240.05
Total	4.20	240.05

24 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2019	As at 31.03.2018
Contingent Liabilities		
a) Claims against the company not knowledged as debts	-	-
b) Sale tax/Excise Duty/Custom Duty/Other Statutory Due/Service Tax disputed in appeal	173.83	114.7
c) Income tax matters in dispute	-	104.92
d) Bank Guarantee	41.00	130.96
e) Labour cases disputed in appeal	5.65	5.59
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	13.90	1105.23
b) Letter of credits opened for which the material has not yet been shipped	5451.31	3215.05

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

26 REVENUE FROM OPERATIONS

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Sales of Products	82,072.43	57,264.20
- Export Incentives / Benefits	458.69	150.46
Total	82,531.12	57,414.66

27 OTHER INCOME

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Interest	565.28	126.80
Claims Received	61.44	24.48
Miscellaneous Receipts & Income	306.74	287.20
Profit on sale of fixed assets	-	13.37
Exchange Rate Difference (Net)	-	-
Prior year's Income/Adjustments	1.28	17.40
Total	934.74	469.25

28 COST OF MATERIALS CONSUMED

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
At the beginning of the period	5,590.31	4,337.60
Add: Purchases during the period	64,452.31	43,025.20
Less: Inventory at the end of the period	4,886.81	5,590.31
Consumption during the period	65,155.81	41,772.49

Raw Materials Consumed (Major Heads)

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
ACRYLONITRILE	55,801.23	36,839.65
VINYL ACETATE MONOMER	2,969.09	1,849.47
DIMETHYL FORMAMIDE	456.75	332.74
OTHERS	5,928.74	2,750.63
TOTAL	65,155.81	41,772.49

Purchases of Stock In Trade

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
ACRYLIC YARN	16.91	21.89

29 CHANGES IN INVENTORIES

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Closing Stock		
Finished Goods		
- Own Manufactured	2,740.24	3,606.97
- Trading	9.18	3.33
Work in Progress	480.44	431.53
	3,229.86	4,041.83
Opening Stock		
Finished Goods		
- Own Manufactured	3,606.97	3,897.95
- Trading	3.33	4.38
Work in Progress	431.53	364.21
	4,041.83	4,266.54
(Increase)/Decrease in stocks	811.97	224.71

30 EMPLOYEE BENEFITS EXPENSES

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Salaries & Wages	2156.20	2006.62
Contribution to Provident & Other Funds	215.08	145.19
Staff Welfare Expenses	63.45	65.83
Total	2,434.73	2,217.63

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

Employee Post Retirement Benefits

Particulars	Amount (Rs./Lakh)	
	Current Year	Previous Year
During the year, the following contribution have been made under defined contribution plans:-		
Employer's Contribution to Provident Fund	51.12	50.54
Employer's Contribution to Employees Pension Scheme	52.87	51.24

Defined Benefit Plans :

Changes in the present value of the obligations

Particulars	Gratuity		Leave Benefit	
	Financial Year 2018-2019	Financial Year 2017-2018	Financial Year 2018-2019	Financial Year 2017-2018
Present value of defined benefit obligation at the beginning of the year	592.74	529.34	262.07	219.82
Interest cost	45.31	41.02	20.05	17.04
Past Service Cost-Vested	52.18	20.00	-	-
Current service cost	33.39	34.45	24.91	26.25
Benefits Paid	(48.22)	(41.24)	(38.91)	(22.06)
Actuarial (gain)/loss on obligations	36.49	9.17	0.30	21.03
Present value of defined benefit obligation at the end of the year	711.89	592.74	268.42	262.07

Change in fair value of plan asset

Particulars	Gratuity		Leave Benefit	
	Financial Year 2018-2019	Financial Year 2017-2018	Financial Year 2018-2019	Financial Year 2017-2018
Present value of Plan assets at the beginning of the year	536.44	485.59	-	-
Actual return on Plan Assets	41.01	37.01	-	-
Contributions	122.01	55.39	-	-
Benefits paid	(48.23)	(41.24)	-	-
Charges Deducted	0.33	(0.32)		
Fair value of plan assets at the end of the year	651.56	536.44	-	-

Amount recognized in Balance Sheet

Particulars	Gratuity		Leave Benefit	
	Financial Year 2018-2019	Financial Year 2017-2018	Financial Year 2018-2019	Financial Year 2017-2018
Present value of obligation as at the end of the year	711.89	592.74	268.42	262.07
Fair value of Plan Assets as at the end of the year	651.56	536.44	-	-
Unfunded Net Assets/(Liability) recognised in Balance Sheet	(60.33)	(56.30)	(268.42)	(262.07)

Expenses Recognized in Profit & Loss

Particulars	Gratuity		Leave Benefit	
	Financial Year 2018-2019	Financial Year 2017-2018	Financial Year 2018-2019	Financial Year 2017-2018
Current Service Cost	33.39	34.45	24.91	26.25
Past Service Cost Vested	52.18	20.00	-	-
Interest Cost	4.31	3.39	20.05	17.04
Total Expenses recognised in Profit & Loss Account	89.88	57.84	44.96	43.29

Recognized in Other Comprehensive Income (OCI)

Particulars	Gratuity		Leave Benefit	
	Financial Year 2018-2019	Financial Year 2017-2018	Financial Year 2018-2019	Financial Year 2017-2018
Net cumulative unrecognized actuarial (gain/loss) opening	-	-	-	-
OCI recognized during the year	36.16	9.79	0.30	21.03
Unrecognized actuarial gain/(Loss at the end of the year	-	-	-	-
Total Actuarial (gain)/loss at the end of the year	36.16	9.79	0.30	21.03

The principal actuarial assumptions used for estimating the Company's defined benefits obligation are set out below:

Particulars	Gratuity		Leave Benefit	
	Financial Year 2018-2019	Financial Year 2017-2018	Financial Year 2018-2019	Financial Year 2017-2018
Discount rate (per annum)	7.50%	7.65%	7.60%	7.75%
Rate of increase in Compensation Levels (Per Annum)	7.00%	6.00%	9.50%	9.50%
Expected average remaining working lives of employees (years)	13.2	12.97	12.59	13.15
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 supply and demand in employment market.

31 FINANCE COST

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Interest Expense:		
- Banks	24.31	62.54
- Others	429.36	125.83
Bank and Finance Charges	363.16	275.95
Total	816.83	464.32

32 DEPRECIATION & AMORTISATION EXPENSE

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Depreciation	575.97	524.34
Total	575.97	524.34

- a) 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.
- b) 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.249.95 Lakh (Previous year Rs. 276.02 Lakh) instead of Rs.284.27 Lakh (Previous year Rs. 330.26 Lakh), resulting in excess charge of depreciation during the year by Rs.34.32 Lakh(Previous Year Rs.54.24 Lakh)

33 OTHER EXPENSES

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Consumption of Stores, Spare and Packing Materials	993.81	688.13
Power & Fuel	5,623.96	4,199.76
Exise Duty	-	943.51
Rent	197.68	166.32
Repairs to Buildings	45.97	45.36
Repairs to Machinery	204.42	196.43
Repairs-Others	52.29	58.73
Insurance	118.89	98.64
Rates & Taxes	12.06	13.06
Travelling & Conveyance	126.55	131.18
Rebates and Discounts	19.72	46.16
Commission & Brokerage	198.54	130.09
Exchange Fluctuation	222.92	51.06
Freight Outward	793.42	579.49
Packing ,Handling & Finishing Charges	93.71	104.97
Charity & Donation	1.11	0.99

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Claim Paid/Irrecoverable Advances written off	0.98	61.59
Bad Debts written off (Net)	52.57	56.59
Increase /(Decrease) of Excise Duty on Inventory	-	(432.41)
Miscellaneous Expenses*	582.95	499.45
Total	9,341.54	7,639.10

* Includes Rs.106.00 Lakh (Previous Year Rs. 69.45 Lakh) being CSR expenses incurred by the company during the year in compliance of Section 135 of the Companies Act, 2013.

* Include payment to Auditors

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
As Statutory Audit Fees	7.00	7.00
As Audit Fees for Quarterly Audited Results	3.75	3.82
For Certification Work	0.20	0.10
For Reimbursement of Expenses	-	-
Total	10.95	10.92

34 Exceptional Items

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Recompense on CDR Exit (a)	-	651.14
Total	-	651.14

Based on reference of Allahabad Bank, the lead bank, a financial restructuring package was approved by Empowered Group of Corporate Debt Restructuring (CDR- EG) at its meeting held on November 9, 2004, COD April 1, 2004. Since the company has repaid entire Term Loan and Working Capital Term Loan restructured under CDR as at 31.03.2016. Consequently recompense liability of Rs. 651.14 Lakh (Previous year Rs. 541.10 Lakh) has been provided as principally agreed by the lenders.

35. EARNINGS PER SHARE (EPS)

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Basic and Diluted Earnings Per Share		
Profit/(Loss) after tax as per profit & loss account (Rs. Lakh) (A)	2,737.86	2,800.59
No. of equity shares (B)	89133121	89133121
Basic and Diluted Earning Per Share (Rs.) (A/B)	3.07	3.14

36. Related Party Disclosure:

A Names of related parties and description of relationship

(i) Key management personnel (Whole Time Directors)

Mr. Vineet Jain - Managing Director Mr. Satish Kumar Bansal-CFO (appointed w.e.f. 29.05.2018)

Mr. Rakesh Mundra - Director (Finance){retired on 29.05.2018}

- Mr.S.P Gupta - Wholetime Director{appointed w.e.f.29.05.2018}
 Mr.Ankush Kumar Chokhani - Company Secretary{appointed w.e.f 13.11.2018}
 Relatives of key managerial personnel (with whom transactions have taken place.) Mr.Manish Jain-Brother and Mrs. Garima Jain- Wife, of Mr.Vineet Jain
- (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 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 contro & Associates NIL

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

Particulars	Relatives of Key Managerial Personnel	Key Managerial Personnel	Others
Salaries & Allowances	30.11	255.39	-
	(24.89)	(163.07)	-
Rent/Lease Rent Paid	-	-	3.70
	-	-	(2.69)
Loan Repaid	-	-	175.00
	-	-	-
Interest Paid	-	-	13.38
	-	-	(15.75)
Contribution to Gratuity / PF / Superannuation Fund	4.05	30.09	114.57
	(4.05)	(13.52)	(95.73)
For Expenses	-	-	5.48

Previous period figures are given in bracket.

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

37 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/Lakh)	
		31.03.2019	31.03.2017
Trade Receivable	USD	-	0.60
1% increase		-	0.01
1% decrease		-	(0.01)
Trade Payable	USD	90.86	199.55
1% increase		0.91	2.00
1% decrease		(0.91)	(2.00)

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) 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.

38 Disclosure as required under IND AS 108- Operating Segments

Operating Segments:

- Acrylic Fibre Division
- 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 31.03.2018

(Amount in Lakh)

Particulars	Acrylic Fibre	CPP	Unallocated	TOTAL
Segment Revenue	57,122.39	826.62		57,414.66
Segment Results (Profit before Exceptional Item, Interest and Tax)	5,528.32	(44.55)		5,483.77
Finance Cost			464.32	464.32
Exceptional Item	651.14			651.14
Profit before Tax			4,368.31	4,368.31
Segment Assets	28,071.04	5,015.11		33,086.15
Segment Liabilities	17,858.24	271.86		18,130.10

For the year ended 31.03.2019

(Amount in Lakh)

Particulars	Acrylic Fibre	CPP	Unallocated	TOTAL
Segment Revenue	78,387.93	4,143.19	-	82,531.12
Segment Results (Profit before Exceptional Item, Interest and Tax)	5,100.82	28.11	-	5,128.93
Finance Cost	-	-	816.83	816.83
Exceptional Item	-	-	-	-
Profit before Tax	-	-	4,312.10	4,312.10
Segment Assets	29,741.75	7,000.39		36,742.14
Segment Liabilities	18,931.00	140.96		19,071.96

Note: Company commenced commercial production of CPP Film w.e.f. 01.09.17, hence segment figures for previous period has not been given.

39 VALUE OF IMPORTED / INDIGENOUS RAW MATERIALS, STORES & SPARES CONSUMED

Class of Goods	For the year ended 31.03.2019		For the year ended 31.03.2018	
	Percentage	Amount (Rs. Lakh)	Percentage	Amount (Rs. Lakh)
Raw Materials				
Imported	92.48	60,254.18	94.59	39,511.73
Indigenous	7.52	4,901.63	5.41	2,260.76
	100.00	65,155.81	100.00	41,772.49
Stores & Spares				
Imported	6.95	69.09	5.74	39.50
Indigenous	93.05	924.72	94.26	648.63
	100.00	993.81	100.00	688.13

40 OTHER INFORMATIONS

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
CIF value of Imports		
Raw materials	56,496.95	37,871.01
Stores & spares	1,947.36	40.87
Expenditure in Foreign Currency		
Travelling	47.77	49.10
Commission on export Sales. (excluding Rs.95.13 Lakh (Previous year Rs. 105.32 Lakh) paid in INR for Iran Export)	54.04	27.02
Interest & Other Charges	286.05	82.77
Earnings in Foreign Currency		
FOB value of exports (excluding Rs.17645.41 Lakh (Previous year Rs. 11372.08 Lakh) export to Iran in INR)	3,732.95	612.89

41 Figures for the previous period have been regrouped / rearranged wherever considered necessary.

As per our report of even date annexed

For Suresh Kumar Mittal & Co.,
Chartered Accountants
Registration No. 500063N

Ankur Bagla
Partner
Membership No. 521915

Deveshwar Kumar Kapila
Director
DIN : 00179060

S.C.Malik
Director
DIN : 00107170

Vineet Jain
Managing Director
DIN : 00107149

S. Sathyamoorthy
Director
DIN : 00459731

Remmy Jain
Director
DIN : 08277269

S.P. Gupta
Director
DIN : 00509809

Ankush Kumar Chokhani
Company Secretary

Satish Kumar Bansal
Chief Financial Officer

Place : New Delhi
Dated : 25th May, 2019



Pasupati Acrylon Limited

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

ATTENDANCE SLIP

Thirty Sixth Annual General Meeting on Thursday, 27th September, 2019 at 10.00 A.M.

Name of Member (IN BLOCK LETTERS).....

Name of Proxy (IN BLOCK LETTERS)

(Name of the Proxy to be filled in if the proxy attends instead of the Member)

No. of Shares held

I / we hereby record my / our presence at the Thirty Sixth Annual General Meeting of the Company held at Kashipur Road, Thakurdwara – 244 601, Distt. Moradabad (U.P).

Member's / Proxy's Signature

Note :

1. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

Pasupati Acrylon Limited

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

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies(Management and Administration) Rules, 2014]

Name of the Member(s)			
Registered Address			
E-mail Id			
Folio No /Client ID		DP ID	

I/We, being the member(s) of _____ shares of PasupatiAcrylon Ltd. hereby appoint :

1.	Name :			
	Address:			
	E-mail ID		Signature	
	or failing him			
2.	Name :			
	Address:			
	E-mail ID		Signature	
	or failing him			
3.	Name :			
	Address:			
	E-mail ID		Signature	
	or failing him			

as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the company, to be held on the 27th day of September 2019 at 10.00 a.m. at Thakurdwara, Kashipur Road, Distt. Moradabad (U.P) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution(S)	Vote	
		For	Against
ORDINARY BUSINESS			
1.	Adoption of Financials for the year ended 31 st March 2019.		
2.	Re-appointment of Mr. Satya Prakash Gupta, Director who retires by rotation.		
SPECIAL BUSINESS			
3.	Appointment of Mr. Sathyamoorthy Srinivasan as Independent Director		
4.	Appointment of Mrs. Remmy Jain as Director		
5.	Appointment of Mrs. Remmy Jain as Independent Director		
6.	Ratification of remuneration of Cost Auditors		

*Applicable for investors holding shares in Electronic form.

Signed this _____ day of _____ 2019 Signature of the Shareholder: _____ Signature of the Proxy Holder(s): _____	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> Affix a Fifteen Paise Revenue Stamp </div>
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Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The proxy need not be a member of the company.

COURIER



Delhi Press, New Delhi

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