



September 4, 2020

**BSE Limited**  
**Corporate Relationship Department**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400001

**Scrip Code: 500456**

**Sub: Submission of Annual Report for the financial year ended 31<sup>st</sup> March, 2020 and Notice of 37<sup>th</sup> AGM scheduled to be held on 29<sup>th</sup> September, 2020**

Dear Sir,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the financial year 2019-20 and notice of 37<sup>th</sup> Annual General Meeting of the Company scheduled to be held on 29<sup>th</sup> September, 2020.

In accordance with the General Circular issued by the Ministry of Corporate Affairs dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 and SEBI Circular dated May 12, 2020, the aforesaid documents are being sent electronically to those Members whose email IDs are registered with the Company/MCS Share Transfer Agent Private Limited ("Registrar and Transfer Agents" of the Company) or the Depositories.

The said Annual Report and AGM Notice are also available on the website of the Company's website at [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).

Please take the above on record.

Thanking you,  
Yours faithfully,  
**For Pasupati Acrylon Limited**

**Bharat Kapoor**  
**Company Secretary & Compliance Officer**

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



# ANNUAL REPORT 2019-2020

# PASUPATI ACRYLON LIMITED

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## BOARD OF DIRECTORS

### **Managing Director**

Mr. Vineet Jain

### **Directors**

Mr. D. K. Kapila – Independent Director

Mr. S.C. Malik – Independent Director

Mr. S. Sathyamoorthy – Independent Director

Mrs. Kamlesh Gupta – Independent Director

Mr. Satya Prakash Gupta (Director Operations)

### **Chief Financial Officer**

Mr. Satish Kumar Bansal

### **Company Secretary**

Mr. Bharat Kapoor

### **Auditors**

M/s. Suresh Kumar Mittal & Co.

Chartered Accountants

New Delhi

### **Bankers**

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

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## NOTICE



Notice is hereby given that the 37<sup>th</sup> Annual General Meeting of the Shareholders of Pasupati Acrylon Limited will be held on Tuesday, the 29<sup>th</sup> day of September 2020 at 10:00 A.M. via Video Conferencing(VC) / Other Audio Visual Means (OAVM), and the Company will conduct the meeting from its Registered Office *i.e.* Village Thakurdwara, Kashipur Road, Distt. Moradabad (U.P.), which shall be deemed to be the venue of the meeting, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company together with Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vineet Jain (DIN-00107149), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. **Re-appointment of Mr. Subhash Chandra Malik (DIN 00107170) as an Independent Director of the Company for a second term of five years.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV of the said Act 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 applicable Regulations of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and as recommended by the Nomination & Remuneration Committee and Board of Directors of the Company, Mr. Subhash Chandra Malik (DIN-00107170), Independent Director of the Company, who holds office upto the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years from the date of this Annual General Meeting upto the conclusion of 42<sup>nd</sup> Annual General Meeting.

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

4. **Re-appointment of Mr. Deveshwer Kumar Kapila (DIN 00179060) as an Independent Director for a second term of five years.**

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, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV of the said Act 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 applicable Regulations of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and as recommended by the Nomination & Remuneration Committee and Board of Directors of the Company, Mr. Deveshwer Kumar Kapila (DIN-00179060), Independent Director of the Company, who holds office upto the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years from the date of this Annual General Meeting upto the conclusion of 42<sup>nd</sup> Annual General Meeting.

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

5. **Appointment of Mrs. Kamlesh Gupta (DIN 07243898) as an Independent Director of the Company to fill the casual vacancy caused by the death of Late Smt. Remmy Jain.**

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, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV 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 applicable Regulations of SEBI (Listing Obligation & Disclosure Requirement) 2015, as amended, Mrs. Kamlesh Gupta (DIN-07243898), who was appointed by the Board of Directors of the Company

## NOTICE (Contd.)



to fill in the casual vacancy caused due to sad demise of Late Smt. Remmy Jain and who holds office upto the date of this Annual General Meeting in terms of Section 161(4) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation, to hold office upto the date which Late Smt. Remmy Jain would have hold office if her office of directorship had not been vacated due to her death *i.e.* till 12<sup>th</sup> November, 2023.

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

### 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**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration amounting to Rs. 45,000/- (Rupees Forty Five Thousands Only) plus applicable taxes and out of pocket expenses, if any, payable to Mr. Satnam Singh Saggi, Cost Accountant, (Membership No.M-10555), who was appointed as Cost Auditor by the Board of Directors of the Company on the recommendation of Audit Committee to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2021, be and is hereby ratified and confirmed.

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

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

**Bharat Kapoor**  
Company Secretary  
ACS-54267

Place : New Delhi  
Dated : 27<sup>th</sup> July, 2020  
*Registered Office*  
Village Thakurdwara, Kashipur Road  
Distt. Moradabad, Uttar Pradesh

### Notes:

1. In view of current situation of COVID-19 pandemic, social distancing is a norm to be followed and therefore, Ministry of Corporate Affairs has, vide its Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the Shareholders at a common venue. Accordingly, in terms of the aforesaid MCA Circulars, the 37<sup>th</sup> Annual General Meeting (AGM) of the Shareholders of the Company is being held through video conferencing (VC) or other audio visual means (OAVM). Hence, Shareholders can attend and participate in the AGM through VC/OAVM.
2. Since the AGM is being held through VC/OAVM, physical attendance of the Shareholders has been dispensed with. Accordingly, in line with the said MCA Circulars read with SEBI Circular No SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 (“SEBI Circular”) the facility for appointment of proxies by the Shareholders will not be available for this AGM and hence, the Proxy Form and Attendance Slips including Route Map are not annexed to the notice.
3. Shareholders can join the 37<sup>th</sup> AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting. The facility of participation at the AGM is restricted upto 1000 Shareholders on “first come first serve’ basis. However, the participation of Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee and Stakeholders Relationship Committee, Auditors etc. is not restricted on first come first serve basis.
4. Central Depository Services (India) Limited (“CDSL”) will be providing facility for voting through remote e-Voting, for participation in the 37<sup>th</sup> AGM through VC/OAVM Facility and e-Voting during the 37<sup>th</sup> AGM.
5. Explanatory Statement setting out all material facts regarding Special Business contained in Item Nos. 3 to 6, as required under Section 102 (1) of the Companies Act, 2013, is annexed hereto.

## NOTICE (Contd.)

6. Brief details of Directors proposed to be appointed/re-appointed/continued as Director as required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings, are furnished in "Annexure-1" to this Notice.
7. The Register of Shareholders and Share Transfer Books of the Company will remain closed from **Wednesday, the 23<sup>rd</sup> September, 2020 to Tuesday, the 29<sup>th</sup> September, 2020 (both days inclusive)** for the purpose of this Annual General Meeting.
8. In view of resultant difficulties involved in dispatching of physical copies of the Annual Report due to COVID-19 pandemic and in line with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May, 2020, Notice of the 37<sup>th</sup> AGM alongwith Annual Report for the financial year 2019-20 are being sent only through electronic mode to those shareholders whose email addresses are registered with the Company / Depository Participant(s)/RTA. Notice of 37<sup>th</sup> AGM and Annual Report for the financial year 2019-20 will also be available on the Company's website [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com), website of BSE Limited [www.bseindia.com](http://www.bseindia.com) and website of CDSL [www.evotingindia.com](http://www.evotingindia.com).
9. Shareholders holding shares physically, who have not registered their email address with the Company, can get the same registered with the Company by sending an email to [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com) mentioning the Folio No., name and address along with scanned copy of the share certificate (front/ back), self-attested copy of the PAN card, and self-attested copy of any document in support of the address of the Shareholder. Shareholders holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants.
10. A person, whose name is recorded in the register of Shareholders or in the register of beneficial owners maintained by the depositories as on the cut-off date *i.e.* 22<sup>nd</sup> September, 2020 shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
11. Investors who become shareholders of the Company subsequent to the mail of the Notice and holds the shares as on the cut-off date *i.e.* 22<sup>nd</sup> September, 2020, are requested to write to the Company at [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com) and to the RTA at [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com) by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
12. Voting rights of the Shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date *i.e.* 22<sup>nd</sup> September, 2020.
13. The attendance of the Shareholders attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
14. Institutional/Corporate Shareholders intending to allow their authorized representatives to attend the AGM through VC/OAVM are requested to send, at [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com) or [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com), before e-voting/attending AGM, a certified copy of its Board/governing body Resolution/Authorization etc. authorizing their representative to attend and vote on their behalf at the Meeting.
15. In case of joint holders, the Shareholder whose name appears as the first holder in the order of names as per the Register of Shareholders of the Company will be entitled to vote electronically during the AGM.
16. Register of Directors and Key Managerial Personnel & their shareholding and Register of Contracts or Arrangements and all other documents referred in the accompanying notice will be available for inspection in electronic mode. Shareholders can inspect the same by sending an email to [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com).
17. Pursuant to the provisions of Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities can be transferred only in dematerialised form w.e.f. 1st April 2019. Shareholders are advised to convert their physical holdings into demat form to avail various benefits of dematerialization.
18. SEBI has mandated registration of Permanent Account Number (PAN) and bank account details for all securities holders. Shareholders holding shares in physical form are requested to submit their PAN and Bank Account details and intimate any change of address to company or its RTA. Members holding shares in electronic form are requested to submit the aforesaid information to their respective Depository Participant.
19. M/s Suresh Kumar Mittal & Co., Chartered Accountants (Firm Registration No.500063N) have been appointed as Statutory 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 39<sup>th</sup> AGM subject to the ratification of their appointment by the Shareholders at every AGM. In terms of Section 139 of the Act as amended by the Companies (Amendment) Act, 2017, appointment of Auditors is not required to be ratified at every AGM w.e.f May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at 37<sup>th</sup> AGM. 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.

## NOTICE (Contd.)



20. The Company has appointed M/s. S.K. Hota & Associates, Practicing Company Secretaries (Membership No.16165, Certificate No.6425) as Scrutinizer for conducting the e-voting process in a fair and transparent manner.
21. The scrutinizer shall, after the conclusion of e-voting at the AGM, first count the votes cast vide e-voting at the AGM and thereafter, shall unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. He shall submit a consolidated report of the total votes cast in favour or against, not later than 48 hours of the conclusion of AGM, to the Managing Director or a person authorized by him.
22. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com). The Company shall simultaneously submit the results to BSE Limited.
23. Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the aforesaid MCA Circulars, the Company is providing the facility of remote e-voting to its Shareholders, to enable them to cast their votes on the resolutions proposed to be passed at the AGM, by electronic means. The instructions for e-voting are given herein below. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL"), who will provide the e-voting facility of casting votes to a Shareholder using remote e-voting system (e-voting from a place other than venue of the AGM) ("remote e-voting") as well as e-voting during the proceeding of the AGM ("e-voting at the AGM")
24. **The instructions for shareholders for remote e-voting are as under:**
  - (i) The remote e-voting period begins on 26<sup>th</sup> September, 2020 (10:00 AM) and ends on 28<sup>th</sup> September, 2020 (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 of 22<sup>nd</sup> September, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iv) Click on "Shareholders" module.
  - (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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - (vi) Next enter the Image Verification as displayed and Click on Login.
  - (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence No. / Folio No. in the PAN field.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	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.  ● 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.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders 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

## NOTICE (Contd.)



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 Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (xii) Click on the **EVS**N 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.
25. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**
- i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email at [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com).
  - ii. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) at [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com).
  - iii. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.
26. **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**
- i. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
  - ii. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
  - iii. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com) . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com) . These queries will be replied to by the company suitably by email.



## NOTICE (Contd.)



- vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
  - vii. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
27. **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**
- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
  - ii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
  - iii. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
  - iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
28. **Note for Non – Individual Shareholders and Custodians**
- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - iii. 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.
  - iv. The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - v. 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.
  - vi. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at [cs\\_sushant@yahoo.co.in](mailto:cs_sushant@yahoo.co.in) and to the Company at the email address viz: [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
29. In case you have any queries or issues regarding attending AGM or e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), Phone : 1800225533 or contact Mr. Rakesh Dalvi (022-23058542)..
30. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

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

#### ITEM NO. 3 & 4

The shareholders of the Company at their 32<sup>nd</sup> Annual General Meeting held on 30<sup>th</sup> September, 2015, had appointed Mr. Subhash Chandra Malik (DIN: 00107170) and Mr. Deveshwar Kumar Kapila (DIN- 00179060) as Independent Directors of the Company for a period of five consecutive years upto the conclusion of this Annual General Meeting.

As per the provisions of Section 149 of the Companies Act, 2013 (“Act”), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company but can be reappointed for a second term of upto five consecutive years by obtaining approval of the shareholders by way of Special Resolution and on disclosure of such reappointment in the Board’s Report. Schedule IV of the Act

## NOTICE (Contd.)



provides for performance evaluation by the Board before extending the term of Independent Director.

Considering the vast experience, knowledge and the possession of relevant expertise by Mr. Subhash Chandra Malik and Mr. Deveshwer Kumar Kapila and their performance evaluation based on their contribution to the Board, the Board of Directors and Nomination & Remuneration Committee are of the opinion that their continued association would be of immense benefit to the Company. Accordingly, Board of Directors at their meeting held on 27<sup>th</sup> July, 2020 approved the re-appointment of Mr. Subhash Chandra Malik and Mr. Deveshwer Kumar Kapila as Independent Directors of the Company for a further period of five consecutive years with effect from the end of their respective terms of present appointment, subject to the approval of shareholders through Special Resolution.

Mr. Subhash Chandra Malik and Mr. Deveshwer Kumar Kapila have given their declarations to the Board that, they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Director) Rules 2014, to the effect that they are not disqualified from being re-appointed under Section 164(2) of the Act and have given their consent to act as directors. Based on the aforesaid declarations/disclosures received from Mr. Subhash Chandra Malik and Mr. Deveshwer Kumar Kapila, Board is of the opinion that Mr. Subhash Chandra Malik and Mr. Deveshwer Kumar Kapila fulfil the conditions, as provided in the Act and the Rules made thereunder, for their re-appointment as Independent Directors of the Company and they are independent of the management.

Accordingly, it is proposed to re-appoint Mr. Subhash Chandra Malik and Mr. Deveshwer Kumar Kapila as Independent Directors for a period of 5 consecutive years from the date of this Annual General Meeting up to the conclusion of 42<sup>nd</sup> Annual General Meeting in terms of Section 149 and 152 of the Act and read with rules made thereunder and Schedule IV of the Act.

A copy of the draft letter of appointment setting out the terms and conditions will be available for inspection of the Shareholders through electronic mode during business hours. Shareholders may write to the Company at [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com) in that regard.

Brief details of Mr. Subhash Chandra Malik and Mr. Deveshwer Kumar Kapila as required under Regulation 36(3) of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and the Secretarial Standards on General Meetings, are furnished in Annexure – I to this Notice.

Mr. Subhash Chandra Malik and Mr. Deveshwer Kumar Kapila being appointees or their relatives to the extent of their shareholding, may be deemed to be interested in their respective re-appointment. Save and except above, none of the Directors/Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolutions.

The Board recommends the Special Resolutions set out at Items No. 3 & 4 of the accompanying Notice for the approval of the Shareholders of the Company.

### **ITEM NO. 5**

The Board of directors of the Company express their deep condolences at the untimely and sad demise of Smt. Remmy Jain, Independent Director of the Company on 29<sup>th</sup> February, 2020. The Board of Directors placed on record a deep appreciation for the valuable services rendered by Late Smt. Remmy Jain during her tenure as a Director of the Company.

In 36<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September, 2019, Smt. Remmy Jain was appointed as Independent Director of the Company for a period of 5 consecutive years effective from 13<sup>th</sup> November, 2018 and due to her sad demise, her office of Independent Woman Director became vacant before the expiry of her term of Directorship. Therefore, pursuant to Section 161(4) of the Companies Act, 2013, ("Act") read with the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee of the Board, the Board of Directors of the Company ("Board") had at its meeting held on 27<sup>th</sup> July, 2020 appointed Mrs. Kamlesh Gupta (DIN 07243898) as an Independent Director of the Company with w.e.f 27<sup>th</sup> July, 2020, to fill the casual vacancy caused by the death of Late Smt. Remmy Jain. In terms of the provisions of Section 161(4) of the Act, the appointment of Mrs. Kamlesh Gupta is subsequently required to be approved by the shareholders in this Annual General Meeting and Mrs. Kamlesh Gupta shall hold office only up to which Late Smt. Remmy Jain would have held office if the casual vacancy had not been vacated.

Mrs. Kamlesh Gupta has given her declarations to the Board that, she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Director) Rules 2014, to the effect that she is not disqualified from being appointed under Section 164(2) of the Act and has given her consent to act as director. Based on the aforesaid declarations/disclosures received from Mrs. Kamlesh Gupta, Board is of the opinion that Mrs. Kamlesh Gupta fulfils the conditions, as provided in the Act and the Rules made thereunder, for her appointment as Independent Directors of the Company and she is independent of the management.

The Board of Directors and Nomination & Remuneration Committee are of the opinion that considering the vast experience, knowledge



## NOTICE (Contd.)

and the possession of relevant expertise by Mrs. Kamlesh Gupta, her appointment would be of immense benefit to the Company.

A copy of the draft letter of appointment setting out the terms and conditions will be available for inspection of the Shareholders through electronic mode during business hours. Shareholders may write to the Company at [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com) in that regard.

Mrs. Kamlesh Gupta being appointee or her relatives, to the extent of their shareholding, may be deemed to be interested in her appointment. Save and except above, none of the Directors/Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolutions.

The Board recommends the Ordinary Resolutions set out at Items No. 5 of the accompanying Notice for the approval of the Shareholders of the Company.

### **ITEM NO. 6**

The Board of Directors of the Company at its meeting held on 27<sup>th</sup> July, 2020, based on the recommendation of the Audit Committee, approved the appointment of Mr. Satnam Singh Saggu, Cost Accountant (Membership No. M-10555) as Cost Auditor to the Company to conduct audit of cost accounting records for the financial year ending on 31<sup>st</sup> March, 2021 at a remuneration of Rs. 45,000/- (Rupees Fifty Thousand Only) exclusive of applicable taxes and reimbursement of out of pocket expenses, if any, incurred in connection with the cost audit.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration as approved by the Board of Directors of the Company, is required to be subsequently ratified by the Shareholders of the Company. Accordingly, consent of the Shareholders is sought for passing an Ordinary Resolution as set out at Item No. 6 of this Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2021.

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

The Board of Directors recommends the Ordinary Resolution set forth in Item No. 6 of the accompanying Notice for the approval of the Shareholders of the Company.

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

Place : New Delhi  
Dated : 27<sup>th</sup> July, 2020  
*Registered Office*  
Village Thakurdwara, Kashipur Road  
Distt. Moradabad, Uttar Pradesh

**Bharat Kapoor**  
Company Secretary  
ACS-54267

**Annexure-1**

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

<b>Name of Director</b>	<b>Mr. Vineet Jain</b>	<b>Mr. Subhash Chandra Malik</b>	<b>Mr. Deveshwer Kumar Kapila</b>	<b>Mrs. Kamlesh Gupta</b>
DIN	00107149	00107170	00179060	07243898
Age	51	70	69	43
Qualifications	B.B.A (London)	B.Com (Hons.) and FCA	FCA	B.Com and FCA
Date of first appointment on the Board	1 <sup>st</sup> October, 1994	1 <sup>st</sup> October, 1994	25 <sup>th</sup> May, 2015	27 <sup>th</sup> July, 2020
Brief resume and Nature of Expertise in specific functions	Mr. Vineet Jain, B.B.A.(London), has been in the service of your Company since 1990. He was then elevated as Joint Managing Director in the year 1994 and Managing Director in the year 1997	Mr. Subhash Chandra Malik is a Fellow Member of the Institute of Chartered Accountants of India and have expertise in accounting and financial functions.	Mr. Deveshwer Kumar Kapila is a Fellow Member of the Institute of Chartered Accountants of India and have expertise in accounting and financial functions.	Mrs. Kamlesh Gupta is having good experience in managing financial controls, accounts, audit and statutory compliance.
Shareholding in the Company	12,02,422 equity Shares (1.35%)	Nil	Nil	Nil
Last Drawn Remuneration	Rs. 1,02,22,465/-	Sitting fees of Rs. 40,500/- paid during the financial year 2019-20.	Sitting fees of Rs. 16,500/- paid during the financial year 2019-20.	N.A.
Relationship with other directors or key managerial personnel of the Company	None	None	None	None
Directorship in other companies as on 31.03.2020	i. Pasupati Advanced Films Private Ltd. ii. Vigar Enterprises Private Ltd. iii. Chemopulp Tissues Ltd.	Nil	Budge Budge Company Limited	1. Marda Commercial & Holdings Ltd. 2. Leo Capital Services Limited
Membership/ Chairmanship in committees of other Board	Nil	Nil	Budge Budge Company Ltd. Audit Committee (Member) Nomination & Remuneration Committee (Member)	Nil
Number of meeting of the Board attended during the year	4	4	4	Not Applicable

## BOARD'S REPORT



### To the Members

Your Directors have pleasure in presenting Thirty Seventh Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

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

	(Rs./ Crore)	
	2019-20	2018-19
Revenue from Operations	663.64	825.31
Other Income	6.44	9.35
Profit before Interest & Depreciation	32.04	57.05
Finance Cost	4.99	8.17
Depreciation	6.66	5.76
Profit before Taxes	20.39	43.12
Tax Expenses for the year :		
- Current Tax	6.00	10.44
- Deferred Tax Liability /(Assets)	1.34	5.30
Less: Exceptional Items	-	-
Profit after Taxes	13.05	27.38

### COVID-19

Pursuant to outbreak of coronavirus disease (COVID-19) worldwide and its declaration as global pandemic, the Government of India declared lockdown on March 24, 2020 which led the temporary suspension of operations of the Company and has impacted the overall business activities of the Company.

COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period.

There remain uncertainties on how this pandemic situation will evolve, and that remains a risk for the Company. These include risks related to employee safety, supply chain, customers, business development efforts and cash flows of the Company.

After resumption of operations, the management has made detailed assessment of its liquidity position and has prepared future cash flow projections and also assessed the recoverability of its assets and factored assumptions used in the annual impairment assessment of its cash generating units, using various internal and external information. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

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

The Company has recorded production of 41250 MT and Sale of 38771 MT during the year under review, as against 43,462 MT and Sale of 44,505 MT respectively during the previous year. During the year under review, sales volume came down because of negative sentiments of COVID-19 and further lockdown announced during the last week of March, 2020.

The Company posted EBIDTA for the year of Rs. 32.04 Crore as compared to Rs. 57.05 Crore in the previous year and Net Profit of Rs. 13.05 as compared to Rs. 27.38 Crore in the previous year.

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

In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited financial statements of the Company are available on website of the Company [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).

### **INTEGRATED CPP FILM PROJECT**

The production capacity to produce CPP film is 10000 MT PA and during the year company produced 4531 MT and sold 4420 MT. The Company expects that this segment shall do well during the FY 2020-21 as the demand of CPP Films is on the rise and product of the company is well accepted in market now.

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

#### **ACRYLIC FIBRE**

##### **a) Industry Structure and Development**

The Demand of Acrylic Fibre during the year was subdued consequently company's production fallen to 41250 MT from 43462 MT and sales were down to 38771 MT from 44505 MT. During the year exports were almost same, company exports 12062 MT as compared to last year 12379 MT.

##### **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 72-32 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 company's export was 31%.

#### **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.

#### **SUBSIDIARY COMPANIES**

As on 31<sup>st</sup> March, 2020, the Company does not have any subsidiary, associate or joint venture company.

#### **TRANSFER OF RESERVES**

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

#### **DIVIDEND**

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

#### **CHANGE IN THE NATURE OF BUSINESS**

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

**SHARE CAPITAL**

As on 31<sup>st</sup> March, 2020, the Company's issued and paid up capital stands Rs. 89,13,31,210/- divided into 8,91,13,121 fully paid up equity shares of Rs. 10/- each. During the year under review, the Company has not issued any share. Further the Company has also not issued any share with differential Voting Rights/Sweat Equity shares/under Stock Option Scheme (ESOS) earlier and during the year. The Company has no scheme or provision of money for purchase of its own shares by employees or by trustees, for the benefit of its employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

**DIRECTORS**

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

Mr. Deveshwer Kumar Kapila, Mr. Subhash Chandra Malik and Mr. S. Sathyamoorthy are Independent Directors of the Company.

The present term of Mr. Deveshwer Kumar Kapila and Mr. Subhash Chandra Malik as Independent Directors would be expiring at the ensuing Annual General Meeting and they have submitted their consent for re-appointment as Independent Directors of the Company.

The Board recommends the re-appointment of Mr. Vineet Jain, Mr. Deveshwer Kumar Kapila and Mr. Subhash Chandra Malik and resolutions seeking shareholders' approval for their re-appointment form part of the AGM Notice.

During the year under review, Mrs. Remmy Jain ceased to be director w.e.f February 29, 2020 due to her sad demise. The Board of Directors, on the recommendation of Nomination & Remuneration Committee, has appointed Mrs. Kamlesh Gupta as Independent Woman Director w.e.f. 27<sup>th</sup> July, 2020 to fill the casual vacancy caused due to death of Smt. Remmy Jain. Mrs. Gupta's appointment needs to be confirmed at the forthcoming Annual General Meeting. In the opinion of the Board, Mrs. Kamlesh Gupta has the requisite integrity, expertise and experience (including proficiency). Board recommends her appointment for shareholders' approval at the ensuing Annual General Meeting.

**KEY MANAGERIAL PERSONNEL**

As on 31<sup>st</sup> March, 2020, the Company had the following Whole-time Key Managerial Personnel (KMPs) in accordance with the provisions of Section 203 of the Companies Act, 2013:

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

\*During the year under review, Mr. Ankush Kumar Chokhani resigned from the position of Company Secretary on 10<sup>th</sup> December, 2019 and Mr. Bharat Kapoor has been appointed as Company Secretary of the Company w.e.f 12<sup>th</sup> February, 2020. However, the Board of Directors has, by way of circular resolution dated 15<sup>th</sup> January, 2020, appointed Mr. Bharat Kapoor as Compliance Officer of the Company.

**DECLARATION BY INDEPENDENT DIRECTORS**

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

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

**MEETINGS OF THE BOARD**

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

### **NOMINATION AND REMUNERATION POLICY**

The Board 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 available on the website of the Company [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).

### **BOARD EVALUATION**

In terms of the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance, of its committees and of each Board Member individually.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

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

Independent Directors of the Company had, in their separate meeting held on November 12, 2019, reviewed the performance of non-independent directors, the Board as a whole and Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 134(3) (e) 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, 2020; 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 31<sup>st</sup> March, 2020 and of the profit of the company for the year ended on that date;
- c. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. That the directors had prepared the annual accounts on a going concern basis;
- e. That the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **CORPORATE GOVERNANCE**

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

### **SECRETARIAL STANDARDS**

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

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

In compliance with the provisions of the Act and SEBI Listing Regulations, 2015, all related party transactions are placed before the Audit



Committee for prior approval and also before the Board wherever necessary. During the year under review, all Contracts/arrangements/ transactions entered into by the Company with related parties were on an arm's length basis. None of the transactions with any of the related parties were in conflict with your company's interest. All related parties transactions are disclosed in Note No.36 of the Financial Statements forming part of this Annual Report.

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

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

There is no such material change and commitment affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statements relate and the date of the report. The outbreak of COVID-19 pandemic posed unprecedented challenges to the business.

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

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

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

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

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

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

During the year under review, the Company has spent Rs. 51 Lakh on CSR activities against its obligation of Rs. 93.24 Lakh. The amount remained unspent due to the fact that the Company could not find suitable project during the year. The short fall of Rs. 42.24 Lakh shall be made good in the financial year 2020-21.

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

### **RISK MANAGEMENT**

The Board of Directors has constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board to oversee and approve the Companies Risk Management framework and all the risks that the company faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management. The Risk Management Policy has also been hosted on the website of the Company [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).

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

#### **Statutory Auditors**

M/s Suresh Kumar Mittal & Co., Chartered Accountants (Firm Registration No.500063N) were appointed as Statutory Auditors of the Company at the AGM held on September 27,2017 for a period of 5 years till the conclusion of the 39<sup>th</sup> AGM subject to the ratification of their appointment by the members at every AGM. In terms of Section 139 of the Act as amended by the Companies (Amendment) Act, 2017, appointment of Auditors is not required to be ratified at every AGM w.e.f May 7, 2018. Hence the resolution seeking ratification of

## BOARD'S REPORT (Contd.)



the Members for continuance of their appointment at this AGM is not being sought. 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.

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

### **Cost Auditor**

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

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, your Directors, on the recommendation of the Audit committee, appointed Mr. Satnam Singh Saggi, Cost Accountants as Cost Auditors of your company for the Financial Year 2020-21 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 Mr. Satnam Sigh Saggi, Cost Accountants has been received to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules made thereunder.

### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. V.K. Sharma & Co, Practicing Company Secretaries (FCS No. 3440), to undertake Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March 2020 is annexed herewith to this Report as Annexure - III. The Auditors report does not contain any qualification, reservation or adverse remark.

### **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 2019-20.

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

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

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

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

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

### **DISCLOSURES:**

#### **Audit Committee**

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

#### **Vigil Mechanism**

The Company has framed and implemented a vigil mechanism named as Whistle Blower Policy to deal with instances of fraud and

## BOARD'S REPORT (Contd.)



mismanagement, if any, in terms of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, 2015. The details of the Whistle Blower Policy are provided in the Corporate Governance Report and also posted on the website of the Company [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).

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

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

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

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

### **Extract of Annual Return**

As per the requirements of Section 92(3) of the Companies Act, 2013 read with rules framed thereunder, the extract of Annual Return as on 31<sup>st</sup> March, 2020 is given in prescribed form MGT-9 in Annexure - V, which form part of the Board's Report.

Pursuant to the provisions of section 134 (3) (a) of Companies Act 2013, the extract of annual return is placed on [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com)

### **Particulars of Employees**

The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is attached as Annexure - VI.

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

### **ISO CERTIFICATION**

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

### **DEPOSITS**

The Company has not accepted or renewed any deposit during the year and there are no outstanding and/or overdue deposits as at 31<sup>st</sup> March, 2020.

### **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 : 27<sup>th</sup> July, 2020

**Form No. AOC-2**

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

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

1. There are no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis.
2. Contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arm's length basis are as follows:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/transactions	Duration of the contracts / - arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, - if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Justification for entering into contracts
1	Vigar Enterprises Private Limited (Same Group Company)	Purchase of organic grocery products for official use	Perpetual Agreement	Purchase of organic grocery products at arm's length basis, with a maximum limit of Rs.12 Lakh per annum.	10th August, 2019	NIL	The related party is engaged in the dealing of organic grocery products and the Company requires the grocery products for its official use from time to time. Hence, the Company entered into an agreement with a related party to procure the grocery products for its official use.

**ANNEXURE II**

**Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2019-20**

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. S.C. Malik, Chairman  ii. Mr. Vineet Jain, Member  iii. Mr. S.P. Gupta, Member
3	Average net profit of the Company for the last three Financial years	Rs.4,662.04 Lakhs
4	Prescribed CSR Expenses	CSR @ 2% is Rs. 93.24 Lakh for this year.
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. 51.00 Lakh Rs. 42.24 Lakh <b>ANNEXURE - A</b>
6	In case the Company has failed to spent two percent, reason thereof.	The Company could not find the suitable project during the year 2019-20.
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.	<b>ANNEXURE - B</b>

**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 for Health Care	“ i “ of Schedule VII of the Act (Promoting preventive health care)	Jhajjar, Haryana	25.00	Nil	25.00	Through implementing agency
2	Contribution health Care	“ ii “ of Schedule VII of the Act (Promoting Education)	Rohini, Delhi	25.00	Nil	25.00	Through implementing agency
3	Environmental sustainability by Tree Plantation	“ iv “ of Schedule VII of the Act (Environmental sustainability )	Faridkot, Punjab	1.00	Nil	1.00	Through implementing agency

**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 : 27<sup>th</sup> July, 2020.

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31.03.2020

*[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 31.03.2020 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 31.03.2020 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 complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent they were applicable except that:

- (i). The company has incurred an expenditure of Rs. 51 Lakhs (previous year Rs. 106 Lakhs) on corporate Social responsibility activities

## BOARD'S REPORT (Contd.)



specified under the provisions of Companies Act, 2013 as against the required spend of Rs. 93.24 Lakhs (previous year Rs. 94.12 Lakhs).

**We further report** that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors till 29.02.2020. However a casual vacancy occurred on 29.02.2020 due to the demise of a woman independent director which remains to be filled till the date of this report.

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: 27<sup>th</sup> July 2020

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: 27<sup>th</sup> July 2020

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



**ANNEXURE IV**

**INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF COMPANIES (ACCOUNTS) RULES, 2014 FOR THE YEAR ENDED MARCH 2020**

**A. CONSERVATION OF ENERGY**

1. Energy conservation measures taken during the period under report are as under:
  - 1(a) Revamping of Cooling Towers to improve the efficiency of the Cooling Towers.
  - 1(b) To control the steam temperature precisely for improving the efficiency of the Heat Exchanger.
  - 1(c) Rice Husk was used partially in Boiler in place of coal during paddy season.
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
  - If not fully absorbed, reason for & future action plan : NA
4. Expenditure on R&D:

(Rs. in Lakh)

S. No.	Particulars	2019-2020	2018-2019
i)	Capital	-	-
ii)	Recurring	36.50	35.22
iii)	Total	36.50	35.22
iv)	Total R&D expenditure as a percentage of total turnover	0.06%	0.04%

**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 12062 MT i.e.31% of total quantity sold as against 12379 MT i.e. 27.81% of total quantity sold in previous year.
2. **Total Foreign Exchange Used & Earned**

(Rs.in Lakh)

Foreign Exchange Utilized		2019-2020	2018-2019
i)	Travelling	59.20	47.77
ii)	Interest & other charges	175.41	286.05
iii)	Commission on export sales	-	54.04
iv)	CIF Value of imports		
	- Raw Material	46481.63	56496.95
	- Stores and Spares	251.28	1947.36
<b>Foreign Exchange Earned</b>			
FOB Value of Exports (excluding Rs.18419.58 Lakh, export to Iran in INR · (Previous year Rs.17,645.41 Lakh)		156.76	3732.95

## EXTRACT OF ANNUAL RETURN

For the Financial Year ended on 31<sup>st</sup> March 2020

[Pursuant to Section 92 (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

S.No.	Particulars	Details
i)	CIN	L50102UP1982PLC015532
ii)	Registration date	22/10/1982
iii)	Name of the company	Pasupati Acrylon Ltd.
iv)	Category / Sub Category of the Company	Public Limited Company having Share Capital
v)	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 Website: <a href="http://www.pasupatiacrylon.com">www.pasupatiacrylon.com</a>
vi)	Whether listed Company Yes/No.	Yes
vii)	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 : <a href="mailto:helpdeskdelhi@mcsregistrars.com">helpdeskdelhi@mcsregistrars.com</a>

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S.No.	Name and Description of Main Products / Service	NIC Code of the Product / Service	% to total turnover of the Company.
i)	Acrylic Filre, Tow & Tops	2030	91.91
ii)	Cast Poly Propylene (CPP) Films	22209	8.09

## 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		

BOARD'S 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 i.e. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(1) Indian									
a) Individual/HUF	1,74,54,996	-	1,74,54,996	19.58	1,74,54,996	-	1,74,54,996	19.58	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	0.00
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	3,67,78,697	-	3,67,78,697	41.26	3,67,78,697	-	3,67,78,697	41.26	0.00
e) Bank/FI	44,81,752	-	44,81,752	5.03	44,81,752	-	44,81,752	5.03	0.00
f) Any other	-	-	-	-	-	-	-	-	0.00
<b>SUB TOTAL: (A) (1)</b>	<b>5,87,15,445</b>	<b>-</b>	<b>5,87,15,445</b>	<b>65.87</b>	<b>5,87,15,445</b>	<b>-</b>	<b>5,87,15,445</b>	<b>65.87</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	0.00
b) Other Individuals	-	-	-	-	-	-	-	-	0.00
c) Bodies Corp.	-	-	-	-	-	-	-	-	0.00
d) Banks/FI	-	-	-	-	-	-	-	-	0.00
e) Any other	-	-	-	-	-	-	-	-	0.00
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>5,87,15,445</b>	<b>-</b>	<b>5,87,15,445</b>	<b>65.87</b>	<b>5,87,15,445</b>	<b>-</b>	<b>5,87,15,445</b>	<b>65.87</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	97,020	82,485	1,79,505	0.20	2,09,253	82,485	2,91,738	0.33	0.13
b) Banks/Financial Institutions	4,815	270	5,085	0.01	4,815	270	5,085	0.00	-0.01
c) Central Govt	-	-	-	-	-	-	-	-	0.00
d) State Govt.	-	-	-	-	-	-	-	-	0.00
e) Venture Capital Fund	-	-	-	-	-	-	-	-	0.00
f) Insurance Companies	-	-	-	-	-	-	-	-	0.00
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	0.00
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	0.00
i) Others (specify)	-	-	-	-	-	-	-	-	0.00
<b>SUB TOTAL (B)(1):</b>	<b>1,01,835</b>	<b>82,755</b>	<b>1,84,590</b>	<b>0.21</b>	<b>2,14,068</b>	<b>82,755</b>	<b>2,96,823</b>	<b>0.33</b>	<b>0.13</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	17,03,121	1,81,604	18,84,725	2.11	11,66,367	1,81,560	13,47,927	1.51	-0.60
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	1,43,28,482	57,04,557	2,00,33,039	22.48	1,38,86,668	55,80,634	1,94,67,302	21.84	-0.63

BOARD'S REPORT (Contd.)



Category of Shareholders	No. of shares held at the beginning of the year i.e. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
ii) Individuals shareholders holding nominal share capital in excess of Rs.2 lakhs	60,68,541	1,17,422	61,85,963	6.94	70,81,577	1,39,214	72,20,791	8.10	1.16
c) Others (specify)									
i) NBFC registered with RBI	90	-	90	0.00	90	-	90	0.00	0.00
ii) Non Resident Indians	5,19,289	2,95,244	8,14,533	0.91	4,81,771	2,90,326	7,72,097	0.87	-0.05
iii) Overseas Corporate Bodies	8,97,566	-	8,97,566	1.01	8,97,566	-	8,97,566	1.01	0.00
iv) Foreign Companies	-	4,15,080	4,15,080	0.47	-	4,15,080	4,15,080	0.47	0.00
v) Trust	2,000	3,58,394	3,60,394	0.40	-	-	-	-	-0.40
vi) Cooperative Societies	90	-	90	0.00	-	-	-	-	0.00
<b>SUB TOTAL (B)(2):</b>	<b>2,35,19,179</b>	<b>67,13,907</b>	<b>3,02,30,996</b>	<b>33.92</b>	<b>2,35,14,039</b>	<b>66,06,814</b>	<b>3,01,20,853</b>	<b>33.79</b>	<b>-0.12</b>
<b>Total Public Shareholding(B)=(B)(1)+(B)(2)</b>	<b>2,36,21,014</b>	<b>67,96,662</b>	<b>3,04,15,586</b>	<b>34.12</b>	<b>2,37,28,107</b>	<b>66,89,569</b>	<b>3,04,17,676</b>	<b>34.13</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	0.00
<b>Grand Total (A+B+C)</b>	<b>8,23,36,459</b>	<b>67,96,662</b>	<b>8,91,33,121</b>	<b>100.00</b>	<b>8,24,48,552</b>	<b>66,89,569</b>	<b>8,91,33,121</b>	<b>100.00</b>	<b>0.00</b>

(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 Pvt. 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 Pvt. Ltd.	4000000	4.49	4000000	4000000	4.49	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 (HUF)	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	-	-
	<b>Total</b>	<b>58715445</b>	<b>65.87</b>	<b>15125000</b>	<b>58715445</b>	<b>65.87</b>	<b>15125000</b>	

BOARD'S 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	5,87,15,445	65.87	5,87,15,445	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	5,87,15,445	65.87	5,87,15,445	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	% of total shares of the Company
1	Cerex Trading U K Ltd	895856	1.01	-	895856	1.01
2	Annu Narayan	853172	0.95	27755	880927	0.99
3	Sahistaakhtar Sarvarhussian Nagad	300000	0.34	-	300000	0.34
4	Jardine Fleming Intc Mgt Inc	263970	0.30	-	263970	0.30
5	Keshav Garg	295640	0.33	(64998)	230642	0.26
6	Dheeraj Kumar Lohia	0	0.00	225031	225031	0.25
7	Mahendra Girdharilal	0	0.00	219157	219157	0.25
8	Rajendra Kumar Gupta	200000	0.22	-	200000	0.22
9	Havinder Singh Jaggi	0	0.00	179000	179000	0.20
10	Shashi Rani Gupta	0	0.00	176729	176729	0.20

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

**(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					
Mr. Vineet Jain (Managing Director)	12,02,422	1.35	No change during the year	12,02,422	1.35
Mr. S.P. Gupta (Director-Operations)	5,000	0.00	18397 shares purchased during the year 2019-20	23,397	0.03
Mr. S. Sathyamoorthy (Independent Director)	Nil	Nil	Nil	Nil	Nil
Mr. D. K. Kapila (Independent Director)	Nil	Nil	Nil	Nil	Nil
Mr. S.C. Malik (Independent Director)	Nil	Nil	Nil	Nil	Nil
Mrs. Remmy Jain (Independent Director)	Nil	Nil	Nil	Nil	Nil
Mr. Satish Kumar Bansal (CFO)	Nil	Nil	Nil	Nil	Nil
Mr. Ankush Kumar Chokhani (Company Secretary)	Nil	Nil	Nil	Nil	Nil
Mr. Bharat Kapoor (Company Secretary)	Nil	Nil	Nil	Nil	Nil

**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	0.71	-	-	0.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	0.71	-	-	0.71
Change in Indebtedness during the financial year				
i) Addition	-	-	-	-
ii) Reduction	0.30	-	-	0.30
Net Change	(0.30)	-	-	(0.30)
Indebtedness at the end of the financial year				
i) Principal Amount	0.41	-	-	0.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	0.41	-	-	0.41

## BOARD'S REPORT (Contd.)



### 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. Satya Prakash Gupta (Director Operations)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	85,85,004	21,45,871	1,07,30,875
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,62,461	36,630	1,99,091
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit others, specify	2,00,000	-	2,00,000
		-	-	-
5.	Others, (Retirement Benefits)	12,75,000	2,26,905	15,01,905
	Total (A)	1,02,22,465	24,09,406	1,26,31,871
	<b>Ceiling as per the Act</b>	<b>In compliance with Section 197 read with Schedule V of the Companies Act, 2013</b>		

#### B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors				Total Amount (In Rs.)
	Mr. S. Sathyamoorthy	Mr. S.C. Malik	Mr. D.K. Kapila	Mrs. Remmy Jain*	
Independent Directors					
Fee for attending board / committee meetings	12,000	40,500	16,500	3,000	72,000
<b>Total (1)</b>	<b>12,000</b>	<b>40,500</b>	<b>16,500</b>	<b>3,000</b>	<b>72,000</b>
Non-Executive Directors					
Fee for attending board / committee meetings	-	-	-	-	-
<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (B) = (1+2)</b>	<b>12,000</b>	<b>40,500</b>	<b>16,500</b>	<b>3,000</b>	<b>72,000</b>
Total Managerial Remuneration (A+B)	-	-	-	-	1,27,03,871

\*\*Mrs. Remmy Jain ceased to be director of the Company due to her sad demise on 29<sup>th</sup> February, 2020.

## BOARD'S REPORT (Contd.)



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

(Amount in Rs.)

S.No.	Particulars of Remuneration	Mrs. Satish Kumar Bansal (CFO)	Mr. Bharat Kapoor (Company Secretary)*	Mr. Ankush Kumar Chokhani (Company Secretary)*	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,37,350	1,72,812	3,46,092	<b>20,56,254</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,541	8,232	7,825	<b>31,598</b>
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission as % of profit others, specify	-	-	-	-
5.	Others, please specify-Retirement Benefits	1,30,734	7,479	11,145	<b>1,49,358</b>
	Total	<b>16,83,625</b>	<b>1,88,523</b>	<b>3,65,062</b>	<b>22,37,210</b>

\*Mr. Bharat Kapoor has been appointed as Company Secretary w.e.f 12th February, 2020 in place of Mr. Ankush Kumar Chokhani who left on 10<sup>th</sup> December, 2019 .

### 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)
<b>A. COMPANY</b>					
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.
<b>B. DIRECTORS</b>					
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.
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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 2019-20	Percentage increase in Remuneration for Financial Year 2019-20	Ratio of Remuneration of each Director / KMP to the Median Remuneration of Employees
1.	Mr. Vineet Jain Managing Director	102.22	-53.16	34.95
2.	Mr. Satya Prakash Gupta Director (Operations)	24.09	-6.41	8.24
3.	Mr. Satish Kumar Bansal Chief Financial Officer	16.84	25.86	5.76
4.	Mr. Ankush Kumar Chokhani * Company Secretary	3.65	N.A.	1.25
5.	Mr. Bharat Kapoor* Company Secretary	1.80	N.A.	0.62
6.	Mr. S.C. Malik (Non-executive & Independent Director)	0.41	-	-
7.	Mr. D K Kapila (Non-executive & Independent Director)	0.17	-	-
8.	Mrs. Remmy Jain ** (Non-executive & Independent Director)	0.03	-	-
9.	Mr. S. Sathyamoorthy (Non-executive & Independent Director)	0.12	-	-

\* Mr. Bharat Kapoor has been appointed as Company Secretary w.e.f 12th February, 2020 in place of Mr. Ankush Kumar Chokhani who left on 10<sup>th</sup> December, 2019 .

\*\* Mrs. Remmy Jain ceased to be director of the Company due to her sad demise on 29<sup>th</sup> February, 2020.

- b) The percentage increase in the Median Remuneration of Employees in the Financial Year 2019-20: of about 2.10%, reflecting an improvement in the overall employee pyramid.
- c) The number of permanent employees on the rolls of the Company is 465 as on 31<sup>st</sup> March, 2020.
- d) Average percentage increase already 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.
- e) It is hereby affirmed that the remuneration is as per the remuneration policy of the company.

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

## 1. Company's Philosophy

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

## 2. Board of Directors

### (a) Composition and Category of Directors

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

As on 31<sup>st</sup> March, 2020, Board comprised of five directors including three Non-executive Independent Directors. However, as on the date of this report, the Board of the Company consists of 6 Directors. Out of the 6 Directors, two directors are Executive Directors including one promoter director (Managing Director) and four directors are Non-Executive Independent Directors including one woman independent director. Mr. Vineet Jain was the Chairman of all Board Meetings held during the financial year 2019-20.

The composition of Directors and also number of other directorships and Committee Memberships/Chairmanship held by them in other companies are given below:

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

### Note:

\*Mrs. Kamlesh Gupta has been appointed w.e.f. 27<sup>th</sup> July, 2020 to fill the casual vacancy caused due to the sad demise of Mrs. Remmy Jain on 29<sup>th</sup> February, 2020.

- There are no inter-se relationships amongst board members.
- In accordance with Regulation 26 (1) of SEBI Listing Regulations, disclosure includes memberships/chairmanship of only Audit Committees and Stakeholders Relationship Committees of all Indian Public Limited Companies (excluding Pasupati Acrylon Limited). Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.

The number of directorships and the position held in Board Committees by the Directors are in conformity with the limits on the number of Directorships and Board Committee positions as laid down in the Companies Act, 2013 and Listing Regulations as on 31<sup>st</sup> March 2020. None of our Directors serves as Director in more than seven listed companies and none of the Executive Directors serve as an Independent Director in any listed company. Further, none of our Independent Director serves as Non-Independent Director of any company on the Board of which any of the Company's Non-Independent Director is an Independent Director. Further, none of the directors of the Company is a member of more than ten committees of Board and chairperson of more than five committee across all listed entities in which he is a director.

None of the Non-Executive Directors holds any shares of the company. The Company has not issued any convertible instruments. The Board periodically reviews the compliance reports of all laws applicable to the Company.

**(b) Board Meetings**

During the Financial Year 2019-20, Four (4) Board Meetings were held on 25<sup>th</sup> May, 2019, 10<sup>th</sup> August, 2019, 12<sup>th</sup> November, 2019 and 12<sup>th</sup> February, 2020. The maximum gap between any two consecutive Meetings did not exceed 120 days.

Details of attendance of the directors at the Board Meetings held during the year 2019-20 and last Annual General Meeting are as under:

Sl.No	Name of Director	Category of Directorship	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM 27.09.2019
1	Mr.Vineet Jain	Managing Director & Executive Director	4	4	Yes
2	Mr. D K Kapila	Independent Director	4	4	Yes
3	Mr.S.C.Malik	Independent Director	4	4	Yes
4	Mr. S. Sathyamoorthy	Independent Director	4	3	No
5	Mr. SatyaPrakash Gupta	Executive Director	4	4	Yes
6	Mrs. Remmy Jain*	Non-executive Women Director	4	2	No
7	Mrs. Kamlesh Gupta*	Independent Woman Director	Nil	Nil	N.A.

\* Mrs. Kamlesh Gupta has been appointed on 27<sup>th</sup> July, 2020 to fill the casual vacancy caused due to the sad demise of Mrs. Remmy Jain on 29<sup>th</sup> February, 2020.

**(c) Independent Director**

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. Pursuant to Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, (as amended), all the Independent Directors of the Company have registered themselves in the Independent Directors' data bank as maintained by "Indian Institute of Corporate Affairs" within the prescribed timelines.

Pursuant to Regulation 25 of Listing Regulations, the Company has in place a system to familiarize the Independent Directors about the Company, their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company through various presentations during the Board Meetings. Senior management personnel of the Company make presentations to the Board Members on a periodically basis briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives etc. and seek their opinions and suggestions on the same. The policy on familiarization programme for Independent Directors is disclosed on the Company's website. (<http://pasupatiacrylon.com/wp-content/uploads/2019/05/Familiarization-Programme-for-Independent-Director.pdf>)

In terms of Regulation 25(8) of Listing Regulations, Independent Directors 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 Listing Regulations and that they are independent of the management.

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

In accordance with Regulation 25(3) of Listing Regulations read with the provisions of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held during the year on 12<sup>th</sup> November 2019 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;

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

Two independent directors namely Mr. D K Kapila and Mr. S.C. Malik attended the above meetings. 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.

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

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

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

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

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

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

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

The present term of Mr. Deveshwer Kumar Kapila and Mr. Subhash Chandra Malik as Independent Directors would be expiring at the ensuing Annual General Meeting and they have submitted their consent for re-appointment as Independent Directors of the Company.

The Board recommends the re-appointment of Mr. Vineet Jain, Mr. Deveshwer Kumar Kapila and Mr. Subhash Chandra Malik and resolutions seeking shareholders' approval for their re-appointment form part of the AGM Notice.

During the year under review, Mrs. Remmy Jain ceased to be director w.e.f 29<sup>th</sup> February, 2020 due to her sad demise. Mrs. Kamlesh Gupta is appointed as Independent Woman Director w.e.f 27<sup>th</sup> July, 2020 to fill the casual vacancy caused due to death of Late Smt. Remmy Jain and Mrs. Gupta's appointment needs to be confirmed at the forthcoming Annual General Meeting. In the opinion of the Board, Mrs. Kamlesh Gupta has the requisite integrity, expertise and experience (including proficiency).

As per Regulation 36 of Listing Regulations, 2015, the brief details of the directors proposed to be appointed/re-appointed/continued are given in the notice of 37<sup>th</sup> Annual General Meeting.

**3. Audit Committee**

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

**(a) Terms of reference**

The broad terms of reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and to review with the management and/or Internal Auditor and/or Statutory Auditor, inter alia, in the following areas:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for the appointment/re-appointment, remuneration and terms of appointment of the Statutory Auditors, Cost Auditor.

3. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval
4. Reviewing, with the management, the quarterly financial results before submitting it to the Board for approval.
5. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
6. Approval or any subsequent modification of transactions of the Company with related parties;
7. Scrutiny of inter-corporate loans and investments, if any;
8. Valuation of undertakings or assets of the company, wherever it is necessary;
9. Evaluation of internal financial controls and risk management systems;
10. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
12. Discussion with internal auditors on any significant findings and follow up there on;
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
15. Reviewing the functioning of the Whistle Blower Mechanism;
16. Approval of appointment of CFO /Finance Director or any other person heading the finance function after assessing the qualifications, experience & background, etc. of the candidate.
17. Approval of policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

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

Audit Committee is constituted in line with the provisions of Regulation 18 of Listing Regulations and Section 177 of the Companies Act, 2013. The members of the Audit Committee are financially literate and have experience in financial management. During the year under review, 4 meetings of Audit Committee were held on 25<sup>th</sup> May, 2019, 10<sup>th</sup> August, 2019, 12<sup>th</sup> November, 2019 and 12<sup>th</sup> February, 2020.

The Composition of the committee and attendance details of the members at these meetings for the year 2019-20 are given below:-

Sl.No.	Name of Member	Position in Committee	Meetings Attended
1	Mr. D K Kapila (Independent Director)	Chairman	4
2	Mr. S.C. Malik (Independent Director)	Member	4
3	Mr. S Sathyamoorthy (Independent Director)	Member	3
4	Mrs. Remmy Jain* (Independent Director)	Member	0
5	Mr. S.P Gupta (Whole-time Director)	Member	4

\*Mrs. Remmy Jain was inducted as a member of Audit Committee w.e.f 10<sup>th</sup> August, 2019 and ceased to be member of Audit Committee effective from 29<sup>th</sup> February, 2020 due to her sad demise.

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

**4. Nomination & Remuneration Committee**

Nomination & Remuneration Committee is constituted in line with the provisions of Regulation 19 of Listing Regulations and Section 178 of the Companies Act, 2013.

**(a) Terms of Reference-**

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

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend

to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel or other employees.;

- (ii) Formulation of criteria for evaluation of performance of Independent Directors and Board;
- (iii) Devising a policy on diversity of Board of Directors;
- (iv) Recommend to the Board, appointment/re-appointment and removal of Director, KMP and Senior Management Personnel on the basis of performance and HR Policies/criteria defined in Nomination & Remuneration Policy;
- (v) Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- (vi) Such other matters as may be decided by the committee from time to time.

The Board has adopted the Nomination & Remuneration Policy ("NRC Policy") for the functioning of the Committee. The NRC Policy of the Company applies to all future employment agreements with members of the Company's Senior Management including Key Managerial Personnel and Board of Directors. The policy is available on the website of the Company [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com)

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

All the members of the Nomination and Remuneration Committee are Non-Executive Independent Directors. During the year under review, two meetings of the Nomination & Remuneration Committee were held on 25<sup>th</sup> May, 2019 and 12<sup>th</sup> February, 2020.

The details of the Composition and attendance of each member at these meetings for the year 2019-20 are given below:-

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

**Performance Evaluation**

In terms of the applicable provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Board Committees. As required under Listing Regulations, the Company has formulated a policy on Appointment and Evaluation of Board of Directors, Key Managerial Personnel & Senior Management Personnel as defined under the Companies Act 2013. The criteria for performance evaluation of directors has been laid down in the aforesaid policies and approved by Nomination and Remuneration Committee. The policies are available on the website of the Company [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).

**(c) Criteria for performance evaluation of Independent Directors**

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

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

**5. Details of remuneration/sitting fees paid to Directors during the financial year 2019-20:**

**(i) Executive Directors**

Name	Salary (Rs.)	Allowances / Perquisites (Rs.)	Retirement benefits (Rs.)	Commission (Rs.)	Total (Rs.)
Mr.Vineet Jain (Managing Director)	51,00,000	36,47,465	12,75,000	2,00,000	1,02,22,465
Mr. S.P Gupta (Director-Operations)	18,90,871	2,91,630	2,26,905	-	24,09,406

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

Sitting fee paid to the non-executive directors for attending various Board/Committee Meetings during the financial year 2019-20 is as under.

Name	Sitting fee paid (Rs.)
Mr.D K Kapila	16,500
Mr. S.C. Malik	40,500
Mr. S. Sathymoorthy	12,000
Mrs. Remmy Jain	3,000
Total	<b>72,000</b>

**Notes:**

1. The remuneration of executive/non-executive directors is decided by the Board of Directors.
2. There is no separate provision for payment of severance fees.
3. There are no variable components and performance linked incentives.
4. There are no pecuniary relationships or transactions between Non-Executive Independent Directors and the Company during the financial year 2019-20 except payment of sitting fee for attending the Board/Committee Meeting(s).
5. The Company does not have any Employee Stock Option Scheme.

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

Non-executive Directors are paid sitting fees for attending meetings of the Board and its committees, as recommended by Nomination & Remuneration Committee and fixed by the Board of the Company and other than sitting fees, no remuneration/fees is paid to Non-Executive directors.

**6. Stakeholders Relationship Committee**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with the rules made thereunder and Regulation 20 of Listing Regulations, the Company has constituted a Stakeholders Relationship Committee to ensure timely services to the members/shareholders and to supervise the performance of the Registrar and Share Transfer Agent and to provide the best services to the investors. The Committee deals with the matter relating to transfer, transmission and transposition of shares, issue of duplicate share certificates, consolidation/splitting of share certificates, rematerialization of shares, review of shares dematerialized, handling grievances of shareholders etc. from time to time.

During the year, thirteen Stakeholders Relationship Committee meetings were held on 03.04.2019, 17.04.2019, 01.05.2019, 15.05.2019, 29.05.2019, 18.07.2019, 04.09.2019, 03.10.2019, 30.10.2019, 13.12.2019, 24.01.2020, 04.02.2020 and 02.03.2020.

The Company Secretary acts as a Secretary to the meetings.

The details of the Composition and attendance of each member at these meetings for the year 2019-20 are given below:-

Sl.No	Name of Member	Position in Committee	No of Meetings held	No of Meetings attended
1	Mr.S. C. Malik (Independent Director)	Chairman	13	12
2	Mr. Vineet Jain (Executive Managing Director)	Member	13	11
3	Mr. S.P Gupta (Whole-time Director)	Member	13	13

Mr. Bharat Kapoor, Company Secretary has been appointed as Compliance Officer of the Company w.e.f 15<sup>th</sup> January, 2020 in place of Mr. Ankush Kumar Chokhani who resigned w.e.f 10<sup>th</sup> December, 2019. Mr. Amarjeet Singh, Senior Manager, MCS Share Transfer Agent Ltd. is authorized person on behalf of M/s. MCS Share Transfer Agent Ltd., Registrar & Share Transfer Agent. An email ID exclusive for registering shareholders' complaints / grievance has been formed as [palsecretarial@gmail.com](mailto:palsecretarial@gmail.com).

During the year under review, the Company has received six complaints from the shareholders including two complaints received through SEBI SCORE platform. All the complaints were redressed and there was no complaint pending as on 31<sup>st</sup> March, 2020.

**7. Risk Management Committee**

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

The Company has in place a Risk Management Policy including inter alia Risk Management and Risk Mitigation Procedures relating to various aspects of the operations of the company. The Policy is available on the website of the Company at [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com). During the year no Risk Management Committee meeting was held. The details of the Composition of the Risk Management Committee are given below:-

Sl.No.	Name of Director	Position in the Committee
1	Mr. S.C. Malik (Independent Director)	Chairman
2	Mrs. Remmy Jain* (Independent Director)	Member
3	Mr. S.P Gupta (Wholetime Director)	Member

\* Mrs. Remmy Jain ceased to be director w.e.f 29<sup>th</sup> February, 2020 due to her sad demise.

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

In accordance with the provisions of Section 135 of the Companies Act, 2013 and the relevant rules, the Corporate Social Responsibility (CSR) Committee of the Board has been constituted. The Committee recommends the amount of expenditure to be incurred on the activities as specified in Schedule VII of the Companies Act, 2013 and monitor the Corporate Social Responsibility Policy of the Company from time to time. The CSR Policy is available on the Company's website [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com). The CSR Policy lays down areas of activities, thrust area, types of projects, programs, modes of undertaking projects/ programs etc..

During the year, four Corporate Social Responsibility Committee meetings were held on 25.05.2019, 10.08.2019, 03.10.2019 and 25.11.2019.

The details of the Composition and attendance of each member at these meetings for the year 2019-20 are given below:-

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

#### 9. General Body Meetings

The details of date, location and time of the last three AGMs and Special Resolution passed thereat:

Financial year	Date	Time	Venue	Special Resolution Passed
31.03.2017	27.09.2017	10.00 AM	Pasupati Acrylon Ltd., Vill. Thakurdwara, Kashipur Road, Moradabad (UP)	Nil
31.03.2018	27.09.2018	10.00 AM		Nil
31.03.2019	27.09.2019	10.00 AM		Re-appointment of Mr. S. Sathyamoorthy as an Independent Director for 2 <sup>nd</sup> term on attaining age of 75 years

**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/ half yearly/ annual financial results are submitted to BSE Limited immediately after approval of the Board of Directors.
- The financial results are 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](http://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 the Company's website [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).



4. Company displays official news releases on its website as required.
5. During the year under review, no presentation has been made to institutional investor/analysts.
6. Management's Discussions and Analysis Report forms part of Board's Report of the Annual Accounts more specifically under Operations, Current Year Outlook, Internal Control System and adequacy, Human Resources and Industrial Relations.
7. All periodical compliances, filings, corporate announcements, disclosures, financial results and all other corporate communications are filed electronically on BSE Listing Centre.

#### 11. General Shareholder Information

- a) Annual General Meeting will be held on Tuesday 29<sup>th</sup> Day of September 2020 at 10.00 AM through video conferencing/other audio visual means.
- b) **Dates of Book Closure:** The Share Transfer Books and Register of Members of the Company shall remain close from Wednesday, the 23<sup>rd</sup> September 2020 to Tuesday, the 29<sup>th</sup> September 2020 (both days inclusive).

- c) Financial Calendar for the period 2020-21  
Tentative schedule for considering financial results:

First Quarter Results (30.06.2020)	By 14 <sup>th</sup> September, 2020
Second Quarter Results (30.09.2020)	By 14 <sup>th</sup> November, 2020
Third Quarter Results (31.12.2020)	By 14 <sup>th</sup> February, 2021
Fourth Quarter Results (31.03.2021)	By 30 <sup>th</sup> May, 2021

- d) No dividend has been declared by the Company for Financial Year 2019-20.

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

The Company's shares are presently listed on the Stock Exchange at Mumbai (Scrip Code-500456)- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 420023. The listing fees for the year 2019-20 and 2020-21 have been paid to BSE Limited within the stipulated time.

<b>BSE Limited</b>	Scrip Code - 500456
<b>ISIS Number for NSDL &amp; CDSL</b>	IN818B01023

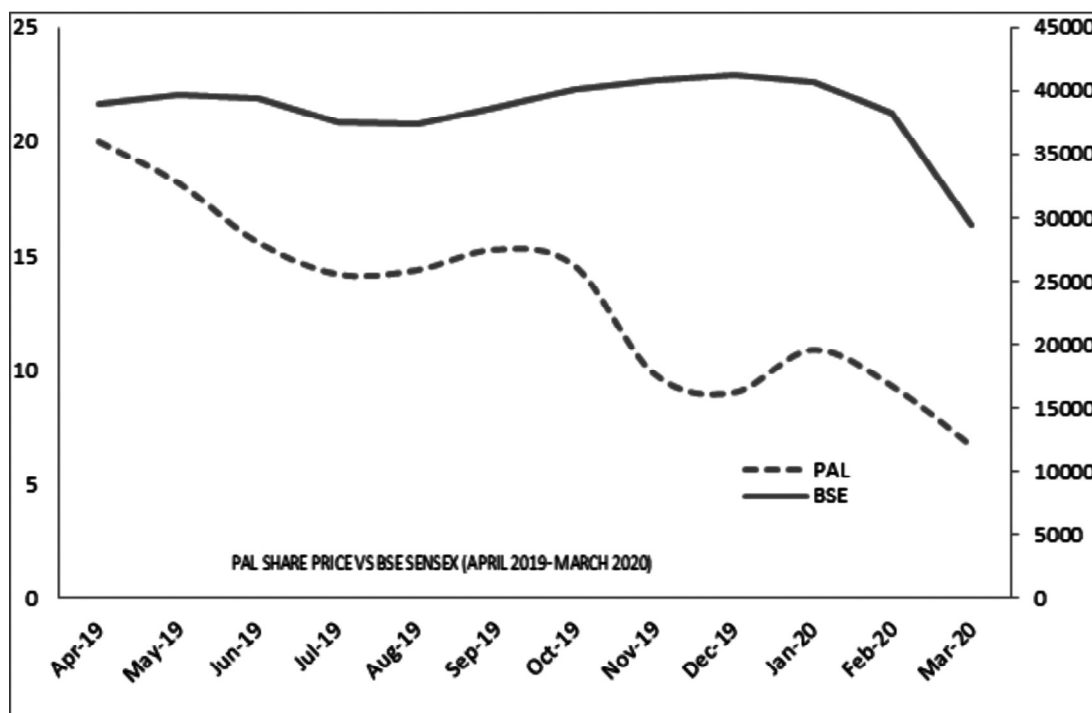
Further, the Company has paid Annual Custody Fees for the financial year 2019-20 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

#### f) Market Price Data : High/Low during each month in last financial year 2019-20 at BSE:

##### Share Price on BSE

Month	B S E	
	High (Rs.)	Low (Rs.)
April, 2019	20.70	17.65
May, 2019	20.40	17.10
June, 2019	18.80	13.35
July, 2019	16.80	13.45
August, 2019	16.85	12.55
September, 2019	16.25	13.81
October, 2019	15.70	13.35
November, 2019	15.05	8.55
December, 2019	10.45	8.50
January, 2020	11.80	8.74
February, 2020	11.30	8.50
March, 2020	10.60	5.35

## g) Performance of the Company's share price in comparison to BSE Sensex:



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

i) **Registrar & Share Transfer Agent:** M/s. MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area Phase-I, New Delhi-110020. Tel: No. 011-41406149; Email ID: helpdeskreply@mcsregistrars.com

j) **Share Transfer System:**

The Company's shares are compulsory traded in the Stock Exchanges in electronic mode. Therefore, Investors/Shareholders are requested to send Demat Request Forms (DRF) and Share Certificates etc. to the Company's Registrar & Transfer Agents through their Depository Participants (DP's) to get their physical shares dematerialized.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, transfer of physical shares of listed companies are barred and securities can be transferred only in dematerialized form effective from 1<sup>st</sup> April, 2019 except in case of transmission or transposition of securities. However, investors are not barred from holding shares in physical form.

k) **Distribution of Shareholding as on 31<sup>st</sup> March 2020**

No. of Shares	No. of Shareholders	%	No. of Shares	%
1-500	49,110	87.53	69,93,666	7.85
501-1000	3,783	6.74	30,01,698	3.37
1001-2000	1,559	2.78	24,13,609	2.71
2001-3000	480	0.86	12,48,214	1.40
3001-4000	244	0.43	8,88,321	1.00
4001-5000	271	0.48	12,86,470	1.44
5001-10000	351	0.63	26,73,022	3.00
10001 -50000	247	0.44	51,60,336	5.79
50001- 100000	28	0.05	18,99,481	2.13
100001 and above	33	0.06	6,35,68,304	71.32
<b>Total</b>	<b>56,106</b>	<b>100.00</b>	<b>8,91,33,121</b>	<b>100.00</b>

**l) Dematerialization of Shares**

As on March 31, 2020, 92.49% of the Company's total paid up equity shares representing 8,24,43,552 equity shares were held in dematerialized form and the balance 7.51% representing 66,89,569 equity shares were in physical form.

**m) The Company has never issued any depository receipts or convertible instruments and therefore, there is no outstanding GDR/ADR/Warrants or any other convertible instrument as on 31<sup>st</sup> March, 2020.**

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

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

**o) Address of correspondence:**

Shareholders correspondence may be addressed at below address:

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 : palsecretarial@gmail.com	MCS Share Transfer Agent Limited F-65, Okhla Industrial Area Phase-I, New Delhi-110020 Phone: 41406149-52 Fax : 41709881 Email: helpdeskdelhi@mcscregistrars.com
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**p) Rating-** There is no debt instrument or any fixed deposit programme or any scheme/proposal of the Company involving mobilization of funds and therefore, no credit rating was required to be obtained for any such purpose.

**12. Other Disclosures**

**a) Related Party Transactions**

All transactions entered into with the Related Parties during the financial year 2019-20 were in the ordinary course of business and on arm's length basis. Details of related party transactions during the year have been set out under Note No. 36 of Annual Accounts. During the year, there were no materially significant transactions with the related parties that may have potential conflict with the interest of the Company at large.

**b) 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>**

**c) The Company has complied with all applicable provisions of the Listing Regulations and other SEBI Regulations wherever applicable. There were no instances of non-compliance or penalty, strictures imposed on the company by Stock Exchanges/SEBI or any other statutory authorities on any matter related to capital markets, during the last three years. However in financial year 2018-19, a penalty of Rs. 2,19,480/- was levied by BSE for inadvertent lapse occurred in attaching Annual Report for the year 2017-18 while filing online on BSE Listing Portal. However it was filed /resubmitted on 5th February 2019. Penalty amount has been paid to BSE Ltd.**

**d) The company has established a Vigil Mechanism by adopting a Whistle Blower Policy for all stakeholders including directors, employees etc. to report concerns about unethical behavior, actual or suspected fraud or violation of code of conduct as well as providing adequate safeguards against the victimization of employees who avail of the mechanism. The Policy is available on the Company's website [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com). No personnel of the Company have been denied access to the Audit Committee. The Company has not received any complaint during the financial year ended 31<sup>st</sup> March, 2020.**

**e) Compliance with mandatory and non-mandatory requirements**

The Company has complied with all mandatory requirements of Corporate Governance specified in Listing Regulations. Further, The Company is not mandatorily required to constitute Risk Management Committee, but our Company has laid down procedure to inform Board Members about the risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure that management controls risk through the means of properly defined framework of the Company.

**f) Policy On Material Subsidiaries**

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

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

**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.

#### 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 0.1% which provides natural hedge, in addition the company hedges the currency as suggested by consultants.

h) The Company has not raised fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations.

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

As required by Clause 10(i) of Part C under Schedule V of Listing Regulations, the Company has received a certified from M/s V K Sharma & Co., Practicing Company Secretaries certifying that for the financial year ended on 31st March, 2020, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by SEBI or Ministry of Corporate Affairs (MCA) or any such statutory authority. A certificate issued by M/s. V K Sharma & Co. to that effect is attached and forming part of this report.

#### j) Recommendations of the committees

During the financial year 2019-20, the Board has accepted all recommendations made by Audit Committee and Nomination and Remuneration Committee.

#### k) Consolidated fees paid to Statutory Auditors

During the financial year 2019-20, details of consolidated 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 Tax Audit services -	1.25 Lakhs
Total -	12.00 Lakhs

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

In order to prevent sexual harassment of women at workplace, the Company has in place a policy for prevention of Sexual Harassment of employee at workplace. The Company has set up an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into complaints relating to sexual harassment at workplace of any woman employee. During the year under review, no complaint pertaining to sexual harassment was received and no complaint was pending as on 31st March, 2020.

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

14. The company has adopted the discretionary requirements as 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 is 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](http://www.pasupatiacrylon.com). However, the Company furnishes the financial results on receipt of request from the shareholders.

**Modified Opinion in Audit Report:** There was no qualification or modified opinion in the Independent Auditors' Report on Audited Financial Statements for the year ended 31st March, 2020.

**Reporting of Internal Auditors:** The Internal Auditor of the Company is perpetual invitee to the Audit Committee Meeting. They attend each Audit Committee Meeting and present their internal audit observations to the Audit Committee. They directly interact with Audit Committee Chairman & Members during the meeting.

#### 15. Compliance with the requirements of Corporate Governance

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

#### 16. Code of Conduct

The Company has implemented a Code of conduct based on its business principles along with implementation framework for its Directors and Senior Management Personnel of the Company. The Code of Conduct, inter alia, specifies the duties of Independent Directors as laid down in the Companies Act, 2013. In compliance with the code, Directors and Senior Management of the Company have affirmed compliance with the Code for the year ended on 31<sup>st</sup> March 2020. A declaration to this effect signed by the Managing



Director form part of this Annual Report in compliance of Regulation 26 of Listing Regulation.

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Insider Trading Code”). The Codes are available on the Company’s website [www.pasupatiacrylon.com](http://www.pasupatiacrylon.com).

**17. CEO / CFO Certification**

In terms of Regulation 17(8) of Listing Regulations, Managing Director and CFO has given a compliance certificate to the Board of Directors as specified in Part B of Schedule II of Listing Regulations.

**18. Auditors Certificate on Corporate Governance**

As per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Auditors Certificate regarding compliance of conditions of Corporate Governance is given as an Annexure – 1 to this Report.

For and on behalf of the Board

Place : New Delhi  
Dated : 27<sup>th</sup> July, 2020

**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, as adopted by the Board of Directors, for the period ended March 31, 2020, as envisaged in Schedule V (Part D) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board

Place : New Delhi  
Dated : 27<sup>th</sup> July, 2020

**Vineet Jain**  
Managing Director

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

To

The Members,

**PASUPATI ACRYLON LIMITED**

We have examined the compliance of conditions of Corporate Governance by Pasupati Acrylon Limited (“the Company”), for the financial year ended on 31st March, 2020, as stipulated in Regulations 17 to 27 and clause (b) to (i) of Regulations 46(2) and para C,D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

**Managements' Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

**Auditor's Responsibility**

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance for the year ended 31st March, 2020 as stipulated in the above mentioned Listing Regulations, as applicable.

For Suresh Kumar Mittal & Co.

Chartered Accountants

Reg. No.: 500063N

Ankur Bagla

Partner

Membership Number: 521915

Dated: 27th July, 2020

Place: New Delhi

UDIN : 20521915AAAACI5375



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,  
The Members of  
**PASUPATI ACRYLON LIMITED**  
Thakurdwara Kashipur Road,  
Distt. Moradabad UP -244601

We, **V. K. Sharma & Co. Company Secretaries** have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PASUPATI ACRYLON LIMITED** having CIN **L50102UP1982PLC015532** and having registered office at **Thakurdwara Kashipur Road, Distt. Moradabad UP- 244601** (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority .

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

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

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

Place: Greater Noida  
Date: 23.06.2020

(V. K. Sharma)  
FCS NO.: 3440  
UDIN: 2019F003440B000369245

# 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 2020, 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, 2020, and profit/loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.

#### Emphasis of matter

We draw attention to Note no 35 to the standalone financial Results, which describes the uncertainties and the impact of COVID –19 PANDEMIC on the company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

#### 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(a) to the financial statements). We obtained the details of the disputes with their present status and documents. We made an in depth analysis of the dispute. We also considered legal procedures and other rulings in evaluating management's position on these disputes to evaluate whether any change was required to management's position on these disputes.
3. Company's major Raw Material is imported which is subject to variation due to volatility in crude oil prices and demand & supply ratio. These are monitored on regular basis using pricing trends and forecast from internationally reputed news agencies. To manage the price risk associated of these transactions, the Company formulates risk management objectives & policies which are reviewed by the senior management, Audit Committee and Board of Directors. Our Audit Approach was a combination of test of material controls & substantive procedures to evaluate chances of minimising the risk involved.

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

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

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

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

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



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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

## INDEPENDENT AUDITORS' REPORT (Contd.)



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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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(a) & 24(c) 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 : 27<sup>th</sup> July, 2020

UDIN : 20521915AAAACJ8097

**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 2020.**

- (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.

## INDEPENDENT AUDITORS' REPORT (Contd.)



- (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 there under and hence reporting under clause (v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Act, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are neither required to carry out nor have carried out detailed examination of such cost accounting records with a view to determine whether they are accurate or complete.
- (vii) According to the records of the company, examined by us and information and explanations given to us:
- (a) The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and others as applicable. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31<sup>st</sup> March 2020 for a period of more than six months from the date they became payable.
- (b) There are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax outstanding as at 31<sup>st</sup> March 2020 except:

S. No.	Name of the Statute	Nature of the dues	Amount (Rs.in lacs)	Period to which amount relates	Forum where dispute is pending
1.	Service Tax and Customs Act	Cenvat Credit availed on service tax paid	11.39	2007-2008	Allahabad high court
2.	Custom Duty Act	Custom Duty	16.42 34.41	2010-2011 2011-2012	CETSAT(MUMBAI) CETSAT (DELHI)
3.	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 : 27<sup>th</sup> July, 2020  
UDIN : 20521915AAACJ8097

**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 2020.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Pasupati Acrylon Limited ("the Company") as of March 31<sup>st</sup>, 2020, 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:

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, 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 : 27<sup>th</sup> July, 2020  
UDIN : 20521915AAACJ8097

BALANCE SHEET AS AT 31ST MARCH, 2020



Particulars	Note No.	As at 31.03.2020 (Rs./Lakh)	As at 31.03.2019 (Rs./Lakh)
<b>ASSETS</b>			
<b>I NON CURRENT ASSETS</b>			
1 Property, Plant and Equipments	4	8,017.91	8,507.31
2 Capital Work in Progress	4	43.78	-
3 Other Financial Assets	5	711.64	598.32
4 Deferred Tax Assets (Net)	6	-	-
<b>II CURRENT ASSETS</b>			
1 Inventories	7	11,142.33	9,066.91
2 Financial Assets			
- Current Investment	8	-	3,054.48
- Trade receivables	9	3,492.09	6,753.99
- Cash and cash equivalents	10	8,610.60	6,426.44
- Other Current Financial Assets	11	1,636.62	611.61
3 Current Tax Assets (Net)	12	114.50	325.74
4 Other Current Assets	13	2,146.60	1,397.34
		<b>35,916.07</b>	<b>36,742.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
1 Equity Share Capital	14	8,914.10	8,914.10
2 Other Equity		10,080.59	8,756.08
<b>II NON-CURRENT LIABILITIES</b>			
1 Financial Liabilities			
- Borrowings	15	7.54	40.46
2 Provisions	16	303.39	285.38
3 Deferred Tax Liabilities (net)	6	613.55	468.93
4 Other Non Current Liabilities	17	0.00	40.95
<b>III CURRENT LIABILITIES</b>			
1 Financial liabilities			
- Borrowings	18	1,098.26	328.55
- Trade Payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises		3.34	2.38
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		11,585.91	14,743.60
- Other Financial Liabilities	20	32.92	30.41
2 Other current liabilities	21	2,994.17	2,732.91
3 Provisions	22	282.30	394.19
4 Current Tax Liabilities (Net)	23	0.00	4.20
		<b>35,916.07</b>	<b>36,742.14</b>

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

Ankur Bagla  
Partner  
Membership No. 521915

Place : New Delhi  
Dated : 27th July, 2020

Deveshwar Kumar Kapila  
Director  
DIN : 00179060

S.C.Malik  
Director  
DIN : 00107170

Bharat Kapoor  
Company Secretary

Vineet Jain  
Managing Director  
DIN : 00107149

Satish Kumar Bansal  
Chief Financial Officer

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	For the Year ended	For the Year ended
		31.03.2020 (Rs./Lakh)	31.03.2019 (Rs./Lakh)
<b>I REVENUE</b>			
Revenue from Operations	26	66,364.36	82,531.12
Other Income	27	644.39	934.74
<b>TOTAL REVENUE</b>		<b>67,008.74</b>	<b>83,465.86</b>
<b>II EXPENSES</b>			
Cost of Material Consumed	28	54,589.67	65,227.64
Purchase Of Stock In Trade	28	4.30	16.91
Changes in Inventory of Finished Goods and Work in Progress	29	(2,926.25)	811.97
Employee Benefits Expense	30	2,307.87	2,434.73
Finance Costs	31	498.96	816.83
Depreciation & Amortization Expenses	32	665.54	575.97
Other Expenses	33	9,829.19	9,269.70
<b>TOTAL EXPENSES</b>		<b>64,969.28</b>	<b>79,153.76</b>
<b>III Profit before exceptional items and tax</b>		<b>2,039.46</b>	<b>4,312.10</b>
<b>IV Exceptional items</b>		-	-
<b>V Profit before tax (III-IV)</b>		<b>2039.46</b>	<b>4312.10</b>
<b>VI TAX EXPENSE</b>			
Current Tax		600.38	1043.70
Deferred Tax		134.11	530.54
<b>VII PROFIT AFTER TAX</b>		<b>1,304.96</b>	<b>2,737.86</b>
<b>VIII OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit & loss		30.06	(36.46)
Income tax relating to above		(10.50)	12.74
Other Comprehensive Income for the year (Net of Tax)		19.55	(23.72)
<b>IX TOTAL COMPREHENSIVE INCOME</b>		<b>1,324.52</b>	<b>2,714.14</b>
<b>X EARNING PER SHARE</b>			
Basic and diluted	34	1.46	3.07

### 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

**Ankur Bagla**  
Partner  
Membership No. 521915

**Deveshwar Kumar Kapila**  
Director  
DIN : 00179060

**S.C.Malik**  
Director  
DIN : 00107170

**Bharat Kapoor**  
Company Secretary

**Vineet Jain**  
Managing Director  
DIN : 00107149

**Satish Kumar Bansal**  
Chief Financial Officer

Place : New Delhi  
Dated : 27th July, 2020

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020



Particulars	For the Year ended	For the Year ended
	31.03.2020 (Rs./Lakh)	31.03.2019 (Rs./Lakh)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before exceptional items and tax	2,039.46	4,312.10
<b>Adjustments for:-</b>		
Depreciation and amortisation	665.54	575.97
Finance Cost	498.96	816.83
Interest Income	(292.72)	(565.28)
Profit on sale of assets	(0.03)	-
Other Comprehensive Income	30.06	(36.46)
<b>Operating profit before working capital changes</b>	<b>2,941.27</b>	<b>5,103.16</b>
<b>Change in Working Capital</b>		
<b>Adjustment for (increase)/decrease in operating assets</b>		
Non Current other Financial Assets	131.26	1,151.94
Inventories	(2,075.42)	2,624.63
Trade receivables	3,261.90	(2,062.30)
Other Current Financial Assets	(1,025.01)	(215.25)
Other Current Assets	(749.25)	(588.31)
<b>Adjustment for (increase)/decrease in operating Liabilities</b>		
Non Current Provisions	18.01	13.38
Other Non Current Liabilities	(40.95)	(123.80)
Trade payable	(2,401.58)	935.46
Other Current Financial Liabilities	2.51	(217.46)
Other Current Liabilities	261.26	427.17
Current Provisions	(111.89)	39.81
Net income tax(paid)/refunds received	(393.37)	(1,188.34)
<b>Net Cash flow from / (used in) operating activities(A)</b>	<b>(181.26)</b>	<b>5,900.08</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Advance	(244.58)	-
Capital Expenditure	(223.07)	(2,650.33)
Proceeds from Sale of assets	3.19	-
Interest Income	292.72	565.28
(Purchase)/Sale of current investments	3,054.48	1,042.06
<b>Net Cash flow from/(used in) Investing Activities (B)</b>	<b>2,882.74</b>	<b>(1,042.99)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost	(498.96)	(816.83)
Repayment of long term borrowings (including Ind AS adjustments)	(32.92)	(30.41)
Repayment of unsecured loans	-	(175.00)
Increase (Decrease) in short term borrowings	14.57	(160.36)
<b>Net Cash Flow from / (used in) Financing Activities (C)</b>	<b>(517.32)</b>	<b>(1,182.61)</b>
<b>Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>2,184.16</b>	<b>3,674.49</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>6,426.44</b>	<b>2,751.96</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>8,610.60</b>	<b>6,426.45</b>

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

Ankur Bagla  
Partner  
Membership No. 521915

Place : New Delhi  
Dated : 27th July, 2020

Deveshwar Kumar Kapila  
Director  
DIN : 00179060

S.C.Malik  
Director  
DIN : 00107170

Bharat Kapoor  
Company Secretary

Vineet Jain  
Managing Director  
DIN : 00107149

Satish Kumar Bansal  
Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY



### A EQUITY SHARE CAPITAL

Particulars	Number of Shares	Amount (Rs. Lakh)
Balance as on 01.04.2018	89133121	8,914.10
Addition during the period	-	-
Reduction during the period	-	-
<b>Balance as on 31.03.2019</b>	<b>89133121</b>	<b>8,914.10</b>
Balance as on 01.04.2019	89133121	8,914.10
Addition during the period	-	-
Reduction during the period	-	-
<b>Balance as on 31.03.2020</b>	<b>89133121</b>	<b>8,914.10</b>

### B OTHER EQUITY

Particulars	Retained Earnings	Capital Reserve*	Items of other Comprehensive Income	Total Other Equity
			Other item of OCI	
Balance as on 01.04.2018	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)
<b>Balance as on 31.03.2019</b>	<b>7,359.49</b>	<b>1,452.78</b>	<b>(56.19)</b>	<b>8,756.08</b>
Balance as on 01.04.2019	7,359.49	1,452.78	(56.19)	8,756.08
Addition during the period	-	-	-	-
Profit(Loss) for the period	1,304.96	-	-	1,304.96
Other comprehensive income	-	-	19.55	19.55
<b>Balance as on 31.03.2020</b>	<b>8,664.45</b>	<b>1,452.78</b>	<b>(36.64)</b>	<b>10,080.59</b>

\* 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

Ankur Bagla  
Partner  
Membership No. 521915

Place : New Delhi  
Dated : 27th July, 2020

Deveshwar Kumar Kapila  
Director  
DIN : 00179060

S.C.Malik  
Director  
DIN : 00107170

Bharat Kapoor  
Company Secretary

Vineet Jain  
Managing Director  
DIN : 00107149

Satish Kumar Bansal  
Chief Financial Officer



## 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, (UP). 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 recognized in other comprehensive income or directly in equity respectively.

### Deferred tax

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

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

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

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

## 2.9 Property, Plant and Equipment

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

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

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

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

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

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

## 2.10 Depreciation

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

Depreciation for Acrylic segment has been calculated on fixed assets on written down method except for Furniture & Fixture, Office Equipement 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
<b>Gross Carrying Value as on 01.04.2018</b>	16.00	7.62	2,290.71	27,374.25	4,926.18	413.24	251.37	402.37	0.80	<b>35,682.54</b>	310.61
Addition	0.00	-	421.54	2,488.25	-	5.32	0.39	45.44	-	<b>2,960.94</b>	-
Deletions	0.00	-	-	-	-	-	-	-	-	-	310.61
<b>Gross Carrying Value as on 31.03.2019</b>	<b>16.00</b>	<b>7.62</b>	<b>2,712.25</b>	<b>29,862.50</b>	<b>4,926.18</b>	<b>418.56</b>	<b>251.76</b>	<b>447.81</b>	<b>0.80</b>	<b>38,643.48</b>	-
<b>Accumulated Depreciation as on 01.04.2018</b>	14.02	-	1,546.18	23,440.36	3,743.20	391.29	250.67	174.48	-	<b>29,560.20</b>	-
Depreciation for the period	0.54	-	54.07	250.34	182.87	9.92	0.25	77.95	-	<b>575.97</b>	-
Deductions/Adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation as on 31.03.2019</b>	<b>14.56</b>	<b>0.00</b>	<b>1600.25</b>	<b>23690.70</b>	<b>3926.07</b>	<b>401.21</b>	<b>250.92</b>	<b>252.43</b>	-	<b>30136.17</b>	-
<b>Carrying Value as on 31.03.2019</b>	<b>1.44</b>	<b>7.62</b>	<b>1112.00</b>	<b>6171.80</b>	<b>1000.11</b>	<b>17.35</b>	<b>0.84</b>	<b>195.38</b>	<b>0.80</b>	<b>8,507.31</b>	-
<b>Gross Carrying Value as on 01.04.2019</b>	16.00	7.62	2,712.25	29,862.50	4,926.18	418.56	251.76	447.81	0.80	<b>38,643.48</b>	-
Addition	-	-	-	170.04	-	9.25	-	-	-	<b>179.29</b>	43.78
Deletions	-	-	-	-	-	-	-	14.74	-	<b>14.74</b>	-
<b>Gross Carrying Value as on 31.03.2020</b>	<b>16.00</b>	<b>7.62</b>	<b>2712.25</b>	<b>30,032.54</b>	<b>4,926.18</b>	<b>427.81</b>	<b>251.76</b>	<b>433.07</b>	<b>0.80</b>	<b>38,808.03</b>	43.78
<b>Accumulated Depreciation as on 01.04.2019</b>	14.56	-	1,600.25	23,690.72	3,926.07	401.21	250.92	252.43	-	<b>30,136.16</b>	-
Depreciation for the period	0.54	-	81.24	356.78	155.60	10.49	0.23	60.66	-	<b>665.54</b>	-
Deductions/Adjustments	-	-	-	-	-	-	-	11.58	-	<b>11.58</b>	-
<b>Accumulated Depreciation as on 31.03.2020</b>	<b>15.10</b>	<b>0.00</b>	<b>1681.49</b>	<b>24047.50</b>	<b>4081.67</b>	<b>411.70</b>	<b>251.15</b>	<b>301.51</b>	-	<b>30790.12</b>	-
<b>Carrying Value as on 31.03.2020</b>	<b>0.90</b>	<b>7.62</b>	<b>1030.76</b>	<b>5985.04</b>	<b>844.51</b>	<b>16.11</b>	<b>0.61</b>	<b>131.56</b>	<b>0.80</b>	<b>8,017.91</b>	<b>43.78</b>

- a) Includes premises cost of Rs.62.96 Lakh which is towards cost of premises, furniture & fixtures and air conditioners. Since separate breakup is not available, therefore depreciation has been charged on total cost at Straight Line Method.
- b) Effective 1st April 2014, the Company had revised its estimated useful life of fixed assets, wherever appropriate, on the basis of useful life specified in Schedule II of the Companies Act, 2013. The carrying amount as on 1st April 2014 was depreciated over the revised remaining useful life. Based on technical evaluation, depreciation has been provided taking Plant & Machinery (except CPP Plant & Zero Liquid Discharge plant) & Captive Power Plant Life to 18 years instead of 25 years as prescribed in the Schedule II of the Companies Act, 2013. Had the useful life be taken to 25 years the depreciation would have been Rs 244.10 Lakh (Previous year Rs. 249.95 Lakh) instead of Rs. 264.35 Lakh (Previous Year Rs. 284.27 lakh), resulting in excess charge of depreciation during the year by Rs. 20.25 Lakh. (Previous Year Rs. 34.32 Lakh)



## 5 OTHER FINANCIAL ASSETS (NON CURRENT)

(Unsecured-considered good)

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Fixed deposits with banks*		
-With maturity period of more than 12 months from the balance sheet date	304.15	434.97
Security Deposits to Others	5.11	5.55
Capital Advance	402.38	157.80
<b>Total</b>	<b>711.64</b>	<b>598.32</b>

\*includes amount held for LC margin money Rs. 244.45 Lakhs (Previous year Rs. 376.65 Lakhs)

## 6 DEFERRED TAX ASSETS/LIABILITIES (NET)

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
<b>Deferred Tax liability</b>		
Property, Plant and equipment	771.94	627.47
Unrealised Gain in Investment	-	1.57
<b>Total</b>	<b>771.94</b>	<b>629.04</b>
<b>Deferred Tax Assets</b>		
Expenses allowable on payment basis	150.64	145.42
Expected Credit Loss	7.75	14.69
<b>Total</b>	<b>158.39</b>	<b>160.11</b>
<b>Net Deferred Tax Assets</b>	<b>(613.55)</b>	<b>(468.93)</b>

## 7 INVENTORIES

(As taken, valued and certified by the management)

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Raw Materials*	3,307.94	4,907.54
Work in progress	476.95	480.44
Finished Goods		
- Own Manufactured	5,676.89	2,740.24
- Trading	2.27	9.18
Stores & Spares**	798.62	432.63
Fuel	879.66	496.88
<b>Total</b>	<b>11,142.33</b>	<b>9,066.91</b>

\* includes goods in transit Rs 1789.21 Lakh (Previous Year Rs. 2953.78 Lakh).

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

## 8 CURRENT INVESTMENTS

Financial assets at fair value through Profit and Loss

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
<b>Investments in Mutual Fund (Quoted)</b>		
NIL units of Rs.NIL each at 31.03.2020 (104737.867 units of Rs.2916.309 each at 31.03.2019) of SBI Liquid Fund	-	3,054.48
<b>Total</b>	-	3,054.48

## 9. TRADE RECEIVABLES

(Unsecured considered Good)

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured	<b>3,364.88</b>	6,791.60
Trade Receivables which have significant increase in Credit Risk	<b>149.18</b>	4.43
Trade Receivables- Credit Impired	-	-
<b>Total</b>	<b>3,514.06</b>	6,796.03
Less: Allowance for Credit Loss	<b>(21.97)</b>	(42.04)
<b>Total</b>	<b>3,492.09</b>	6,753.99

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

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

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

The Company do not envisage any financial difficulties resulting in additional credit risks higher than usual credit terms due to COVID-19 outbreak.

## 10 CASH & CASH EQUIVALENTS

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Balances with Banks :-		
- Current Account	<b>148.55</b>	355.32
- Cash Credit account	<b>300.50</b>	1,053.43
Fixed deposits with banks*		
- With maturity period of within 3 months from the date of inception	<b>8,160.59</b>	5,017.00
Cash in hand	<b>0.96</b>	0.69
<b>Total</b>	<b>8,610.60</b>	6,426.44

\* Includes amount held for LC margin money Rs. 399.55 Lakhs (Previous Year Rs. 5015.75 Lakhs)

#### 11 OTHER CURRENT FINANCIAL ASSETS

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Interest receivable	72.16	75.13
Fixed Deposit with Banks*		
- With maturity period of within 12 month from the Balance Sheet date	1,564.46	536.48
<b>Total</b>	<b>1,636.62</b>	<b>611.61</b>

\* Includes amount held for LC margin money Rs. 757.40 Lakhs ( Previous Year Rs. 534.73 Lakhs)

#### 12 CURRENT TAX ASSETS

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Advance Income Tax	34.31	-
MAT Credit Entitlement	80.19	325.74
<b>Total</b>	<b>114.50</b>	<b>325.74</b>

#### 13 OTHER CURRENT ASSETS

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Balance with Custom/Excise & Other Govt.Authorities	1,397.81	654.98
Advance recoverable in cash or in kind	517.67	537.46
Loans to Staff (Considered Good)	20.18	21.59
Others	210.94	183.32
<b>Total</b>	<b>2,146.60</b>	<b>1,397.34</b>

#### 14 EQUITY SHARE CAPITAL

##### (a) Authorised

Particulars	No. of Shares		Amount (Rs. Lakh)	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Equity Shares of Rs. 10 each</b>				
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 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Equity Shares of Rs. 10 each fully paid up</b>				
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 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Equity Shares of Rs. 10 each fully paid up</b>				
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 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
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 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 31.03.2020	As at 31.03.2019
From Banks (SECURED)		
Vehicle loan*	7.54	40.46
<b>Total</b>	<b>7.54</b>	<b>40.46</b>

\* 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 31.03.2020	As at 31.03.2019
Payable after 1 year	6.42	32.92
Payable after 2 years	1.12	6.42
Payable after 3 years	-	1.12
<b>Total</b>	<b>7.54</b>	<b>40.46</b>

#### 16 NON CURRENT PROVISIONS

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Provisions for Employee Benefits	303.39	285.38
<b>Total</b>	<b>303.39</b>	<b>285.38</b>

#### 17 OTHER NON CURRENT LIABILITIES

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Export Benefit Received in Advance	0.00	40.95
<b>Total</b>	<b>0.00</b>	<b>40.95</b>

## 18 CURRENT BORROWINGS

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Secured		
Loans repayable on Demand		
From Banks*	20.62	6.05
<b>Sub Total</b>	<b>20.62</b>	<b>6.05</b>
Unsecured		
Inter Corporate loan from related party	-	-
Deferred Credit	1,077.64	322.50
<b>Sub Total</b>	<b>1,077.64</b>	<b>322.50</b>
<b>Total</b>	<b>1,098.25</b>	<b>328.55</b>

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

## 19 TRADE PAYABLES

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Acceptances	9,872.67	13,248.61
Sundry Creditors		
a) Total outstanding dues of micro enterprises and small enterprises *	3.34	2.38
b) Total outstanding dues of Creditors other than micro enterprises and small enterprises**.	1,713.24	1,494.99
<b>Total</b>	<b>11,589.25</b>	<b>14,745.98</b>

\*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 31.03.2020	As at 31.03.2019
Principal amount due outstanding as at end of year	3.34	2.38
Interest due on above and unpaid as at end of year	0.01	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the period	5.72	12.42
Interest due and payable for the period of delay	0.03	0.12
Interest accrued and remaining unpaid as at end of period	0.16	0.12

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

## 20 OTHER FINANCIAL LIABILITIES

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Current Maturities of Long Term Debts	32.92	30.41
<b>Total</b>	<b>32.92</b>	<b>30.41</b>

Vehicle Loan of Rs. 32.92 Lakh (Previous year Rs. 30.41 Lakh) Secured by hypothecation of specified assets acquired out of the loan amount.

## 21 OTHER CURRENT LIABILITIES

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Advance from Customers	2,712.71	2,424.34
Other Payables	279.14	283.30
Interest accrued but not due on borrowings	2.32	25.26
<b>Total</b>	<b>2,994.17</b>	<b>2,732.91</b>

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as on 31.03.2020.

## 22 PROVISIONS

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Provisions for Employee Benefits	282.30	394.19
<b>Total</b>	<b>282.30</b>	<b>394.19</b>

Amount payable to related party Rs. 15.86 Lakh (Previous Year Rs. 124.86 lakh).

## 23 CURRENT TAX LIABILITIES (NET)

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Provision for Income Tax (Net of TDS Rs.2.82 lakh, Advance Tax Rs.350.00 lakh and MAT credit utilisation Rs. 247.45 lakh (Previous year Net of TDS Rs.56.76 lakh, Advance Tax Rs.900 lakh and MAT credit utilisation Rs.88.59 lakh)	0.00	4.20
<b>Total</b>	<b>0.00</b>	<b>4.20</b>

## 24 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

Particulars	Amount (Rs./Lakh)	
	As at 31.03.2020	As at 31.03.2019
Contingent Liabilities		
a) Sale tax/Excise Duty/Custom Duty/Other Statutory Due/Service Tax disputed in appeal	138.81	173.83
b) Bank Guarantee	2.52	41.00
c) Labour cases disputed in appeal	5.65	5.65
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	672.00	13.90
b) Letter of credits opened for which the material has not yet been shipped	4735.41	5451.31

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 31.03.2020	For the year ended 31.03.2019
Sales of Products	65,988.07	82,072.43
- Export Incentives / Benefits	376.29	458.69
<b>Total</b>	<b>66,364.36</b>	<b>82,531.12</b>

**27 OTHER INCOME**

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest	292.72	565.28
Claims Received	45.02	61.44
Liability no logner required	62.66	-
Miscellaneous Receipts & Incomes	237.84	306.74
Profit on sale of fixed assets)	0.03	-
Prior year's Income/Adjustments	6.13	1.28
<b>Total</b>	<b>644.39</b>	<b>934.74</b>

**28 COST OF MATERIALS CONSUMED**

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
At the beginning of the period	4,886.81	4,337.60
Add: Purchases during the period	53,010.80	65,776.87
Less: Inventory at the end of the period	3,307.94	4,886.81
Consumption during the period	<b>54,589.67</b>	65,227.65

**Raw Materials Consumed (Major Heads)**

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
ACRYLONITRILE	44,729.25	55,801.23
VINYL ACETATE MONOMER	2,231.21	2,969.09
DIMETHYL FORMAMIDE	375.33	456.75
OTHERS	7,253.88	6,000.58
<b>TOTAL</b>	<b>54,589.67</b>	<b>65,227.65</b>

**Purchases of Stock In Trade-**

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
ACRYLIC YARN	4.30	16.91



## 29 CHANGES IN INVENTORIES

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Closing Stock		
Finished Goods		
- Own Manufactured	5,676.89	2,740.24
- Trading	2.27	9.18
Work in Progress	476.95	480.44
	6,156.11	3,229.86
Opening 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
<b>(Increase)/Decrease in stocks</b>	<b>(2,926.25)</b>	<b>811.97</b>

## 30 EMPLOYEE BENEFITS EXPENSES

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Salaries & Wages	2069.29	2156.20
Contribution to Provident & Other Funds	175.85	215.09
Staff Welfare Expenses	62.73	63.45
<b>Total</b>	<b>2,307.87</b>	<b>2,434.73</b>

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

### Employee Post Retirement Benefits

Particulars	Amount (Rs./Lakh)	
	Current Year	Previous Year
<b>During the year, the following contribution have been made under defined contribution plans:-</b>		
Employer's Contribution to Provident Fund	55.91	51.12
Employer's Contribution to Employees Pension Scheme	48.53	52.87

### Defined Benefit Plans :

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

Particulars	Gratuity		Leave Benefit	
	Financial Year 2019-2020	Financial Year 2018-2019	Financial Year 2019-2020	Financial Year 2018-2019
Present value of defined benefit obligation at the beginning of the year	711.89	592.74	268.42	262.07
Interest cost	53.51	45.31	20.46	20.05
Past Service Cost-Vested	-	52.18	-	-
Current service cost	39.98	33.39	26.49	24.91
Benefits Paid	(45.72)	(48.22)	(26.37)	(38.91)
Actuarial (gain)/loss on obligations	(29.12)	36.49	(4.34)	0.30
Present value of defined benefit obligation at the end of the year	730.54	711.89	284.66	268.42

**Change in fair value of plan asset**

Particulars	Gratuity		Leave Benefit	
	Financial Year 2019-2020	Financial Year 2018-2019	Financial Year 2019-2020	Financial Year 2018-2019
Present value of Plan assets at the beginning of the year	651.56	536.44	-	-
Actual return on Plan Assets	48.98	41.01	-	-
Contributions	29.41	122.01	-	-
Benefits paid	(45.72)	(48.23)	-	-
Charges Deducted	(3.40)	0.33	-	-
Fair value of plan assets at the end of the year	680.83	651.56	-	-

**Amount recognized in Balance Sheet**

Particulars	Gratuity		Leave Benefit	
	Financial Year 2019-2020	Financial Year 2018-2019	Financial Year 2019-2020	Financial Year 2018-2019
Present value of obligation as at the end of the year	730.53	711.89	284.66	268.42
Fair value of Plan Assets as at the end of the year	680.83	651.56	-	-
Unfunded Net Assets/(Liability) recognised in Balance Sheet	(49.70)	(60.33)	(284.66)	(268.42)

**Expenses Recognized in Profit & Loss**

Particulars	Gratuity		Leave Benefit	
	Financial Year 2019-2020	Financial Year 2018-2019	Financial Year 2019-2020	Financial Year 2018-2019
Current Service Cost	39.98	33.39	26.49	24.91
Past Service Cost Vested	-	52.18	-	-
Interest Cost	4.53	4.31	20.46	20.05
Total Expenses recognised in Profit & Loss Account	44.51	89.88	46.95	44.96

**Recognized in Other Comprehensive Income (OCI)**

Particulars	Gratuity		Leave Benefit	
	Financial Year 2019-2020	Financial Year 2018-2019	Financial Year 2019-2020	Financial Year 2018-2019
Net cumulative unrecognized actuarial (gain)/loss) opening	-	-	-	-
OCI recognized during the year	(25.72)	36.16	(4.34)	0.30
Unrecognized actuarial gain/(Loss at the end of the year	-	-	-	-
Total Actuarial (gain)/loss at the end of the year	(25.72)	36.16	(4.34)	0.30

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

Particulars	Gratuity		Leave Benefit	
	Financial Year 2019-2020	Financial Year 2018-2019	Financial Year 2019-2020	Financial Year 2018-2019
Discount rate (per annum)	6.35%	7.50%	6.60%	7.60%
Rate of increase in Compensation Levels (Per Annum)	5.60%	7.00%	9.50%	9.50%
Expected average remaining working lives of employees (years)	12.91	13.20	12.35	12.59
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 31.03.2020	For the year ended 31.03.2019
Interest Expense:		
- Banks	1.29	24.31
- Others	195.54	429.36
Bank and Finance Charges	302.13	363.16
<b>Total</b>	<b>498.96</b>	<b>816.83</b>

### 32 DEPRECIATION & AMORTISATION EXPENSE

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Depreciation	665.54	575.97
<b>Total</b>	<b>665.54</b>	<b>575.97</b>

- 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 depreciaton would have been Rs.244.07 Lakh (Previous year Rs. 249.95 Lakh) instead of Rs.264.31 Lakh (Previous year Rs. 284.27 Lakh), resulting in excess charge of depreciation during the year by Rs.20.24 Lakh(Previous Year Rs.34.32 Lakh)

### 33 OTHER EXPENSES

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Consumption of Stores, Spare and Packing Materials	1,192.00	921.97
Power & Fuel	5,200.73	5,623.96
Rent	196.12	197.68
Repairs to Buildings	88.66	45.97
Repairs to Machinery	303.99	204.42
Repairs-Others	158.39	52.29
Insurance	145.84	118.89
Rates & Taxes	14.04	12.06
Travelling & Conveyance	139.88	126.55
Rebates and Discounts	27.49	19.72
Commission & Brokerage	227.70	198.54
Exchange Fluctuation	828.15	222.92
Freight Outward	704.77	793.42
Packing ,Handling & Finishing Charges	78.59	93.71
Charity & Donation	5.57	1.11
Claim Paid/Irrecoverable Advances written off	-	0.98

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Bad Debts written off (Net)	0.37	52.57
Miscellaneous Expenses*	516.91	582.95
<b>Total</b>	<b>9,829.19</b>	<b>9,269.70</b>

\* Includes Rs.51.00 Lakh (Previous Year Rs. 106.00 Lakh) being CSR expenses incurred by the company during the year in compliance of Section 135 of the Companies Act, 2013.

\* Includes payment to Auditor

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2020	For the year ended 31.03.2021
As Statutory Audit Fees	7.00	7.00
As Audit Fees for Quarterly Audited Results	3.75	3.75
As Tax Audit Fees	1.25	1.25
For Certification Work	-	0.20
For Reimbursement of Expenses	-	-
<b>Total</b>	<b>12.00</b>	<b>12.20</b>

#### 34 EARNINGS PER SHARE (EPS)

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Basic and Diluted Earnings Per Share</b>		
Profit/(Loss) after tax as per profit & loss account (Rs. Lakh) (A)	<b>1,304.96</b>	2,737.86
No. of equity shares (B)	<b>89133121</b>	89133121
Basic and Diluted Earning Per Share (Rs.) (A/B)	<b>1.46</b>	3.07

35 The Company has considered the possible effects that may result from pandemic relating to COVID-19 on the carrying amount of financial assets including Trade Receivables and inventories. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of the pandemic, the Company as at the date of approval of these financial statement has used internal and external source of information, on the expected future performance of the company.

As The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of potential future impact of COVID 19, the value of Financial assets may be different from that estimated as at the date of approval of these Financial Statements

#### 36. Related Party Disclosure:

A Names of related parties and description of relationship

(i) Key management personnel

Mr.Vineet Jain-Managing Director

Mr. Satish Kumar Bansal-CFO

Mr.S.P Gupta-Wholetime Director

Mr.Ankush Kumar Chokhani-Company Secretary{left w.e.f 10.12.2019}

Mr.Bharat Kapoor-Company Secretary{appointed w.e.f 12.02.2020}

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 Pvt. Ltd.
- (iii) Other related Parties
- Pasupati Officer's Provident Fund Trust
  - The Pasupati Acrylon Ltd. Employees Superannuation Scheme
  - The Pasupati Acrylon Ltd. Employees Group Gratuity Scheme
- (iv) Subsidiaries Companies NIL
- (v) Joint Venture / Joint 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	16.68	132.10	-
	(30.11)	(255.39)	-
Rent/Lease Rent Paid	-	-	3.70
	-	-	(3.70)
Loan Repaid	-	-	-
	-	-	(175.00)
Interest Paid	-	-	-
	-	-	(13.38)
Contribution to Gratuity / PF / Superannuation Fund	3.00	16.51	66.57
	(4.05)	(30.09)	(114.57)
For Expenses	-	-	5.43
	-	-	(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)	
		31.03.2020	31.03.2019
Trade Receivable	USD	-	-
1% increase		-	-
1% decrease		-	-
Trade Payable	USD	144.78	90.86
1% increase		1.45	0.91
1% decrease		(1.45)	(0.91)

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

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

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

#### (iv) Credit risk

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

### 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 31.03.2019

(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
Segment Assets	29,741.75	7,000.39		36,742.14
Segment Liabilities	18,931.00	140.96		19,071.96

For the year ended 31.03.2020

(Amount in Lakh)

Particulars	Acrylic Fibre	CPP	Unallocated	TOTAL
Segment Revenue	60,998.15	5,366.21	-	66,364.36
Segment Results (Profit before Exceptional Item, Interest and Tax)	2,264.76	273.66	-	2,538.42
Finance Cost	-	-	498.96	498.96
Exceptional Item	-	-	-	-
Profit before Tax	-	-	-	2,039.46
Segment Assets	29,352.67	6,563.40		35,916.07
Segment Liabilities	16,694.16	227.23		16,921.39

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

Class of Goods	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Percentage	Amount (Rs. Lakh)	Percentage	Amount (Rs. Lakh)
Raw Materials				
Imported	89.66	48,947.44	92.48	60,254.18
Indigenous	10.34	5,642.86	7.52	4,901.63
	<b>100.00</b>	<b>54,590.30</b>	<b>100.00</b>	<b>65,155.81</b>
Stores & Spares				
Imported	2.34	27.95	6.95	69.09
Indigenous	97.66	1,168.97	93.05	924.72
	<b>100.00</b>	<b>1,196.92</b>	<b>100.00</b>	<b>993.81</b>

40 OTHER INFORMATIONS

Particulars	Amount (Rs./Lakh)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
CIF value of Imports		
Raw materials	46,481.63	56,496.95
Stores & spares	251.28	1,947.36
Expenditure in Foreign Currency		
Travelling	59.20	47.77
Commission on export Sales. (excluding Rs.250.71Lakh (Previous year Rs. 95.13 Lakh ) paid in INR for Iran Export)	-	54.04
Interest & Other Charges	175.41	286.05
Earnings in Foreign Currency		
FOB value of exports (excluding Rs.18419.58 Lakh (Previous year Rs.17645.41 Lakh) export to Iran in INR)	156.76	3,732.95

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  
Place : New Delhi  
Dated : 27th July, 2020

Deveshwar Kumar Kapila  
Director  
DIN : 00179060  
S.C.Malik  
Director  
DIN : 00107170  
Bharat Kapoor  
Company Secretary

Vineet Jain  
Managing Director  
DIN : 00107149  
Satish Kumar Bansal  
Chief Financial Officer



*Pasupati  
Acrylon Ltd.*



Quality Assured Company  
ISO-9001:2008

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IF UNDELIVERED PLEASE RETURN TO



**PASUPATI ACRYLON LTD.**

*Corporate Office*

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