



**PASUPATI  
SPINNING  
& WEAVING  
MILLS LTD.**

CORP. OFFICE : 127-128, 1st FLOOR, TRIBHUVAN COMPLEX, ISHWAR NAGAR,  
MATHURA ROAD, NEW DELHI-110065 (INDIA) PHONE : 91-11-47632200  
E-mail : ho@pasupatitextiles.com ; admin@pasupatitextiles.com  
Website : http://www.pasupatitextiles.com  
CIN - L74900HR1979PLC009789

27-09-2019

The Secretary  
The Stock Exchange, Mumbai,  
P.J.Tower, Dalal Street,  
Mumbai-400001

**Sub: Annual Report under Regulation 34 of SEBI Listing Regulations 2015(LODR) for the period ended 31<sup>st</sup> March, 2019.**

**Ref: Scrip Code: 503092**  
**Scrip Id : PASUSPG**

Dear Sir/Madam,


Pursuant to Regulation 34 of SEBI Listing Regulations 2015(LODR), We hereby upload Annual Report for the Financial Year ended on 31.03.2019.

We would request you to kindly take on record the aforesaid information.

Thanking You

**Yours Faithfully**

**For Pasupati Spinning & Weaving Mills Limited**

  
**ABHINAV TYAGI**  
**COMPANY SECRETARY**

**39<sup>th</sup>**  
**Annual Report**  
**2018-19**

**Pasupati Spinning And Weaving Mills Limited**

**Board of Directors**

Mr. Ramesh Kumar Jain	-Chairman & Managing Director
Mr. Vedit Jain	- Joint Managing Director
Mr. CM Sharma	- Whole Time Director
Mrs. Vrinda Jain	-Non Executive and Non Independent Director (Resigned w.e.f 14.02.2019)
Mr. Umesh Chandra Tripathi	-Independent Director (Appointed w.e.f 14.02.2019)
Mr. Praveen Paliwal	-Independent Director (Resigned w.e.f 16.03.2019)
Mr. Ghanshyam Das Gupta	-Independent Director
Mr. Ashwani Kumar Rathore	-Independent Director
Mr. Anil Gupta	-Independent Director (Resigned w.e.f 08.11.2018)
Mr. Ban Mali Khemka	-Independent Director (Appointed w.e.f 28.05.2019)
Ms. Reema Kalhan	-Independent Director (Appointed w.e.f 28.05.2019)

**Company Secretary**

Mr. Abhinav Tyagi (Appointed w.e.f 29.05.2018)

**Chief Finance Officer**

Mr. Ajay Kumar Monga

**Auditors**

M/s. Suresh Kumar  
Mittal & Co. - House  
No. 60, 1<sup>st</sup> Floor,  
Pocket D-3, Sector-  
18, Rohini, Delhi-  
110085

**Bankers**

Bank of Baroda  
Canara Bank  
ING Vysya Bank Ltd.  
Punjab National Bank  
State Bank of Patiala  
State Bank of Travancor  
The Nainital Bank Ltd.

**Registered Office & Works**

Village Kapriwas (Dharuhera), Distt. Rewari, Haryana.  
Company Identity Number (CIN) : L74900HR1979PLC009789  
Website : [www.pasupatitextiles.com](http://www.pasupatitextiles.com)

**Sewing Thread Unit:**

Village Kheri (Kala-Amb), Distt. Sirmour,  
Himachal PradeMr.

**Head Office**

127-128 Tribhuvan Complex,  
Ishwar Nagar,  
Mathura Road,  
New Delhi 110065,  
Phone: +91-11-47632200,  
Fax: 011-23316441

Email: [abhinav.tyagi@pasupatitextiles.com](mailto:abhinav.tyagi@pasupatitextiles.com) and [ho@pasupatitextiles.com](mailto:ho@pasupatitextiles.com)

**Registrar & Shares / Debentures Transfer Agent**

M/s. Skyline Financial Services Pvt. Ltd.  
D - 153 A, 1st Floor, Okhla Industrial Area.  
Phase - I, New Delhi - 110020  
Phones: +91-11-26812682, 83, 64732681-88  
Fax: +91-11-26812682  
Email: [www.skylinerta.com](http://www.skylinerta.com)

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**Dear Shareholder**

**Sub: - Go Green Initiative in Corporate Governance: Go Paperless.**

The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in Corporate Governance” (Circular No 17/2011 dated 21-4-2011 and Circular No 18/2011 dated 29-4-2011) allowing paperless compliances by companies through electronic mode and same also has been allowed under the New Companies Act, 2013. Companies are now permitted to send various notices / documents to its shareholders through electronic mode to the registered email address of shareholders. This move by the MCA is welcome since it will benefit the society at large through reduction in paper consumption and towards a Greener Environment. It will also ensure prompt receipt of communication, avoid loss in postal transit and helps the larger participation of shareholders in **E-Voting**. Keeping in view the underlying theme and circular issued by MCA and provisions of companies Act, 2013, we are keen to participate in Green Initiative and henceforth propose to send documents like General Meeting Notices (Including AGM), Audited Financial Statements, Directors Report, Auditors Report etc to the shareholders in electronic form, to the e-mail address provided by you and made available to us by Depositories / RTA.

In case you are holding shares in electronic form and have registered your e-mail id with the Depository, we will send all notices / documents etc at that e-mail id. If you desire to have a different e-mail id registered, please update the same with your Depository Participant (DP) or email at [abhinav.tyagi@pasupatitextiles.com](mailto:abhinav.tyagi@pasupatitextiles.com) or [ho@pasupatitextiles.com](mailto:ho@pasupatitextiles.com) or [admin@skylinerta.com](mailto:admin@skylinerta.com) specifying your Client ID and DP Id.

All those shareholders who have not yet registered their e mail IDs or holding shares in physical form are requested to register their email IDs with NSDL/ CDSL and **or** our RTA or send their request to register their e- mail id at any one of the following mail ids along with Folio No and No of Shares / Client Id and DP ID:-

1 [abhinav.tyagi@pasupatitextiles.com](mailto:abhinav.tyagi@pasupatitextiles.com)

2 [ho@pasupatitextiles.com](mailto:ho@pasupatitextiles.com)

3 [admin@skylinerta.com](mailto:admin@skylinerta.com)

Kindly note that if any shareholders still wish to receive a physical copy of all the above mentioned communications / documents, the company undertakes to provide the same at no extra cost to you, if a request in this connection is received by the company or RTA. Please note that these documents will also be available on the Company’s website [www.pasupatitextiles.com](http://www.pasupatitextiles.com)

We look forward for your encouraging support in welcoming the “Green Initiative”

Thanking You,

Yours faithfully

**For Pasupati Spg. & Wvg. Mills Ltd**

Sd/-

**Mr. Abhinav Tyagi**

**Company Secretary and Compliance Officer**

**PASUPATI SPG & WVG MILLS LTD**  
**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 39<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD AT THE REGISTERED OFFICE & WORKS OF THE COMPANY AT VILLAGE KAPRIWAS (DHARUHERA), DISTT. REWARI, HARYANA ON FRIDAY 27<sup>TH</sup> SEPTEMBER, 2019 AT 10.00 A.M TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2019, together with the Reports of the Board of Directors and the Auditor's thereon.
2. To appoint a Director in place of Mr. Chander Mohan Sharma (Din-08047336), who retires by rotation and, being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS**

**ITEM-3 RATIFICATION OF REMUNERATION OF THE 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 the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2015 and Companies (Cost Records and Audit) Rules, 2015 {including any statutory modification(s) or re-enactment(s) thereof, for the time being in force}, the Company hereby ratifies the remuneration of `Rs.60,000/- plus G.S.T and actual out-of-pocket expenses payable to M/s. Avtar Singh & Co., Cost Accountants, who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2019-20.”

**ITEM-4 APPROVAL OF RELATED PARTY TRANSACTIONS**

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

**“RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions and rules of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and regulation 23 of Listing Regulations 2015, the consent of the company, be and is hereby accorded to the related party contracts/transactions proposed to be entered between the company and M/s Shivani Textiles Ltd, a Public Ltd Company in which Mr. Ramesh Kumar Jain, Mrs. Vrinda Jain and Mr. Vidit Jain, Directors of the company, are holding more than 2% paid up share capital along with their relatives as per details given below: -

Nature of Contract	Amount (Lacs ) Per Year	Name of Party in which Directors are interested
Purchase of died fabric	Rs. 250	Shivani Textiles Ltd
Sales of grey fabric	Rs. 800	Shivani Textiles Ltd
Job Work charges	Rs. 700	Shivani Textiles Ltd

**RESOLVED FUTHER THAT** all the transactions as stated aforesaid shall be done at best competitive market prices.

**RESOLVED FURTHER THAT** pursuant to provisions of Section 188 and other applicable provisions and rules of the Companies Act, 2013 , (including any statutory modification(s) or re-enactment thereof for the time being in force) and regulation 23 of Listing Regulations 2015, the consent of the company, be and is hereby accorded to the lease agreement(s) up to the value of Rs. 30,00,000/- per year, which may be entered by the company with any Director(s) or relatives of directors of the company or with any other Related Party / Parties”

**ITEM-5 APPOINTMENT OF MR. UMESH CHANDRA TRIPATHI (DIN-08364163) AS AN INDEPENDENT DIRECTOR**

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

“RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Umesh Chandra Tripathi (DIN-08364163), who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 14, 2019 and holds the office up to the date of Annual General Meeting in terms of section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold the office upto February 13, 2024, not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company are hereby authorised severally to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard.”

**ITEM-6 APPOINTMENT OF MR. BAN MALI KHEMKA (DIN-01495511) AS AN INDEPENDENT DIRECTOR**

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

“RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ban Mali Khemka (DIN-01495511), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 28, 2019 and holds the office up to the date of Annual General Meeting in terms of section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold the office upto May 27, 2024, not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company are hereby authorised severally to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard.”

**ITEM-7 APPOINTMENT OF MRS. REEMA KALHAN (DIN-08499949) AS AN INDEPENDENT DIRECTOR**

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

“RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Umesh Chandra Tripathi (DIN-08499949), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 28, 2019 and holds the office up to the date of Annual General Meeting in terms of section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold the office upto May 27, 2024, not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company are hereby authorised severally to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard.”

**ITEM-8 RE-APPOINTMENT & CONTINUATION OF MR. GHANSHYAM DAS GUPTA (DIN-03599365) AS AN INDEPENDENT DIRECTOR**

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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) and the Rules made thereunder read with Schedule IV to the Act, Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force and subject to such other laws, rules and regulations as may be applicable in this regard, Mr. G D Gupta (DIN-03599365), who meets the criteria prescribed for Independent director under section 149(6) of Companies Act, 2013 and other applicable provisions, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term not exceeding Five(5) consecutive years from September 11, 2019 to September 10, 2024.”

“RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, the re-appointment of Mr. G D Gupta (DIN-03599365), who has attained the age of seventy five (75) years, be continued for the remaining term upto 10.09.2024 to be a Non-Executive Independent Director of the Company on the same terms and conditions and this resolution may be considered as the requisite approval of the shareholders as required under the Companies Act and listing regulations.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company are hereby authorised severally to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard.”

**ITEM-9 RE-APPOINTMENT OF MR. ASHWANI KUMAR RATHORE (DIN-01347415) AS AN INDEPENDENT DIRECTOR**

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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) and the Rules made thereunder read with Schedule IV to the Act, Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), statutory

modification(s) and/or re-enactment thereof for the time being in force and subject to such other laws, rules and regulations as may be applicable in this regard, Mr. Ashwani Kumar Rathore (DIN 01347415), who meets the criteria prescribed for Independent director under section 149(6) of Companies Act, 2013 and other applicable provisions, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term not exceeding Five(5) consecutive years from September 11, 2019 to September 10, 2024.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company are hereby authorised severally to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard.”

### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)**

#### **THE FOLLOWING STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS MENTIONED IN THE ACCOMPANYING NOTICE:**

##### **ITEM-3**

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. Avtar Singh & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution. The Board recommends the Ordinary Resolution set out at Item No. 4 for the approval of Members.

##### **ITEM 4**

The ordinary resolution as set out in item no 5 relates to approval of material related party transactions by members as required under Sec 188 of the Act and regulation 23 of Listing Regulations 2015. As per regulation 23 of Listing Regulations 2015, related party transaction said to be material if such transaction(s) to be entered into individually or taken together during a financial year exceeds ten percent of the annual turnover as per the previous audited financial statements of the company. Board of directors is of the view that during the financial year 2019-2020 transactions with related parties namely Shivani Textiles Ltd (In which Mr. Ramesh Kumar Jain , Mrs. Vrinda Jain and Mr. Vedit Jain, Directors of the company, along with their relatives are holding more than 2% paid up share capital) , Mrs. Vrinda Jain (Director) , Mrs. Vandita Jain (Relative of Mr. Vedit Jain, Mrs. Vrinda Jain and Mr. Ramesh Kumar Jain) and with other Related Parties , may exceed ten percent of the annual turnover of the previous audited financial statements of the company. Hence, Board of Directors recommends the passing of the resolution at Item No- 5 of the Notice as ordinary resolution.

Save and except Mr. Vedit Jain, Mrs. Vrinda Jain and Mr. Ramesh Kumar Jain (along with their relatives) , none of the other Director(s) / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

##### **ITEM-5**

Mr. Umesh Chandra Tripathi was appointed as an Additional Director of the Company in the category of Independent Director with effect from February 14, 2019 by the Board of Directors based on the recommendation of Nomination & Remuneration Committee of the Board.

The Company has received declarations from Mr. Umesh Chandra Tripathi that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act. Requisite consent has been received from Mr. Tripathi pursuant to provisions of section 152 of the Companies Act, 2013. In the opinion of the Board, Mr. Tripathi who is proposed to be appointed as an Independent Director of the Company fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Umesh Chandra Tripathi as an Independent Director.

Mr. Umesh Chandra Tripathi is directly concerned and interested in this resolution as it relates to his



appointment and no other Director or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution.

The resolution seeks the approval of members for the appointment of Mr. Umesh Chandra Tripathi as an Independent Director of the Company, not liable to retire by rotation, for the period of 5 years upto February 13, 2024, pursuant to section 160 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends the Ordinary resolution set forth at Item no. 6 of the Notice for the approval of the members.

#### **ITEM 6**

Mr. Ban Mali Khemka was appointed as an Additional Director of the Company in the category of Independent Director with effect from May 28, 2019 by the Board of Directors based on the recommendation of Nomination & Remuneration Committee of the Board.

The Company has received declarations from Mr. Ban Mali Khemka that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act. Requisite consent has been received from Mr. Ban Mali Khemka pursuant to provisions of section 152 of the Companies Act, 2013. In the opinion of the Board, Mr. Ban Mali Khemka who is proposed to be appointed as an Independent Director of the Company fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ban Mali Khemka as an Independent Director.

Mr. Ban Mali Khemka is directly concerned and interested in this resolution as it relates to his appointment and no other Director or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution.

The resolution seeks the approval of members for the appointment of Mr. Ban Mali Khemka as an Independent Director of the Company, not liable to retire by rotation, for the period of 5 years upto May 27, 2024, pursuant to section 160 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends the Ordinary resolution set forth at Item no. 7 of the Notice for the approval of the members.

#### **ITEM 7**

Mrs. Reema Kalhan was appointed as an Additional Director of the Company in the category of Independent Director with effect from May 28, 2019 by the Board of Directors based on the recommendation of Nomination & Remuneration Committee of the Board.

The Company has received declarations from Mrs. Reema Kalhan that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act. Requisite consent has been received from Mrs. Reema Kalhan pursuant to provisions of section 152 of the Companies Act, 2013. In the opinion of the Board, Mrs. Reema Kalhan who is proposed to be appointed as an Independent Director of the Company fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Reema Kalhan as an Independent Director.

Mrs. Reema Kalhan is directly concerned and interested in this resolution as it relates to her appointment and no other Director or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution.

The resolution seeks the approval of members for the appointment of Mrs. Reema Kalhan as an Independent Director of the Company, not liable to retire by rotation, for the period of 5 years upto May 27, 2024, pursuant to section 160 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends the Ordinary resolution set forth at Item no. 8 of the Notice for the approval of the members.

**ITEM 8**

Mr. GD Gupta (DIN-03599365) is proposed to be appointed for the Second Term, pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Reg. 25 of SEBI (Listing Obligation & Disclosure Requirement) 2015 and would hold office for five consecutive years from 11.09.2019 to 10.09.2024.

Mr. GD Gupta (DIN-03599365) has attained the age of 75 years, be continued for the remaining term up to 11.09.2024 on the same terms and conditions,

The Board considers that his continued association will be of immense value to the Company and accordingly commended his appointment for your approval.

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

**ITEM 9**

Mr. Ashwani Kumar Rathore (DIN-01347415) is proposed to be appointed for the Second Term, pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Reg. 25 of SEBI (Listing Obligation & Disclosure Requirement) 2015 and would hold office for five consecutive years from 11.09.2019 to 10.09.2024.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ashwani Kumar Rathore as an Independent Director.

Except Mr. Ashwani Kumar Rathore, none other Directors of the Company is in any way concerned or interested in the proposed resolution.

**REGISTERED OFFICE**

Village Kapriwas  
(Dharuhera), Distt. Rewari,  
HARYANA

DATED: 14-08-2019

**BY ORDER OF THE BOARD  
For PASUPATI SPG & WVG MILLS LTD.**

**ABHINAV TYAGI  
COMPANY SECRETARY  
(Membership No:-42558)**

### **IMPORTANT NOTES:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from 20<sup>th</sup> September, 2019 to 27<sup>th</sup> September, 2019, both days inclusive, for annual closing.

2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 3,4, 5, 6 , 7 , 8 & 9 of the accompanying Notice, is annexed hereto.

### **3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIM/HER. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the meeting. A Proxy Form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

5 SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.

6. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.

7. Electronic copy of the Annual Report for 2019 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019 is being sent in the permitted mode. Electronic copy of the Notice of the 39<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of electronic voting (‘e-voting’) along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 39<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.

8. Members may also note that the Notice of the 39<sup>th</sup> Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for 2019 will also be available on the Company’s website [www.pasupatitextiles.com](http://www.pasupatitextiles.com) for their download. The physical copies of the aforesaid documents will also be available at the Company’s Registered Office for inspection without any fee during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company’s investor email id: [abhinav.tyagi@pasupatitextiles.com](mailto:abhinav.tyagi@pasupatitextiles.com)

### **Voting through electronic means**

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 (‘Amended Rules 2015’), Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 39<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by

the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 24<sup>th</sup> September, 2019 (9:00 am) and ends on 26<sup>th</sup> September, 2019(5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

VI. The process and manner for remote e-voting are as under:

A. Member whose email IDs are registered with the Company/Depository Participants(s) will receive an email from NSDL informing them of their User-ID and Password. Once the Members receive the email, he or she will need to go through the following steps to complete the e-voting process:

(i) Open email and open PDF file titled; “ Pasupati Spg & Wvg Mills Ltd e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

(iii) Click on Shareholder - Login

(iv) Enter the user ID and password as initial password/PIN noted in step (i) above. Click on Login.

(v) The Password change menu will appear. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select “EVEN” of Pasupati Spinning & Weaving Mills Ltd .

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on “Submit” and Remember to “Confirm” when prompted.

(x) Upon confirmation, the message “Vote cast successfully” will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authorization letter etc. together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through e-mail to [apsa2701@gmail.com](mailto:apsa2701@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:

(i) The Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

REVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and may contact to concerned officials of NSDL. Members may also write to the Company Secretary at the email ID: [abhinav.tyagi@pasupatitextiles.com](mailto:abhinav.tyagi@pasupatitextiles.com) or contact at telephone no. 011-47632233

VIII. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the ‘Forgot Password’ option available on the site to reset the password.

IX. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

X. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20<sup>th</sup> September, 2019.

XI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date may obtain the User ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by

using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. Anand Sharma, Practicing company secretary (C.P No. 20141 and Membership No. 2836) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.pasupatitextiles.com](http://www.pasupatitextiles.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**Note:-** All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection without any fee at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

**ANNEXURE**

**PROFILE OF DIRECTORS**  
**(Seeking Re-appointment or Appointment)**

<b>NAME OF THE DIRECTOR</b>	<b>MR. C.M. SHARMA</b>	<b>Mr. Umesh C Tripathi</b>	<b>Mr. Ban Mali Khemka</b>
Date of Birth	13.12.1956	20.01.1955	28.02.1971
Date of Appointment	20.12.2017	14.02.2019	28.05.2019
Qualification	B. Tech	Post- Graduate	Post Graduate
Expertise in specific functional areas	Around 30 years of experience in Textile Industry.	Having sound knowledge of Textile industry.	Accounts, Taxation, Audit and Finance.
Name of the other Companies in which he/she holds Directorship	Nil	Nil	Shree Lalit Fabrics Pvt Ltd.
Memberships/ Chairmanships of committees of other companies	Nil	Nil	Nil
Number of shares held in the Company	Nil	Nil	Nil

<b>NAME OF THE DIRECTOR</b>	<b>Mrs. Reema Kalhan</b>	<b>Mr. Gd Gupta</b>	<b>Mr. Ashwani Kumar Rathore</b>
Date of Birth	31.10.1973	28.06.1944	30.06.1978
Date of Appointment	28.05.2019	21.07.2011	25.02.2012
Qualification	Post Graduate	Fellow Member of ICAI & ICSI	Graduate & LLB
Expertise in specific functional areas	Having goof knowledge of Accounts, Taxation .	Practising Chartered Accountant for 45 years.	Professional Experience of 15 years.
Name of the other Companies in which he/she holds Directorship	Nil	Creamy Food Limited.	Shyam Overseas Private Ltd. Harshit Creations Private Ltd.
Memberships/ Chairmanships of committees of other companies	Nil	Nil	Nil
Number of shares held in the Company	Nil	Nil	Nil

## **PASUPATI SPG & WVG MILLS LTD.**

### **DIRECTORS REPORT**

The Directors are pleased to present the 39<sup>th</sup> Directors Report on the business and operations of the Company together with the Audited Accounts for the financial year ended 31st March, 2019.

#### **1. FINANCIAL PERFORMANCE**

Particulars	<b><u>2018-19</u></b> <b><u>Rs./Lacs</u></b>	<b><u>2017-18</u></b> <b><u>Rs./Lacs</u></b>	
Sales and other Income	<b>11567.85</b>	<b>12148.79</b>	
Profit before Finance Costs and Depreciation	<b>1001.08</b>	<b>1090.11</b>	
Financial Charges	<b>611.79</b>	<b>688.31</b>	
Depreciation	<b>364.15</b>	<b>363.36</b>	
Profit before Taxes	<b>25.14</b>	<b>38.44</b>	
Payment/Provision for Taxation	<b>15.20</b>	<b>(22.55)</b>	
Profit after Taxation but before extra-ordinary items	<b>9.94</b>	<b>60.99</b>	
Other Comprehensive Income	<b>38.65</b>	<b>6.49</b>	
Total Comprehensive Income of the year	<b>48.59</b>	<b>67.48</b>	

During the year under review, the turnover of the company has declined by 4.78% as compared to last year, whereas the profit before taxes declined by almost 47.04%. The main reason for decline in turnover and profit is due to decline in exports. The company is exporting almost 30% of its production and majority of its exports are to Turkey. The company has been exporting around 5 containers every month but due to general election in Turkey, the customers suddenly stopped placing orders due to political uncertainty of the country, hence company's exports came down significantly resulting decline in turnover. Due to decline in exports, the company made efforts to increase domestic sales as a result the decline in turnover is only marginal.

#### **II THE MANAGEMENT DISCUSSION & ANALYSIS**

##### **Spinning Unit at Dharuhera, Haryana**

As already reported last year, the company is doing job work operations in this unit from October 2016 for an outside party. Under this arrangement, the said company is supplying polyester fiber and our company is manufacturing yarn for the said company. During the year under review, the company earned job work income to the tune of Rs. 9.45 Crore as against Rs.9.23 crore in previous year. The company continues to keep close watch on the cotton yarn market and as and when such operations become profitable, the company shall start manufacturing own yarn.

##### **Knitting & Garment unit at Dharuhera, Haryana**

The production activities of the Fabric/Garment Division at Dharuhera are going on smoothly. The company is supplying garments for well known brands i.e. Future Group, Reliance Trend, Pantloon Retail, Spencer and Bharti Wallmart etc. Besides, the company is also exporting garments.

##### **Sewing Thread Unit At Kala Amb, Himachal Pradesh**

Although the company is making constant efforts to address the labour shortage problem, which generally happens during festival seasons every year but the same still remains an area of concern for the company. As already reported above, the turnover of this division declined due to decline in exports. However, the situation has since improved and the company has started receiving regular export orders.

#### **III PARTICULARS OF INFORMATION FORMING PART OF THE BOARD'S REPORT PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013, RULE 8 OF THE COMPANIES (ACCOUNTS RULE 2014 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

## **EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of section 134 (3) (a) of Companies Act 2013 substituted by Companies (Amendment) Act 2017 w.e.f. July 31, 2018 the web address of the extract of Annual Return of the Company is [www.pasupatitextiles.com](http://www.pasupatitextiles.com)

### **NUMBER OF MEETING OF BOARD**

During the year, four (4) Board Meetings and four (4) Audit Committee Meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) 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.

The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively

### **STATEMENT ON DECLARATION BY THE INDEPENDENT DIRECTORS.**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Listing regulations, 2015.

### **NOMINATION & REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel. More details of the same are given in the Corporate Governance Report.

### **EXPLANATION OR COMMENTS ON AUDITORS REPORT AND SECRETARIAL AUDIT REPORT**

Auditors' observations relating to Note no. 40 as contained in the Main Report under the para 'Basis of Qualified Opinion' are explained hereunder: -

Although, the company has made representation to the competent authority for payment of compensation at market rate in respect of part of company's factory land acquired by Government of Haryana, the company feels that final decision in this regard may take a very long time and moreover there is uncertainty about the success of company's representation. Hence, it has been decided that its affect would be given in company's books as and when actual compensation is received from Government of Haryana.

There is no qualification, reservations or adverse remarks made by secretarial auditor in the Secretarial Audit Report.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

During the year under review, company has not given any loans, Guarantee or made any investments covered under the provisions of Section 186 of the Companies Act, 2013.

### **RELATED PARTY TRANSACTIONS**

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business. Particulars of the same are being provided in Form AOC-2 which is annexed herewith as **Annexure D**.



## **STATE OF COMPANY'S AFFAIRS**

Discussion on state of Company's affairs has been covered as part of the Management Discussion and Analysis.

## **AMOUNTS PROPOSED TO BE CARRIED TO RESERVES**

Board of Directors does not appropriate any amount to be transferred to General Reserves during the year under review.

## **DIVIDEND**

In view of the requirement of fund for working capital of the company, the Board of Directors is not in a position to recommend any dividend for the year under review.

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY**

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of signing of this Report.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure "B"**.

## **RISK MANAGEMENT POLICY**

Pursuant to the requirement of listing regulations, 2015, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. On the recommendation of the Risk Management Committee, the Board has adopted Risk Management Policy, which outlines the program implemented by the Company to ensure appropriate risk management within its system and culture. The Risk Management Policy is also posted on the website of the Company. The Company's risk management program comprises of a series of processes, structures and guidelines which assist the Company to identify, assess, monitor and manage its business risks, including any material changes to its risk profile. To achieve this, the Company has clearly defined the responsibility and authority of the Company's Board of Directors and of the Risk Management Committee to oversee and manage the risk management program while conferring responsibility and authority on the Company's senior management to develop and maintain the risk management program in light of the day to day needs of the Company. Regular communication and review of risk management practices provide the Company with important checks and balances to ensure the efficacy of its risk management program.

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

The relevant provisions of the companies act, 2013 and Listing regulations are not applicable to our company.

## **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, and Regulation 17 of the SEBI( LODR) Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The board's performance for the current year was assessed on the basis of participation of directors, quality of information provided/available, quality of discussion and contribution etc. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering the aforesaid aspects of the Board's functioning. The overall performance of the Board and Committee's of the Board was found satisfactory. The overall performance of Chairman, Executive Directors and the Non-executive Directors of the Company is satisfactory. The review of performance was based on the criteria of performance, knowledge, analysis, quality of decision making etc.

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

During the year under review, there has been no change in the nature of business of the Company.

## **DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Chander Mohan Sharma retires by rotation and being eligible, offers himself for re-appointment.

### **Directors appointed/resigned during the FY 2018-2019**

Mr. Anil Gupta resigned from the post of Independent Director of the Company with effect from 8<sup>th</sup> November, 2018.

Ms. Vrinda Jain resigned from the post of Non Executive-Non Independent Director of the Company with effect from 14<sup>th</sup> February, 2019.

Mr. Parveen Paliwal resigned from the post of Independent Director of the Company with effect from 16<sup>th</sup> March, 2019.

Mr. Umesh Chandra Tripathi was appointed as Independent Director of the Company with effect from 14<sup>th</sup> February, 2019.

Mr. Ban Mali Khemka was appointed as Independent Director of the Company with effect from 28<sup>th</sup> May, 2019.

Ms. Reema Kalhan was appointed as Independent Director of the Company with effect from 28<sup>th</sup> May, 2019.

### **Key Managerial Personnel (KMP) appointed and resigned during the F.Y 2017-2018**

Mr. Abhinav Tyagi was appointed as Company Secretary (Key Managerial Personnel) w.e.f 29<sup>th</sup> May, 2018.

## **NAMES OF THE COMPANIES WHICH HAVE BECOME/ CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

The Company did not have any subsidiaries, associates or joint ventures during the year.

### **DEPOSITS**

The Company has not accepted deposits under Chapter V of the Companies Act, 2013.

## **SIGNIFICANT ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN AND COMPANY'S OPERATIONS**

To the best of our knowledge, the Company has not received any such orders from Regulators, Courts or Tribunals during the year, which may impact the going concern status or the Company's operations in future.

### **INTERNAL CONTROL SYSTEMS**

Your Company has evolved a system of internal controls to ensure that the assets are safeguarded and transactions are authorised, recorded and correctly reported. The internal control system is supplemented by management reviews and independent periodical reviews by the outside chartered accountancy firms which evaluate the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness. The scope of internal audit covers a wide variety of operational methods and, as a minimum, ensures compliance with specified standards with regard to availability and suitability of policies and procedures, extent of adherence, reliability of management information system and authorization procedures including steps for safeguarding of assets. The reports of internal audit are placed before Audit Committee of the Directors and Board. Audit Committee and board reviews such audit findings and the adequacy of internal control systems. The Statutory Auditors and the Internal Auditors of the Company also interact with the Audit Committee and Board to share their findings and the status of corrective actions under implementation.

M/s. M.C. Jain & Co. Chartered Accountants, New Delhi were appointed as Internal Auditors of the Company for the Financial Year 2018-19 and their reports for the year were submitted to the Audit Committee and to the Board.

## **INFORMATION FORMING PART OF THE DIRECTORS' REPORT PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of Rs.60 lacs per year to be disclosed in the Report of Board of Directors are not applicable to the Company as none of the

employees was in receipt of remuneration in excess of Rs.60 lacs during the financial year 2018-19. The information in accordance with the provisions of Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed as **Annexure- C**

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Board of Directors has adopted the Vigil Mechanism / Whistle Blower Policy. The policy has provided a mechanism for Directors, Employees and other persons dealing with the Company to report to the Chairman of the Audit Committee, any instance of unethical behavior, actual or suspected fraud or violation of the Code of Conduct of the Company. The details of the policy has been uploaded at the website of the Company @ [www.pasupatitextiles.com](http://www.pasupatitextiles.com)

### **COMPOSITION OF AUDIT COMMITTEE**

The composition of the Audit Committee has been mentioned in the Corporate Governance Report annexed to this report.

### **AUDITORS**

- **STATUTORY AUDITORS**

During the year under review, the auditors need no rotation as they can continue as statutory auditors up to the F.Y 2021-2022. M/s. Suresh Kumar Mittal & Co. Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. Suresh Kumar Mittal & Co. as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 42th AGM to be held in the year 2022, subject to ratification of their appointment at every AGM.

- **COST AUDITORS**

The Central Govt. has approved the appointment of M/s Avtar Singh & Co. as cost auditors for conducting Cost Audit for the Financial Year 2018-19. The report of Cost Auditors in respect of audit of the cost records of the Company for the year ended 31<sup>st</sup> March 2019 will be submitted to the Central Government in due course.

- **SECRETARIAL AUDITORS**

The Company has undertaken Secretarial Audit for the financial year 2018-19 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report. The Report of the Secretarial Audit as submitted by Anand Sharma & associates is annexed herewith as **Annexure-A**.

- **ANNUAL SECRETARIAL COMPLIANCE REPORT**

The Company has undertaken an audit for the Financial Year 2018-19 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by Anand Sharma & Associates , Practicing Company Secretaries has been submitted to the Stock Exchange.

### **CORPORATE GOVERNANCE**

The Company conforms to the norms of Corporate Governance as envisaged in the Listing Regulations with the BSE Limited. Pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

### **OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9<sup>th</sup> December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

#### **APPRECIATION**

The Board of Directors acknowledge with gratitude the co-operation and assistance extended by all its stakeholders, including its shareholders, employees/workers, bankers, customers, business associates and employees.

**For & On Behalf of Board of Directors**

**Ramesh Kumar Jain  
Chairman & Managing Director**

**Place : New Delhi**

**Dated : 14-8-2019**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
PASUPATI SPG.& WVG.MILLS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PASUPATI SPG.& WVG.MILLS 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 Company'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<sup>st</sup> March, 2019 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 the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder and the relevant provisions of the Act;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to 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, 2009; - *Not applicable as the Company did not issue any security during the financial year under review;*

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - *Not applicable as the Company does not have Employee Stock Option Scheme for its employees;*

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - *Not applicable as the Company has not issued any debts security during the financial year under review;*

(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; - *Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and*

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - *Not applicable as the Company has not done any buyback of its securities during the financial year under review.*

(vi) The following key/significant laws as specifically applicable to the Company:

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

**We further report that:-**

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

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of the compliance certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory/regulatory authorities and initiated actions for corrective measures, wherever necessary.

There are no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having a major bearing on the Company's Affairs.

**For Anand Sharma & Associates**  
Company Secretaries

AnandParkash Sharma  
Prop.  
FCS No. 2836  
CP No.20141

Place: Delhi  
Date: 14<sup>th</sup> August, 2019

**ANNEXURE I TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED  
MARCH 31, 2019**

To,  
The Members,  
PASUPATI SPG. & WVG. MILLS LIMITED

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial and other 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 and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
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 the compliance of laws, rules and regulations and major events during the audit period.
5. 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.
6. We further report that the compliance by the Company of applicable Financial Laws like Direct and Indirect Tax Laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

**For Anand Sharma & Associates**  
Company Secretaries

Anand Parkash Sharma  
Prop.  
FCS No. 2836  
CP No. 20141

Place: Delhi  
Date: 14<sup>th</sup> August, 2019



**CONSERVATION OF ENERGY.**

**a) ENERGY CONSERVATION MEASURES TAKEN:**

1. Ring frame lift reduction to get more production with same power consumption (2-3%)
2. Putting 36 / 38 mm dia-meter rings to get more productivity with same power consumption.
3. Adjusted the blades of S.A. & R.A. Fans at H. Plants to maintain humidity with minimum power consumption.
4. Replacement of ordinary motors by high power factor high efficiency motors
5. Some innovative modifications carried out in machine to reduce down the given load – such as simplex pneumatic suction motor stopped by introducing under clearer.
6. By changing the filter media of filtration plant the filtration efficiency improved and thus reduced the load, on suction fans and effected on energy saving.
7. Optimising the Humidification plants saturation efficiency the load on supply air fan and water pumps reduced.
8. By modifying the compressed air line consumption of compressed air reduced thus resulted in energy saving.
9. We have replaced old reciprocative compressor with new screw compressor having high efficiency & low consumption of power. There would be 10-15% power saving in compressor units.
10. We have obtained additional sanction of 1000 KVA load during peak hours from HPSEB resulting reduction in P.U. cost of power.
11. The new generation air-compressor is added to save the power consumption as well as maintenance cost.
12. Some modifications carried out in our Humidification Plant provided the stationary V Notch Type Filter in place of Rotary filter and save 3.2 KW/Hrs.
13. Optimize the power voltage and reduce the energy consumption
14. Optimize the compressed air pressure by reducing from 9.5 Kgs to 8 Kgs and save the power.
15. Over-head cleaner travelling frequency reduced by 3 to 4 minutes in all Ring Frames and achieved the conservation in this area.
16. Plugged all air leakage, hence saving of air results power saving.
17. By installing power capacitors near to load.
18. By replacing conventional tube-lights with new energy saving (TS) Tube-lights.
19. By maintaining Power Factor 11-100%.
20. By providing transparent sheets at Godowns for maximum utilisation of natural day light.
21. By installing online energy Monitoring system in our power house, which helped us to make power saving (approx. 5 – 10%).

**b) ADDITIONAL INVESTMENT PROPOSALS, IF ANY, BEING IMPLEMENTED FOR SAVING ENERGY :**

1. To install Spinmax system on Ring frames, enabling to increase productivity without increase in power consumption – up to 5%.

**c) IMPACT OF THE MEASURES FOR REDUCTION OF ENERGY CONSUMPTION AND CONVERSANT IMPACT ON THE COST OF PRODUCTION OF GOODS:**

The above measures have resulted in saving of energy and to that extent the cost had reduced.

**Form A :**

<b>A POWER AND FUEL CONSUMPTION</b>	<b>F.Y 2018-19</b>	<b>F.Y 2017-18</b>
<b><u>1 Electricity</u></b>		
a) Purchased Units(in lacs)	289.35	302.56
Total amount paid (Rs in lacs)	1771.05	1857.76
Rate/unit (Rs)	6.12	6.14
b) Own generated through Diesel generators (units)(in lacs)	146851	99344
Rate of diesel/HFO (Rs/Ltr)	67.99	54.67
Cost/Unit (Rs)	19.05	15.26
<b><u>2 Coal used in boiler</u></b>		
Quantity (MT)	1134.97	1132.22
Total Cost (Rs.in lacs)	146.38	127.79
Avg. Cost per MT (Rs in lacs)	0.13	0.11
<b>B) CONSUMPTION PER UNIT OF PRODUCTION:</b>		
Production of Yarn (MT)(in lacs)	4815.66	5326.48
Electricity (KWH/Ton)	6038.94	5699.00
Coal (Kg/Ton)	235.68	212.57
Others (Diesel/HFO Ltr/Ton)	8.55	5.21

**FORM B : TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT**

Specific areas in which R & D carried out by the Company:

- 1) Developed Cotton / Wool yarn
- 2) Developed Bamboo Fibre Yarn
- 3) Developed Polyester / Wool yarn
- 4) Well equipped quality control Lab with premier art, premier classic, evenness tester, cascade and TPI Tester. Latest addition is premier classic, which helps to optimise yarn forming processes and electronic clearers of winding.

### **BENEFITS ARRIVED AS A RESULT OF R&D**

With developing different type of yarn, there is a value addition, hence increase margins. With the addition of Premier art and classmate the quality of yarn is adjudged and control result increase in Export of yarn.

### **FUTURE PLAN OF ACTION**

R&D is being carried out for developing new product range from cotton and polyester fibres such as compact yarn. Further, R&D activities will continue and more efforts will be made towards new innovations and diversifications of the product range for optimisation of process for improving quality and productivity as well.

### **FOREIGN EXCHANGE EARNING AND OUTGO (Rs. In Lacs)**

Total Foreign Exchange earned (on FOB basis)	Rs.	3201.93
Total Foreign Exchange used	Rs	68.24

\*\*\*\*\* \*\*\*\*\*

**Annexure C**

**PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of Director and KMP	Designation	Remuneration of Director/KMP for financial year 2018-19 (Amt. in lacs)	Remuneration of Director/KMP for financial year 2017-18 (Amt. in lacs)	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director/ to median remuneration of employees
Mr. Ramesh Kumar Jain	Managing director	3.72	2.85	30.52	1.35
Mr. Vidit Jain	Joint Managing Director	13.16	11.08	18.77	4.80
*Mr. Umesh C Tripathi (Appointed w.e.f 14.02.2019)	Independent Director	--	--	--	--
*Mr. C.M. Sharma	Whole Director	7.59	1.55	389.67	2.77
*Mr. Praveen Paliwal Resigned w.e.f 16.03.2019)	Independent Director	0.15	0.20	(25)	0.05
Mr. Ghanshyam Dass Gupta	Independent Director	0.35	0.35	--	0.13
Mr. Ashwani Kumar Rathore	Independent Director	0.15	0.15	(25)	0.05
*Ms. Vrinda Jain (Resigned w.e.f 14.02.2019)	Non-Executive – Non Independent Director	NIL	NIL	--	--
*Mr. Anil Gupta (Resigned w.e.f 08.11.2018)	Independent Director	0.05	0.20	(75)	0.018
Mr. Ajay Kumar Monga	CFO	16.34	16.16	1.11	5.96
Mr.. Abhinav Tyagi (Appointed w.e.f 29.05.2018)	Company Secretary	3.51	6.89	(49.05)	1.28

- \* Mr. Anil Gupta resigned from the post of Independent Director w.e.f. 08/11/2018.
- \* Ms. Vrinda Jain resigned from the post of Non Executive Director w.e.f. 14/02/2019.
- \* Ms. Praveen Paliwal resigned from the post of Independent Director w.e.f. 16/03/2019.
- \* Mr. Umesh C Tripathi appointed as Independent Director w.e.f. 14/02/2019.
- \* Ms. Abhinav Tyagi appointed as Company Secretary W.e.f 29/05/2019.

- ii) The median remuneration of employees of the Company during the financial year was 2.74 lakh p.a. .
- iii) In the financial year, there was an increase of about 6.50% in the median remuneration of employees;
- iv) There were 595 permanent employees on the rolls of Company as on March 31, 2019;
- v) Relationship between average decrease in remuneration and company performance:-

Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:-  
The total remuneration of Key Managerial Personnel declined by 0.82 (%) from Rs. 44.69 lacs in 2017- 18 to 44.32 lacs in 2018-19 whereas, during the year under review, the profit before taxes declined to Rs.25.14 lacs from Rs. 38.44 lacs.

Vi) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Closing date of Financial Year	Issued Capital (Shares) No of shares	Closing Market Price ( Per Share)	EPS	PE Ratio	Market Capitalization (Rs.)
31-3-2018	9337068	23.20	0.65	35.69	21,66,19,978
31-3-2019	9337068	20.40	0.11	185.45	19,04,76,187
Increase/(Decrease)	–	(2.28)	(0.54)	149.76	2,61,43,791
% of Increase/ (Decrease)	–	(12.06)	(20)	419.61	(12.06)

Market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.:-The equity shares of the Company were initially listed on BSE Ltd. in the year 1982. The last public offer of the equity shares was made in the year 1991 by way of Rights Issue to the existing equity shareholders in the ratio of 1:5 at a price of Rs. 25/- per equity share of Rs.10/-at a premium of Rs. 15 per share. As on 31st March, 2019, the market quotation of the Company's share price (closing price) was Rs. 20.40 i.e. decrease in price of 12.06 %.

- V. Average Percentage increase made in the salaries of employees other than the managerial personnel in last financial year i.e. 2018-19 was approx 7.50 %
- VI. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- VII. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive Remuneration in excess of the highest paid director during the year – Not Applicable; and
- VIII. It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**FORM NO. AOC -2**

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

## 1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	Not Applicable
	Nature of contracts/arrangements/transaction	
	Duration of the contracts/arrangements/transaction	
	Salient terms of the contracts or arrangements or transaction including the value, if any	
	Justification for entering into such contracts or arrangements or transactions'	
	Date of approval by the Board	
	Amount paid as advances, if any	
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

## 2. Details of contracts or arrangements or transactions at Arm's length basis.

SL No	<u>Name (s) of the related party &amp; nature of relationship</u>	<u>Details</u>	<u>Nature of contracts/arrangements/transaction</u>	<u>Duration of the contracts/arrangements/transaction</u>	<u>Salient terms of the contracts or arrangements or transaction including the value, if any</u>	<u>Date of approval by the Board, If any</u>	<u>Amount paid as advances, if any</u>
1	Mr. Ramesh Kumar Jain	Chairman and Managing Director	Remuneration and perquisites paid during the year :- (Rs in lacs) 3.72	One year	N/A	28-5-2019	nil
2	Mr. Vidit Jain	Executive Director	Remuneration and perquisites and Retirement Benefits paid during the year :- (Rs in lacs) 13.16	One year	N/A	28-5-2019	nil

3	Mr. Praveen Paliwal(Resigned w.e.f 16/03/2018)	Independent Director	Sitting Fees (Rs in lacs) 0.15	One year	N/A	28-5-2019	nil
4	Mr. Ghanshyam Das Gupta	Independent Director	Sitting Fees (Rs in lacs) 0.35	One year	N/A	28-5-2019	nil
5	Mr. Ashwani K Rathore	Independent Director	Sitting Fees (Rs in lacs) 0.15	One year	N/A	28-5-2019	nil
6	Mr. Anil Gupta(Resigned w.e.f 08/11/2018)	Independent Director	Sitting Fees (Rs. in lacs) 0.05	One year	N/A	28-5-2019	nil
7	Mr. Umesh C Tripathi(appointed w.e.f 14.02.2019)	Independent Director	-	One year	N/A	28-5-2019	nil
8	Mr. CM Sharma	Executive Director	Remuneration and perquisites paid during the year :- (Rs in lacs) 7.59	One year	N/A	28-5-2019	nil
8	M/s Shivani Textiles	Directors along with their relatives are holding more than 2% shareholding of the company	Sales (Rs in lacs) 15.24 Job Work (Rs. in lacs) 399.54	One year	N/A	28-5-2019	nil

**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,  
Pasupati Spinning and Weaving Mills Limited  
Village Kapriwas, Dharuhera  
District Rewari Haryana.**

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Pasupati Spinning and Weaving Mills Limited** having CIN L74900HR1979PLC009789 and having registered office at **Village Kapriwas, Dharuhera ,District Rewari Haryana** (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, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India.

<b>S.No</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment</b>
1	Ramesh Kumar Jain	00575142	13-08-1979
2	Ashwani Kumar Rathore	01347415	25-02-2012
3	Vidit Jain	01347588	01-04-2010
4	GhanshyamDass Gupta	03599365	21-07-2011
5	Chander Mohan Sharma	08047336	14-02-2019
6	Umesh Chandra Tripathi	08364163	14-02-2019

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.

**Place: Delhi**

**Anand Sharma & Associates**

**Date:**

**AnandParkash Sharma  
M.No. 2836  
COP No. 20141**



# PASUPATI SPINNING & WEAVING MILLS LTD. REPORT ON CORPORATE GOVERNANCE

Your Directors present the Company's Report on Corporate Governance as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2019.

## **1 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :**

Your Company's philosophy of corporate governance is to conduct its business on the basis of ethical business value and maximize its value to all its stakeholders. The Company has inculcated a culture of transparency, accountability and integrity. The Company has already put in place systems and procedures and has complied with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **2 BOARD OF DIRECTORS :**

The Company has a Executive Chairman and the number of Independent Directors is half of the total strength of the Board. The Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Composition of the Board of Directors (Board).None of the Independent Directors have any material pecuniary relationship or transactions with the Company.

Necessary disclosures regarding composition of the Board, category, attendance of Directors at the Board Meetings and last Annual General Meeting, number of other Directorship and other Committee Memberships are given below:-

Name & Designation of Directors	Category	No. of Board Meetings attended	No. of Directorships held in other Companies	Attendance at last AGM	No. of Committee positions held in other Companies		Directorship in other Listed Companies
					Chairman of Committee	Member of Committee	
Mr. Ramesh Kumar Jain (Chairman & Managing Director)	ED and Promoter	4	2	Yes	Nil	Nil	Nil
Mrs. Vrinda Jain (Resigned w.e.f 14.02.2019)*	NED & Promoter	3	6	Yes	Nil	Nil	Sulabh Impex Limited Pasupati Fincap Limited
Mr. Vidit Jain	ED & Promoter	4	5	Yes	Nil	3	Sulabh Impex Limited Pasupati Fincap Limited
Mr. Anil Gupta (Resigned w.e.f 08.11.2018)**	NED & Independent	1	3	No	-	-	Nil
Mr. Ghanshyam Das Gupta	NED & Independent	4	1	Yes	Nil	Nil	Nil
Mr. Praveen Paliwal (Resigned w.e.f 16.03.2019)***	NED & Independent	3	Nil	No	Nil	Nil	Nil
Mr. Ashwani Kumar Rathore	NED & Independent	3	2	No	Nil	Nil	Nil

Mr. CM Sharma	Whole Time Director	4	Nil	NA	Nil	Nil	Nil
Mr. Umesh C Tripathi (Appointed w.e.f 14.02.2019)**	NED & Independent	Nil	Nil	NA	Nil	Nil	Nil

### **ED – Executive Director/ NED – Non-Executive Director**

\*Mrs. Vrinda Jain resigned from post of Non-Executive & Non-Independent Director w.e.f 14/02/2019 due to her personal reasons and she has confirmed that there is no other material reasons other than those provided. She holds 714052 shares in the company. No woman director has been appointed thereafter

\*\* Mr. Anil gupta resigned from post of Independent Director W.e.f 08/11/2018 due to his medical issues and he has confirmed that there is no other material reasons other than those provided.

\*\*\*Mr. Parveen Paliwal resigned from post of Independent Director W.e.f 16/03/2019 due to his personal reasons and he has confirmed that there is no other material reasons other than those provided.

\*\*\*\* Mr. Umesh C Tripathi appointed as Independent Director W.e.f. 14/02/2019.

None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 Committees as specified in SEBI LODR 2015 across all the Companies in which he/she is a Director.

Mr. Ramesh Kumar Jain is father of Mr. Vidit Jain and husband of Mrs. Vrinda Jain none of the other Directors on the Board are related to each other.

Web link of Familiarisation Programmes imparted to Directors is :-

[http://www.pasupatitextiles.com/pdf/FAMILARIZATION\\_PROGRAMME.pdf](http://www.pasupatitextiles.com/pdf/FAMILARIZATION_PROGRAMME.pdf)

### **Matrix of skills/competence/expertise of Directors**

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

#### **Board Competency Matrix**

Industry Knowledge/Experience	Technical Skills/Expertise/Competencies
Industry Experience	Finance & Accounting
Global Business	Strategy and Business Development
Understanding of government legislation Information	Legal & Governance
Knowledge of Sector	Human Resource Management & Labour Laws

### **Number of Board Meetings:-**

During the financial year 2018-2019, four Meetings were held on the following dates:-

S. No.	Date	Board Strength	No. of Directors present
1	29/05/2018	8	5
2	13/08/2018	8	7
3	12/11/2018	7	7
4	14/02/2019	7	7

### **3 AUDIT COMMITTEE :-**

#### **Composition, meetings and the attendance during the year:**

The Company has complied with all the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI LODR 2015) relating to the composition of the Audit Committee. During the financial year 2018-2019, four meetings of the Audit Committee were held on the 29<sup>th</sup> May, 2018, 13<sup>th</sup> August, 2018, 12<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

<b>Date of the Meetings</b>	<b>Composition</b>	<b>Attendance (Yes/ No)</b>	<b>Chairman</b>
29/05/2018	1. Mr. G.D. Gupta, Member and Chairman 2. Mr. Praveen Paliwal, Member 3. Mr. Ashwani Rathore, Member 4. Mr Anil Gupta, Member	Yes No No Yes	Mr. G.D. Gupta
13/08/2018	1. Mr. G.D. Gupta, Member and Chairman 2. Mr. Praveen Paliwal, Member  3.Mr. Ashwani Rathore, Member  4.Mr. Anil Gupta	Yes Yes  Yes  No	Mr. G.D. Gupta
12/11/2018	1. Mr. G.D. Gupta, Member and Chairman 2. Mr. Praveen Paliwal, Member  3.Mr. Ashwani Rathore, Member  4.Mr. Anil Gupta(Resigned w.e.f 08.11.2019)	Yes Yes  Yes  N/a	Mr. G.D.Gupta
14/02/2019	1. Mr. G.D. Gupta, Member and Chairman 2. Mr. Praveen Paliwal, Member 3. Mr. Ashwani Rathore, Member 4. Mr. Anil Gupta (Resigned w.e.f 08.11.2019)	Yes Yes Yes N/a	Mr. G.D.Gupta

The Audit Committee meetings were attended by Chief Financial Officer and representatives of the Internal Auditors, Statutory Auditors were also invited to the meeting. The Company Secretary acted as the Secretary to the Committee.

#### **Terms of reference:**

The terms of reference of the Committee, inter alia covers the matters specified under Regulation 18 of SEBI (LODR) 2015 as amended from time to time as well as specified in Section 177 of the

Companies Act, 2013 read alongwith rules made thereunder. Besides, in additions to other terms as may be referred by the Board of Directors, the Audit Committee has the power inter alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

#### **4 NOMINATION AND REMUNERATION COMMITTEE**

##### **Composition:**

The strength of the Nomination and Remuneration Committee as on 01.04.2018 was four members i.e. Mr. G. D. Gupta, Chairman, Mr. Praveen Paliwal, Mr. Anil Gupta and Mr. Ashwani Rathore as Members. Presently all the members of the Committee including its Chairman are independent Directors. The Company Secretary acted as the Secretary of the Committee.

##### **Terms of Reference:**

The role, terms of reference, authority and powers of the Remuneration Committee are in conformity with the SEBI LODR 2015 and as prescribed under the Companies Act, 2013. The remuneration committee of the Company reviews, approves and recommends to the Board the matters connected with fixation and periodic revision of remuneration of Chairman & Managing Director, whole time Directors and Executive Directors.

##### **Role of committee inter-alia includes the following:**

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

##### **Number of Committee Meetings and Attendance:-**

<b>Date of the Meetings</b>	<b>Composition</b>	<b>Attendance (Yes/ No)</b>	<b>Chairman</b>
14/02/2019	1. Mr. G.D Gupta, Member and Chairman 2. Mr. Praveen Paliwal 3. Mr. A.K Rathore, Member 4. Mr Anil Gupta, Member(Resigned w.e.f 08.11.2019)	Yes Yes Yes N/a	Mr. G.D. Gupta

## **APPOINTMENT & REMUNERATION POLICY:**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration and evaluation criteria for performance evaluation of Independent Directors.

### **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT IS GIVEN BELOW:-**

#### **1. Appointment Criteria and Qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the for such motion indicating the justification for extension of appointment beyond seventy years.

#### **2. Term/Tenure**

##### **a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **b) Independent Director**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

#### **3. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

#### **4. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### **5. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the

retirement age, for the benefit of the Company.

**Details of Remuneration/Sitting fees paid to directors during the year 2018-19:-:**

Sl. No.	Name of the Director	Description of Transaction	Salary (Rs. in lacs)	Perquisites (Rs. in lacs)	Sitting Fee (Rs. in lacs)	Retirement Benefits(in lacs)	Total (Rs. in lacs)
1	Mr. Ramesh Kumar Jain Chairman & Mng. Director	Perquisites	Nil	3.72	Nil	Nil	3.72
2	Mr. Vidit Jain Whole Time Director	Remuneration & perquisites	7.20	5.96	Nil	Nil	13.16
3	Mr. CM Sharma Whole Time Director	Remuneration & perquisites	2.16	5.43	Nil	Nil	7.59
4	Mr. Umesh C Tripathi. Director(appointed w.e.f 14.02.2019)	Sitting Fees	Nil	Nil	Nil	Nil	Nil
5	Mr. Praveen Paliwal Non-Executive Director(Resigned w.e.f 16.03.2019)	Sitting Fees	Nil	Nil	0.15	Nil	0.15
6	Mr. G. D. Gupta Non-Executive Director	Sitting Fees	Nil	Nil	0.35	Nil	0.35
7	Mr. Ashwani Kumar Rathore, Non Executive Director	Sitting Fees	Nil	Nil	0.15	Nil	0.15
8	Mr. Anil Gupta Non-Executive Director(Resigned w.e.f 08.11.2018)	Sitting Fees	Nil	Nil	0.05	Nil	0.05

**POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL.**

**1. Remuneration to Managing / Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**2. Remuneration to Non- Executive / Independent Director:**

The Non-Executive Independent Director may receive remuneration/compensation/commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

The aforesaid Policy and evaluation criteria is disclosed on the Company's website and the weblink for the same is:

[http://www.pasupatitextiles.com/pdf/Pasupati%20\\_Nomination\\_and\\_RemunerationPolicy.pdf](http://www.pasupatitextiles.com/pdf/Pasupati%20_Nomination_and_RemunerationPolicy.pdf)

**5 STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Committee is vested with the requisite power and authority to specifically look into the Redressal of the shareholders'/Debenture holders/ Investors' Grievance. The Committee considers and resolves the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual

report and non-receipt of declared dividends.

**a) Composition**

Presently the Stakeholder Relationship Committee consisted of three members – Sh. Ashwani Rathore as Chairman, Sh. Ramesh Kumar Jain and Sh. Vidit Jain as members.

**b) Name & Designation of Compliance Officer**

Mr. Abhinav Tyagi, Company Secretary (Appointed w.e.f 29.05.2018) of the Company acted as the Compliance Officer of the Company.

**c) Investors Complaints received and resolved during the year 2018-19**

Complaints Received	Complaints Resolved	Complaints Pending
Nil	Nil	NIL

**d) Meetings:-**

During the year ending 31.03.2019, 36 (Thirty Six) Meetings of Stakeholder Relationship Committee were held. The Details of attendance of Members are as under:

Name of Member	No. of Meetings Held	No of Meetings attended
1. Mr. Ashwani Rathore (Chairman)	36	36
2. Mr. Ramesh Kumar Jain	36	36
3. Mr. Vidit Jain	36	36

**6 THE COMPANY HAS FORMED A BUSINESS RISK EVALUATION/ MANAGEMENT COMMITTEE CONSISTING OF THE FOLLOWING MEMBERS.**

Name of The Member	Designation	No of Meetings held during the year.
Mr. Ramesh Kumar Jain	Chairman	Nil
Mrs. Vrinda Jain	Member	Nil
Mr. Vidit Jain	Member	Nil

**The objectives and scope of the Risk Management Committee broadly comprise of**

- i. To consider the Company's risk management strategies;
- ii. To consider, review and approve risk management policies and guidelines;
- iii. To decide on risk levels, risk appetite and related resource allocation;
- iv. To approve major decisions affecting the Group's risk profile or exposure and give such directions as it considers appropriate;
- v. To approve major risk management activities such as hedging transactions;
- vi. To review the Group's approach to risk management and approve changes or improvements to key elements of its processes and procedures; and
- vii. Provide an update report to the Board in this regard no less frequent than annually.

**7 CODE OF CONDUCT:**

The Board of Directors of the Company have adopted Code of Business Conduct & Ethics. This Code is based on three fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary conduct and is applicable to all the Directors and senior management personnel. In terms of the requirements of SEBI Listing Regulations, 2015 the Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the company, [www.pasupatitextiles.com](http://www.pasupatitextiles.com). All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended 31<sup>st</sup> March, 2019 and a declaration to that effect signed by the Chairman & Managing Director is attached and forms part of this report.



## **8 CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING :**

The Company has adopted Modal Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code. Web link for Modal Code of Insider trading of the company is :

[http://www.pasupatitextiles.com/pdf/PREVENTION\\_OF\\_INSDIER\\_TRADING\\_CODE\\_OF\\_CONDUCT.pdf](http://www.pasupatitextiles.com/pdf/PREVENTION_OF_INSDIER_TRADING_CODE_OF_CONDUCT.pdf)

## **9 PERFORMANCE EVALUATION:**

In compliance with the provisions of the Companies Act, 2013 ('the Act') and SEBI Listing Regulations, 2015, the Board during the year adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including the Chairman of the Board. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

## **10 INDUCTION & FAMILIARIZATION PROGRAMS FOR INDEPENDENT DIRECTORS:**

On appointment of the Independent Directors a letter of Appointment setting out in detail, the terms of appointment, duties and responsibilities is issued. Each newly appointed Independent Director is taken through a familiarization programme. The program aims to familiarize the Directors with the Company, their role and responsibilities, business model of the Company etc.

## **11 INDEPENDENT DIRECTORS' MEETING:**

As required under Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI LODR 2015, the Independent Directors have to hold at least one meeting in a year, without the attendance of non-independent directors and members of the management.

During the financial year 2018-2019 one (1) meeting was held on 14<sup>th</sup> February, 2019 which was attended by all the independent directors.

### **The role, broad terms and reference of the committee shall include the following:**

- a. Review the performance of Non-Independent Directors and the Board as a whole;
- b. Review the performance of the Chairperson 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 management and the Board that is necessary for the Board to effectively and reasonably perform their duties

## **12 RELATED PARTY TRANSACTIONS**

Company has entered Related Party Transactions during the financial year 2018-19. All Related Party Transactions entered into during the year are on an arm's length basis and are in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with promoters, directors, Key Managerial Personnel or other designated persons which may have potential conflict with the interests of the Company at large. On the recommendation of the Audit Committee, the Board of Directors has adopted a policy on Related Party Transactions, which is also uploaded on the website of the Company [www.pasupatitextiles.com](http://www.pasupatitextiles.com) under the head 'Investor Relations'. The Policy envisages the procedure governing related party transactions required to be followed to ensure compliance

with the applicable laws and regulations as well as to ensure that the Related Party Transactions are managed and disclosed in accordance with the strict legal and accounting requirements. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms & conditions of the transactions. The statement is supported by a certificate from the CMD and CFO. The particulars of related party transactions are given in form AOC-2 and is annexed as Annexure-E to Directors report. Web link where policy on dealing with related party transactions is:- [http://www.pasupatitextiles.com/pdf/related\\_party\\_transaction\\_policy.pdf](http://www.pasupatitextiles.com/pdf/related_party_transaction_policy.pdf)

### **13 MEANS OF COMMUNICATION & WEBSITE:**

- The Quarterly & Annual Results were generally published in the newspaper i.e. Financial Express (English edition) and in the Jansatta (Hindi edition). The Quarterly results are also displayed on the website of the Company, i.e., [www.pasupatitextiles.com](http://www.pasupatitextiles.com)
- In line with the existing provisions of SEBI LODR 2015, the Company has created a separate e-mail address viz. [abhinav.tyagi@pasupatitextiles.com](mailto:abhinav.tyagi@pasupatitextiles.com) to receive complaints and grievances of the investors.
- Company displays official news release on its website as required.
- As there is no Insituinal Investors during the year under review, no presentation has been made.

### **14. GENERAL BODY MEETINGS**

#### **Annual General Meetings:**

Location and time for the three previous AGM's are as follows:-

<b>Year</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>
2016	29 -9-2016	Village Kapriwas, Dharuhera(Dist- Rewari) Haryana	10.00 A.M
2017	29-9-2017	-do-	10.00 A.M
2018	28-9-2018	-do-	10.00 A.M

#### **Special Resolutions**

Only one Special Resolutions were passed at the 38<sup>th</sup> Annual General Meeting for F.Y 2017-18, No Special Resolutions were passed at the 37<sup>th</sup> Annual General meeting for F.Y 2016-17, and Three (3) Special Resolutions were passed at the 36<sup>th</sup> Annual General Meeting F.Y 2015-16.

#### **Postal Ballot:**

For the year ended March 31, 2019 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

During the year Company does not propose to pass any special resolution through postal ballot.

### **15 GENERAL SHAREHOLDERS INFORMATION :**

#### **Annual General Meeting date , time and venue:-**

The 39<sup>th</sup> Annual General Meeting of the members of the company will be held at the registered office & works of the company at village Kapriwas (Dharuhera), Distt. Rewari, Haryana on Friday 27th September, 2019 at 10.00 A.M.

<b><u>Annual General Meeting</u></b>	
Date & Time	27-09-2019 at 10 A.M
Venue	Registered Office of the Company at Village Kapriwas (Dharuhera) Distt. Rewari, Haryana

#### **Financial Calendar:-**

Financial Year :	1st April – 31st March
------------------	------------------------

Unaudited Results for the quarter ending 30th June, 2019	Mid of August, 2019
Unaudited Results for the quarter ending 30th September, 2019	Mid of November, 2019
Unaudited Results for the quarter ending 31st December, 201	Mid of February, 2020
Audited Results for the year ending 31st March, 2020	end of May, 2020
Date of Book Closure	20 <sup>th</sup> September , 2019 to 27 <sup>th</sup> September, 2019 ( Both days are Inclusive)
Demat ISIN in CDSL/NSDL	INE909B01020

#Company has not declared any dividend during the year 2018-19.

### **Listing at Stock Exchanges:**

The details regarding payment of listing fee to Stock Exchange are given below:

S. No.	Stock Exchange Code No	Name of Stock Exchanges	Listing Fee Paid up to
1	A-1	Bombay Stock Exchange	F.Y 2017-18
2	A-2	Delhi Stock Exchange	F.Y 2004-05

### **Market Price data : High/Low during the year 2018-19**

Month	High (Rs)	Low (Rs)	B S E SENSEX	
			High	Low
April, 2018	23.00	19.50	35,213.30	32,972.56
May, 2018	23.85	21.75	35,993.53	34,302.89
June, 2018	23.95	21.00	35,877.41	34,784.68
July, 2018	23.95	22.80	37,644.59	35,106.57
August, 2018	23.95	22.80	38,989.65	37,128.99
September, 2018	23.85	22.70	38,934.35	35,985.63
October, 2018	23.70	23.70	36,616.64	33,291.58
November, 2018	-	-	36,389.22	34,303.38
December, 2018	-	-	36,554.99	34,426.29
January, 2019	23.95	21.85	36,701.03	35,375.51
February, 2019	21.75	19.95	37,172.18	35,287.16
March, 2019	20.40	20.40	38,748.54	35,926.94

### **CREDIT RATING**

External Credit Rating Agency CRISIL has assigned BB- rating to the company for the purpose of short term and long term borrowing taken by company from banks.

**Registrars and Share Transfer Agents for Shares:**

**Address & Contact No. of Registrar & Share Transfer Agent are as follows:**

M/s. Skyline Financial Services Pvt. Ltd D-153 ,  
1st Floor , Okhla Industrial Area Phase -1 , New  
Delhi 110020 .  
Tel.: 011 -26812682,83 , 011-64732681-88  
Fax: +91 11 26812682 |,Web:www.skylinerta.com

**Share Transfer System:**

Shareholders seeking demat/remat of their shares must approach the Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to the Registrar and Share transfer Agent (“the Registrar”) of the Company. Upon receipt of the request and share certificate, the Registrar will verify the same. Upon verification, the Registrar will request the National Securities Depository Ltd. (NSDL)/Central Depository Services Ltd. (CDSL) to confirm the Demat request. The Demat account of the concerned shareholder will be credited with an equivalent number of shares. In case of a rejection of the request, it will be communicated to the shareholder. In the case of remat, upon receipt of a request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests the NSDL and CDSL to confirm the request. The approval of the company is sought and an equivalent number of shares are issued in the physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of shares.

**Distribution of Shareholding as on 31.03.2019:**

No. of Equity Shares Held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
Up to 500	6160	96.79	4404340	4.72
501 - 1000	113	1.78	819100	0.88
1001 - 2000	41	0.64	575170	0.62
2001 – 3000	14	0.22	347870	0.37
3001 - 4000	8	0.13	278440	0.3
4001 - 5000	6	0.09	274590	0.29
5001 - 10000	6	0.09	413250	0.44
10001 and above	16	0.25	86257920	92.38
<b>TOTAL</b>	<b>6364</b>	<b>100</b>	<b>9337068</b>	<b>100</b>

**Dematerialisation of Shares:**

As on 31st March, 2019, 96.46 % of the Company's equity shares were held in dematerialized form and balance are held in physical form. Trading in Company’s shares is permitted only in demat form w.e.f. 06.09.2000 as per notification issued by the Securities & Exchange Board of India.

**Outstanding: GDR/ADR/Warrants/Options**

As of date, the Company has not issued GDRs/ADRs/Options.

**Subsidiary Company**

Company does not have any subsidiary company.

**Plant Location:**

Polyester Viscose Yarn & Cotton Yarn Unit	Village Kapriwas(Dharuhera)Distt. Rewari, Haryana
Sewing Thread Unit	Village Kheri (Kala-Amb) Distt. Sirmour, H.P.

**Address for correspondence:-**

Registered Office:	Village Kapriwas (Dharuhera), Distt. Rewari (Haryana)
Corporate office address :	127-128 , Tribhuvan Complex, Ishwar Nagar , Mathura Road , Delhi-110065
Telephone No	011-47632200,01147632221
Email	<a href="mailto:abhinav.tyagi@pasupatitextiles.com">abhinav.tyagi@pasupatitextiles.com</a> , ho@pasupatitextiles.com

**Secretarial Department**

The Company's Secretarial Department, headed by the Company Secretary is situated at the Office mentioned above. Shareholders/Investors may contact the Company Secretary for any assistance they may need.

**16 DISCLOSURES**

**a. Related Party Transactions**

- a. The Company did not enter into any materially significant related party transactions, which had potential conflict with the interest of the Company at large.

**b. Compliance with Regulations**

- a. There were no instances of Non-compliance or penalty, strictures imposed on the company by Stock Exchanges/SEBI or any other statutory authorities during the last 2 years .However in current financial year , a penalty of Rs. 27,140/- was levied by BSE for late filing of Shareholding pattern and corporate governance report for the quarter ended March 2018 and the same was paid within stipulated time.

**c. Vigil Mechanism / Whistle Blower Policy**

- a. The Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The objective of the Policy is to explain and encourage the directors and employees to raise any concern about the Company's operations and working environment, including possible breaches of Company's policies and standards or values or any laws within the country or elsewhere, without fear of adverse managerial action being taken against such employees. It is hereby affirmed that in relation to the same, no personnel have been denied access to the audit committee. The Whistle Blower Policy of the Company has been uploaded and can be viewed on the Company's website.

**d. Mandatory and non-mandatory requirements**

The Company has complied with the mandatory requirements of SEBI LODR 2015 which are detailed in the annual report. As regard non mandatory requirements company is planning to adopt some non mandatory requirement in future for good governance.

**e. Web Link of policy on related party transactions-**

[http://www.pasupatitextiles.com/pdf/related\\_party\\_transaction\\_policy.pdf](http://www.pasupatitextiles.com/pdf/related_party_transaction_policy.pdf)

**f. Commodity Price Risk/Foreign Exchange Risk and Hedging Activities**

On exports, foreign exchange risk is low as company discounts its foreign debtor's bills on dispatch; similarly foreign exchange risk is also low on import of raw material as company makes payment on receipt. Hence, no hedging activities are undertaken.

- g.** There is no fund raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A).

- h.** The company has accepted all the recommendations of Audit committee and Nomination committee.

- i.** In order to prevent sexual harassment of women at workplace, your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace. The Company has set up an Internal

Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into complaints relating to sexual harassment at work place of any woman employee. During the year under review, no complaints pertaining to sexual harassment were received and no complaint was pending as on 31st March, 2019.

**j.** Total fees paid to Statutory Auditor during Financial Year 2018-19.

For Statutory Audit	-	4.88 lacs
For Quarterly Reviews	-	3.66 lacs
For other services	-	<u>0.10 lacs</u>

Total - **8.64 lacs**

**k.** M/s Anand Sharma & Associates, Practicing Company Secretaries have certified that for the financial year ended on 31st March, 2019, none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India (SEBI) or Ministry of Corporate Affairs (MCA) or any such authority.

**l.** 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 SEBI (LODR) Regulations 2015 subject to matters reported in point 16(b) of this Corporate Governance Report (under clause (b) of sub-para 10 of Section C of Schedule V of SEBI (LODR) Regulations 2015).

**m.** All the requirements of Corporate Governance specified in Regulation 17 to 27 of Listing Regulations and of clause (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations have been complied with subject to matter reported in point 2 (related to resignation of Mrs. Vrinda jain) of this Corporate Governance Report.

CEO / CFO Certification

Managing Director & Chief Financial Officer of the Company have furnished the requisite Compliance Certificates to the Board of Directors under Regulation 17 of the SEBI (LODR) 2015.

**For and on behalf of the Board of Directors**

**Place :** New Delhi  
**Dated:** 14-08-2019

**Ramesh Kumar Jain**  
**Chairman & Managing Director**

**Declaration Regarding Compliance by Board Members and Senior Management Personnel with Code of Conduct.**

This is to confirm that Company has adopted “Pasupati Spinning & Weaving Mills Ltd Code of Conduct” for its Senior Management and Board members and the same has been posted on Company’s website.

I confirm that the Company has in respect of the financial year ended 31st March, 2019, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Senior means personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management i.e. Executive Directors and all functional heads.

**Ramesh Kumar Jain**

**Chairman & Managing Director**

**New Delhi**  
**Date-14-08-2019**

**CHAIRMAN AND MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER  
CERTIFICATION.**

**To,  
The Board of Directors,  
Pasupati Spinning & Weaving Mills Ltd,**

We, the undersigned, in our respective capacities as Chairman & Managing Director and Chief Financial Officer of **Pasupati Spinning & Weaving Mills Ltd** (“the Company”), to the best of our knowledge and belief certify that:

1. We have reviewed financial statements and the cash flow statement of Pasupati Spg & Wvg Mills Ltd for the year ended 31st March, 2019 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s Code of Conduct.
3. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company’s internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
5. We have indicated, based on our most recent evaluation, whenever applicable to the Auditors and the Audit Committee:
  - (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year; and
  - (iii) that there are no instances of significant fraud of which we have become aware.

**Ramesh Kumar Jain**  
(Chairman & Managing Director)

**Ajay Kumar Monga**  
(Chief Financial Officer)

**Place: New Delhi**  
**Date: 14-08-2019**



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

To  
The Members,  
Pasupati Spinning & Weaving Mills Limited

We have examined the compliance of conditions of Corporate Governance by Pasupati Spinning & Weaving Mills Limited ("the Company"), for the financial year ended on 31st March, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI 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 explanation given to us, we report as under:-

- i) Annual listing fees payable to Delhi Stock Exchange Association Limited has not been paid from the financial year 2005-06.*
- ii) Annual listing fees payable to Bombay Stock Exchange Association Limited has not been paid from the financial year 2018-19.*
- iii) BSE had levied a Penalty of Rs. 27140/- for late filing of shareholding pattern and corporate governance report for the quarter ended March, 2018. The penalty has been paid by the company within the time given by BSE. Besides, some other documents required to be filed with SEBI and stock exchange have also been filed late.*
- iv) Mrs. Vrinda Jain resigned from the post of directorship w.e. f 14.02.2019. There was no woman director in the company thereafter.*

Subject to the above, we certify that the Company has complied with the conditions of Corporate Governance for the year ended 31<sup>st</sup> March, 2019 as stipulated in the above mentioned Listing Regulations, as applicable.

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

**Partner**  
**Membership Number :**  
**Udin:**

Dated : 14.08.2019  
Place : New Delhi

## Independent Auditors' Report

To  
The Members of  
**Pasupati Spinning & Weaving Mills Limited**

### Report on the Audit of Standalone Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Pasupati Spinning & Weaving Mills Limited** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis of Qualified Opinion section of our report*, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

*The company has claimed additional compensation in respect of part of factory land acquired. The additional compensation demand is Rs.614.64 Lacs (including amount upto previous year Rs. 614.64 Lacs), which according to the management shall be accounted for as and when received. Had the additional compensation been accounted for the profit for the year and other current assets would have been higher by the said amount. (Refer Note no. 40 of the accompanying notes to the financial statements).*

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis of Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

1. The company has material matters under dispute which involves significant judgment to determine the possible outcome of these disputes (Refer Note No. 28 to the standalone 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.

2. As on 31<sup>st</sup> March 2019, current tax assets and other current assets includes amounts recoverable from government department for which efforts for recovery are being made (refer Note No. 13 & 14 to the standalone financial statements). Our audit procedures consisted of evaluating whether any change was required to management's position on the likelihood of recoverability.

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

The Company's Board of Directors is 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. The Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and shareholder's information report are expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available. 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.

When we read the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and share holder's information report, If, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance.

### **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.

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

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

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

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

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

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

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

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

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

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;
  - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - ii. 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's Registration No: 500063N

Place: New Delhi  
Date: 28.05.2019

(Ankur Bagla )  
Partner  
Membership No. 521915

**1. 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 Spinning & Weaving Mills Limited on the standalone financial statements for the year ended 31<sup>st</sup> March 2019.**

<p>(i) (a)</p> <p>(b)</p> <p>(c)</p>	<p>The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>All the fixed assets have been physically verified by the management according to a regular program, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account.</p> <p>The title deeds of immovable properties are held in the name of the company.</p>
<p>(ii)</p>	<p>Physical verification of inventory (except material lying with third party and material in transit) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. No material discrepancies with respect to book records were noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account.</p>
<p>(iii)</p>	<p>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.</p>
<p>(iv)</p>	<p>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.</p>
<p>(v)</p>	<p>According to the information and explanation given to us, the company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of the order are not applicable to the company.</p>
<p>(vi)</p>	<p>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 Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such accounts and records.</p>

(vii) (a)	<p>During the year there has been delays in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect thereof were outstanding as at 31st March 2019 for a period of more than six months from the date they became payable.</p>																								
(b)	<p>According to the records of the company, dues of income-tax or Sales tax or service tax or duty of custom or duty of excise or value added tax which have not been deposited on account of any dispute are as under:-</p>																								
	<table border="1"> <thead> <tr> <th>Name of the statute</th> <th>Nature of dues</th> <th>Amount (Rs. in lacs)</th> <th>Forum where pending</th> </tr> </thead> <tbody> <tr> <td>Central Excise Act</td> <td>Excise Duty</td> <td>94.19</td> <td>Hon'ble High Court of Punjab &amp; Haryana</td> </tr> <tr> <td>Haryana Value Added Tax Act</td> <td>VAT</td> <td>42.23</td> <td>Punjab &amp; Haryana High Court</td> </tr> <tr> <td>Service Tax Act</td> <td>Service Tax</td> <td>2.29</td> <td>Central Excise &amp; Service Tax Tribunal</td> </tr> <tr> <td>Himachal Pradesh Value added Tax Act</td> <td>VAT</td> <td>3.48</td> <td>Commissioner (Appeals)</td> </tr> </tbody> </table>	Name of the statute	Nature of dues	Amount (Rs. in lacs)	Forum where pending	Central Excise Act	Excise Duty	94.19	Hon'ble High Court of Punjab & Haryana	Haryana Value Added Tax Act	VAT	42.23	Punjab & Haryana High Court	Service Tax Act	Service Tax	2.29	Central Excise & Service Tax Tribunal	Himachal Pradesh Value added Tax Act	VAT	3.48	Commissioner (Appeals)				
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(viii)	<p>In our opinion and according to the information and explanations given to us, the delay in repayment of dues to a financial institution or bank holders are as under :</p>																								
	<table border="1"> <thead> <tr> <th>Nature of Limit</th> <th>Name of the Bank</th> <th>Limit (Rs. in lacs)</th> <th>Balance as per Bank (Rs. in lacs)</th> <th>Excess (Rs. in lacs)</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Cash Credit</td> <td>Bank of Baroda</td> <td>736.00</td> <td>738.06</td> <td>2.06</td> <td rowspan="4">Due to interest charged by bank on 31.3.2019 and paid subsequently</td> </tr> <tr> <td>Canara Bank</td> <td>734.50</td> <td>742.56</td> <td>8.06</td> </tr> <tr> <td>State Bank of India</td> <td>983.00</td> <td>992.63</td> <td>9.63</td> </tr> <tr> <td>Nainital Bank</td> <td>103.00</td> <td>103.85</td> <td>0.85</td> </tr> </tbody> </table>	Nature of Limit	Name of the Bank	Limit (Rs. in lacs)	Balance as per Bank (Rs. in lacs)	Excess (Rs. in lacs)	Remarks	Cash Credit	Bank of Baroda	736.00	738.06	2.06	Due to interest charged by bank on 31.3.2019 and paid subsequently	Canara Bank	734.50	742.56	8.06	State Bank of India	983.00	992.63	9.63	Nainital Bank	103.00	103.85	0.85
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Nature of Limit	Name of the Bank	Amount overdue (Rs. in lacs)	Due Date	Remarks																					
Bill Discounted/purchased	Bank of Baroda	50.97	08.02.2019	Realised on 11.4.2019.																					
		2.02	29.03.2019	Realised on 12.4.2019																					
(ix)	<p>In our opinion, moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.</p>																								
(x)	<p>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.</p>																								



(xi)	In our opinion, and according to the information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
(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 all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
(xiv)	During the year under review the company has not made any preferential allotment on private placement of shares or fully or partly convertible debentures.
(xv)	The company has not entered into any non cash transactions with directors or persons connected with him.
(xvi)	The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934

For Suresh Kumar Mittal & Co  
Chartered Accountants  
Firm Registration Number: 500063N

(Ankur Bagla)  
Partner  
Membership Number.-521915

Place : New Delhi  
Date : 28<sup>th</sup> May, 2019

**Annexure “B” referred to in Paragraph (II)(f) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Pasupati Spinning & Weaving Mills Limited on the standalone financial statements for the year ended 31<sup>st</sup> March 2019.**

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

We have audited the internal financial controls over financial reporting of **Pasupati Spinning & Weaving Mills Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

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

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

### **Auditors’ Responsibility**

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

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

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI".

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

(Ankur Bagla)  
Partner  
Membership Number:521915

Place: New Delhi  
Date 28<sup>th</sup> May, 2019

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2019**

	Note No	Rs in Lacs	
		As at 31.03.2019	As at 31.03.2018
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
1 Property, Plant and Equipments	4	3,584.17	3,891.03
2 Capital Work in Progress		39.03	-
3 Financial Assets			
(i) Investments	5	6.50	4.71
(ii) Others	6	1.66	1.66
4 Other Non Current Assets	7	179.99	113.24
<b>CURRENT ASSETS</b>			
1 Inventories	8	3,393.74	3,014.32
2 Financial Assets			
(i) Investments	9	-	-
(ii) Trade receivables	10	2,617.50	2,985.99
(iii) Cash and cash equivalents	11	403.65	110.56
(iv) Bank Balances other than (iii) above	12	206.40	202.03
3 Current Tax Assets (net)	13	89.44	62.49
4 Other Current Assets	14	555.43	603.50
5 Assets held for sale	15	-	23.57
		<b>11,077.51</b>	<b>11,013.10</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
1 Equity Share Capital	16	933.71	933.71
2 Other Equity		2,248.10	2,199.51
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
1 Financial Liabilities			
(i) Borrowings	17	42.71	86.98
(ii) Other Financial Liabilities	18	285.24	385.03
2 Provisions	19	76.87	91.34
3 Deferred Tax Liabilities (net)	20	201.64	173.58
4 Other Non Current Liabilities	21	0.20	0.20
<b>CURRENT LIABILITIES</b>			
1 Financial liabilities			
(i) Borrowings	22	4,105.96	3,922.41
(ii) Trade Payables	23		
Due to Micro Small & Medium Enterprises		0.64	-
Due to Others		1,704.21	1,619.48
(iii) Other Financial Liabilities	24	470.78	417.56
2 Other current liabilities	25	945.47	1,105.06
3 Provisions	26	40.26	61.85
4 Current tax liabilities	27	21.72	16.39
		<b>11,077.51</b>	<b>11,013.10</b>
Contingent Liabilities & Commitments	28		
Significant Accounting Policies	2		

See Accompanying Notes to the Financial Statements

As per our report of even date annexed

For Suresh Kumar Mittal & Co.,

Chartered Accountants

Reg. No. 500063N

Chairman & Managing Director

Joint Managing Director

DIN No. 575142

DIN No.

1347588

Ankur Bagla

Partner

Company Secretary

Chief Financial Officer

Membership No. -521915

Place: New Delhi

Date : 28/05/2019

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**STATEMENT OF PROFIT & LOSS**

**FOR THE PERIOD ENDED 31ST MARCH 2019**

Particulars	Note	Rs in Lacs	
		For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
<b>REVENUE</b>			
I Revenue from Operations	30	11,266.17	11,899.99
II Other Income	31	301.68	248.80
<b>III Total Income (I+II)</b>		<b>11,567.85</b>	<b>12,148.79</b>
<b>IV EXPENSES</b>			
Cost of Material Consumed	32	4,276.91	4,188.28
Purchases of Stock-in-Trade		21.75	6.40
Changes in Inventories of Finished Goods, stock-in-trade and Work in Progress	33	(372.24)	107.34
Share of Joint Venture Partner	34	4.07	(1.55)
Employee Benefits Expense	35	2,122.32	2,090.13
Finance Costs	36	611.79	688.31
Depreciation & Amortization Expenses	37	364.15	363.36
Other Expenses	38	4,513.96	4,668.08
<b>Total expenses (IV)</b>		<b>11,542.71</b>	<b>12,110.35</b>
<b>V Profit/(loss) before exceptional items and tax (III- IV)</b>		<b>25.14</b>	<b>38.44</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>25.14</b>	<b>38.44</b>
<b>VIII Tax expense:</b>			
Current Tax		21.72	16.39
Earlier Year Tax		2.03	0.25
Deferred Tax		13.17	(22.80)
Mat Credit Entitlement		(21.72)	(16.39)
<b>IX Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>9.94</b>	<b>60.99</b>
<b>X Profit/(loss) from discontinued operations</b>		-	-
<b>XI Tax expense of discontinued operations</b>		-	-
<b>XII Profit/(loss) from Discontinued operations (after tax) (X-XI)</b>		-	-
<b>XIII Profit/(loss) for the period (IX+XII)</b>		<b>9.94</b>	<b>60.99</b>
<b>XIV Other Comprehensive Income</b>			
Items that will not be reclassified to profit & loss		53.54	9.70
Income tax relating to above		(14.89)	(3.21)
Items that will be reclassified to profit & loss		-	-
Income tax relating to above		-	-
		<b>38.65</b>	<b>6.49</b>
<b>XV Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>48.59</b>	<b>67.48</b>
<b>XVI Earnings per equity share (for continuing operation):</b>			
Basic and Diluted	39	0.11	0.65
<b>XVII Earnings per equity share (for discontinued operation):</b>			
Basic and Diluted		-	-
<b>XVIII Earnings per equity share (for discontinued &amp; continuing operations)</b>			
Basic and Diluted		0.11	0.65
Significant Accounting Policies	2		

See Accompanying Notes to the Financial Statements

As per our report of even date annexed

For Suresh Kumar Mittal & Co.,

Chartered Accountants

Reg. No. 500063N

Chairman & Managing Director

Joint Managing Director

DIN No. 575142

DIN No.

1347588

Ankur Bagla

Partner

Company Secretary

Chief Financial Officer

Membership No. -521915

Place: New Delhi

Date : 28/05/2019

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

Particulars	Rs in Lacs	
	For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit/(Loss) after Tax and OCI</b>	48.59	67.48
Adjustments for:		
Depreciation	364.15	363.36
Interest Income	(11.36)	(13.77)
(Profit)/Loss on Fixed Assets sold/discarded	67.07	(0.86)
Interest Charged	522.75	558.12
Tax Impact	30.09	(19.34)
<b>Operating Profit before Working Capital Charges</b>	1,021.29	954.99
Adjustments for:		
Trade & Other Receivables	345.43	(286.36)
Inventories	(379.41)	127.53
Trade Payables & Other Liabilities	(110.28)	(295.08)
<b>Cash Generated from Operations</b>	877.03	501.08
Interest Paid	(522.75)	(558.12)
Taxes Paid	(23.65)	(14.62)
<b>Net Cash from Operating Activities</b>	330.63	(71.66)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(181.70)	(159.42)
Sale of Fixed Assets	41.88	11.92
Interest Received	11.36	13.77
Purchase of Investment	(1.79)	2.55
<b>Net Cash used in Investing Activities</b>	(130.25)	(131.18)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from /Repayment of Borrowings		
- Short Term	(428.03)	374.49
- Long Term	(158.33)	(154.17)
Proceeds from/Repayment of Unsecured Loans	679.07	(15.08)
<b>Net Cash used in Financing Activities</b>	92.71	205.24
Net (Decrease)/Increase in Cash & Cash equivalents	293.09	2.40
Cash & Cash equivalents at start of the year	110.56	108.16
Cash & Cash equivalents at close of the year	403.65	110.56
Note: Brackets represent cash outflows		

See accompanying notes to the financial statements

As per our report of even date annexed  
For Suresh Kumar Mittal & Co.,  
Chartered Accountants

Reg. No. 500063N

Chairman & Managing Director  
DIN No. 575142 DIN No.

Joint Managing Director  
1347588

Ankur Bagla

Partner

Company Secretary

Chief Financial Officer

Membership No. **521915**

Place: New Delhi

Date : 28-05-19

<b>PASUPATI SPINNING AND WEAVING MILLS LIMITED</b>					
<b>STATEMENT OF CHANGES IN EQUITY</b>					
<b>Particulars</b>	<b>Rs in Lacs</b>				
	<b>Reserves and surplus</b>			<b>Other comprehensive income</b>	<b>Total Other Equity</b>
	<b>Share Premium</b>	<b>Retained Earnings</b>	<b>Capital Reserve</b>		
Balance as of 01.04.2017	866.10	859.94	403.52	2.47	2,132.03
Profit/Loss for the period		60.99			60.99
Other comprehensive income				6.49	6.49
<b>Balance as of 31.03.2018</b>	<b>866.10</b>	<b>920.93</b>	<b>403.52</b>	<b>8.96</b>	<b>2,199.51</b>
Balance as of 01.04.2018	866.10	920.93	403.52	8.96	2,199.51
Profit/Loss for the period		9.94			9.94
Other comprehensive income				38.65	38.65
<b>Balance as of 31.03.2019</b>	<b>866.10</b>	<b>930.87</b>	<b>403.52</b>	<b>47.61</b>	<b>2,248.10</b>

The premium received on allotment of shares are credited in Share Premium.

The accumulated profit/(loss) are carried forward as Retained Earnings.

The receipts of capital nature are credited in Capital Reserve.

The accumulated balance of items that will not be reclassified to profit & loss are carried forward as Other Comprehensive Income.

See Accompanying Notes to the Financial Statements

As per our report of even date annexed

For Suresh Kumar Mittal & Co.,

Chartered Accountants

Reg. No. 500063N

Chairman & Managing Director

DIN No. 575142

Joint Managing Director

DIN No. 1347588

Ankur Bagla

Partner

Membership No. -521915

Place: New Delhi

Date : 28/05/2019

Company Secretary

Chief Financial Officer

# PASUPATI SPINNING AND WEAVING MILLS LIMITED

## Notes to financial statements

### 1 Company Overview

Pasupati Spinning & Weavings Mills Ltd is a public limited company incorporated in India and has its registered office in Haryana, India. The company has interests in Fabrics, Bed Sheets, Acrylic Fiber, Cotton and Polyester Blended Yarns as well as Commodity Trading. The company has evolved into one of the most updated, professionally managed and growth oriented textile companies in India.

### 2 Significant Accounting Policies

#### 2.1 Basis of Preparation of financial statements

##### Compliance with Ind AS

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the 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.

##### Basis of preparation and presentation

The Standalone 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

##### Reporting Presentation Currency

All amounts in the standalone 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 rupee lacs, unless otherwise stated.

#### 2.2 Classification of Assets and Liabilities

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind-AS 1 notified under the Companies (Indian Accounting Standards) Rules, 2015. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, twelve months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities. However certain liabilities such as trade payables and some accruals for employee and other operating costs are part of the working capital used in the Company's normal operating cycle, accordingly classified as current liabilities even if they are due to be settled more than twelve months after the reporting period.

#### 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 sale of products is recognized on accrual basis.

(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.

#### 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

Foreign Currency transaction are initially recorded at the rate of exchange ruling at the date of transaction.

Foreign currency monetary item (assets and liabilities) are restated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Gain and losses, if any, at the year-end in respect of monetary assets and monetary liabilities are recognized in the Statement of Profit and Loss.

Items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of the contract.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit & loss statement. The company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Mark to market losses on such measurement are recognized in the profit & loss statement.

#### 2.6 Borrowing Costs



## PASUPATI SPINNING AND WEAVING MILLS LIMITED

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, exgratia, incentives are recognized in the period during which the employee renders the related service.

#### (ii) Post-Employment Benefits

##### (a) Defined Contribution Plans

##### (b) Defined Benefit Plans

(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 and other applicable tax laws in the countries where the Company operates and generates taxable income.

#### 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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.

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.

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.

#### Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 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. Major shut-down and overhaul expenditure is capitalised if the activities undertaken improves the economic benefits expected to arise from the asset. Cost includes financing cost till the commencement of commercial production, inward freight, duties & taxes, incidental expenses related to acquisition and is net of MODVAT / CENVAT. In respect of major projects involving construction, related pre-operational expenses form part of the value of the assets capitalized.

Expenditure related to and incurred during implementation of capital projects is included under "Capital Work in Progress" or "Project Development Expenditure" as the case may be. The same is allocated on a systematic basis to the respective fixed assets on completion of construction/ erection of the capital project/ fixed assets.

## **PASUPATI SPINNING AND WEAVING MILLS LIMITED**

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.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

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

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 (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

## PASUPATI SPINNING AND WEAVING MILLS LIMITED

Depreciation on amount of additions made to fixed assets on account of foreign exchange fluctuation is provided for over the residual life of the fixed assets.

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.

### 2.10 Intangible Assets

Intangible Assets are stated at cost less accumulated amortization.

### 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 and intangible 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 are valued at lower of cost or market price except for waste. Waste is valued at realizable value. The cost comprises of cost of purchase, cost of conversion and other cost including appropriate production overheads incurred in bringing such inventories to their present location. In case of raw materials and stores & spares the cost is determined using FIFO method.

### 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 Investment in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are shown at cost. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

### 2.15 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.

### 2.16 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.

### 2.17 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.

### 2.18 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.

### 2.19 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.

## PASUPATI SPINNING AND WEAVING MILLS LIMITED

### 2.20 Investments and other financial assets

Financial assets are initially measured on trade date at fair value, plus transaction costs. All recognised financial assets are subsequently measured in their entirety at either amortized cost or at fair value.

#### (a) Classification

The Investments and other financial assets has been classified as per Company's business model for managing the financial assets and the contractual terms of the cash flows.

#### (b) Measurement

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

##### b.1 Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company's classifies its debt instruments:

###### Amortised Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

###### Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

###### Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises.

##### b.2 Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

#### (c) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### (d) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

#### (e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Financial Statements when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### (f) Income recognition

##### Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

### 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

## **PASUPATI SPINNING AND WEAVING MILLS LIMITED**

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 intangible assets and tangible assets. The management of the Company believe that on balance sheet date no impairment indications were existing.

### **3.2 Trade Receivables**

Furthermore, 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 at Balance Sheet date. Such estimates are inherently imprecise and there may be additional information about one or more debtors that the management are not aware of, which could significantly affect their estimations.

## PASUPATI SPINNING AND WEAVING MILLS LIMITED

### 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.

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

<b>4. PROPERTY, PLANT and EQUIPMENTS</b>	<b>Rs in Lacs</b>							
Particulars	Land - Freehold	Land - Leasehold	Buildings	Plant & Machinery	Furniture & Fixtures	Factory & Office Equipments	Vehicles	Total
<b>Gross Carrying Value as on 01.04.2017</b>	<b>47.93</b>	<b>18.03</b>	<b>2,562.41</b>	<b>17,878.36</b>	<b>69.57</b>	<b>199.82</b>	<b>261.78</b>	<b>21,037.90</b>
Addition	-	-	-	148.18	0.13	4.08	7.03	159.42
Deletions	-	-	-	790.07	-	-	14.39	804.46
<b>Gross Carrying Value as on 31.03.2018</b>	<b>47.93</b>	<b>18.03</b>	<b>2,562.41</b>	<b>17,236.47</b>	<b>69.70</b>	<b>203.90</b>	<b>254.42</b>	<b>20,392.86</b>
<b>Accumulated Depreciation as on 01.04.2018</b>	<b>-</b>	<b>1.80</b>	<b>1,770.93</b>	<b>14,780.00</b>	<b>63.48</b>	<b>171.10</b>	<b>120.98</b>	<b>16,908.29</b>
Depreciation for the period	-	0.45	73.51	257.88	0.46	9.22	21.84	363.36
Deductions/Adjustments	-	-	-	756.15	-	-	13.67	769.82
<b>Accumulated Depreciation as on 31.03.2018</b>	<b>-</b>	<b>2.25</b>	<b>1,844.44</b>	<b>14,281.73</b>	<b>63.94</b>	<b>180.32</b>	<b>129.15</b>	<b>16,501.83</b>
<b>Carrying Value as on 31.03.2018</b>	<b>47.93</b>	<b>15.78</b>	<b>717.97</b>	<b>2,954.74</b>	<b>5.76</b>	<b>23.58</b>	<b>125.27</b>	<b>3,891.03</b>
<b>Gross Carrying Value as on 01.04.2018</b>	<b>47.93</b>	<b>18.03</b>	<b>2,562.41</b>	<b>17,236.47</b>	<b>69.70</b>	<b>203.90</b>	<b>254.42</b>	<b>20,392.86</b>
Addition	-	-	-	117.84	15.35	2.47	7.01	142.67
Deletions	-	-	-	92.02	-	-	25.17	117.19
<b>Gross Carrying Value as on 31.03.2019</b>	<b>47.93</b>	<b>18.03</b>	<b>2,562.41</b>	<b>17,262.29</b>	<b>85.05</b>	<b>206.37</b>	<b>236.26</b>	<b>20,418.34</b>
<b>Accumulated Depreciation as on 01.04.2019</b>	<b>-</b>	<b>2.25</b>	<b>1,844.44</b>	<b>14,281.73</b>	<b>63.94</b>	<b>180.32</b>	<b>129.15</b>	<b>16,501.83</b>
Depreciation for the period	-	0.45	73.51	259.39	1.09	6.93	22.78	364.15
Deductions/Adjustments	-	-	-	7.88	-	-	23.93	31.81
<b>Accumulated Depreciation as on 31.03.2019</b>	<b>-</b>	<b>2.70</b>	<b>1,917.95</b>	<b>14,533.24</b>	<b>65.03</b>	<b>187.25</b>	<b>128.00</b>	<b>16,834.17</b>
<b>Carrying Value as on 31.03.2019</b>	<b>47.93</b>	<b>15.33</b>	<b>644.46</b>	<b>2,729.05</b>	<b>20.02</b>	<b>19.12</b>	<b>108.26</b>	<b>3,584.17</b>

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**5 NON CURRENT INVESTMENTS**

Particulars	No. of Shares		Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
<b>Investments carried at fair value through profit and loss</b>				
<b>Quoted - Trade (Equity Shares of Rs. 10 each)</b>				
Amit Spinning Industries Limited	100	100	0.02	0.02
Global Syntex (Bhilwara) Limited*	-	9,900	-	1.09
G.T.N. Industries Limited*	-	100	-	0.18
Malwa Cotton Spinning Mills Limited*	-	50	-	0.16
Sanghi Polyesters Limited*	-	200	-	0.07
<b>Quoted - Non Trade (Equity Shares of Rs. 10 each)</b>				
Pasupati Fincap Limited	70,000	70,000	7.00	7.00
<b>Unquoted - Non Trade (Equity Shares of Rs. 10 each)</b>				
India Comm Directories Limited*	-	50	-	0.01
Shivalik Solid Waste Management Ltd.	20,000	20,000	2.00	2.00
			9.02	10.53
Less: Provison for Diminution in value of investments			2.52	5.82
<b>Total</b>			<b>6.50</b>	<b>4.71</b>
Aggregate value of quoted investments			7.02	8.52
Aggregate value of unquoted investments			2.00	2.01
Total			9.02	10.53
Market value fo quoted investments			2.80	2.85

\* Written off

**6 OTHER NON-CURRENT FINANCIAL ASSETS**

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Post office Balance due after one year of Balance Sheet date (Held as margin/security)	1.66	1.66
<b>Total</b>	<b>1.66</b>	<b>1.66</b>

**7 OTHER NON CURRENT ASSETS**

(Unsecured-considered good)

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Security Deposits	177.49	102.24
Capital Advances	2.50	11.00
<b>Total</b>	<b>179.99</b>	<b>113.24</b>

**8 INVENTORIES**

(As taken, valued and certified by the management)

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Raw Materials	35.09	58.98
Work in progress	1,169.51	1,004.65
Finished Goods *	1,900.90	1,694.61
Waste	7.77	6.68
Stores & Spares	280.47	249.40
<b>Total</b>	<b>3,393.74</b>	<b>3,014.32</b>

\*including in transit Rs. 40.60 Lacs (Previous year Rs. 192.91 Lacs)

**9 CURRENT INVESTMENTS**

Particulars	No. of Shares		Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018



**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

<b>Quoted - Non Trade (Equity Shares of Rs. 10 each)</b> Srishti Video Corp. Limited*	-	240,000	-	20.08
			-	20.08
Less: Provison for Diminution in value of investments			-	20.08
<b>Total</b>			-	-

\* Written off

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**10 TRADE RECEIVABLES**

(Unsecured-considered good except to the extent provided)

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Considered good - secured	-	-
Considered good - unsecured	2,093.56	2,527.15
Having significant increase in credit risk	536.84	481.15
Credit impaired	-	-
<b>Total</b>	<b>2,630.40</b>	<b>3,008.30</b>
Less: Provision for Doubtful Debts	12.90	22.31
	<b>2,617.50</b>	<b>2,985.99</b>

**11 CASH & CASH EQUIVALENTS**

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Balances with banks in current accounts	42.96	25.71
Cheques/drafts in hand	350.64	72.50
Cash in hand	10.05	12.35
<b>Total</b>	<b>403.65</b>	<b>110.56</b>

**12 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Fixed deposits with banks due within one year of Balance Sheet date (Held as margin/security)	193.10	182.54
Interest accrued on above	13.30	19.49
<b>Total</b>	<b>206.40</b>	<b>202.03</b>

**13 CURRENT TAX ASSETS**

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Advance Income Tax (including Tax Deducted at Source)	30.29	26.95
MAT Credit Entitlement	59.15	35.54
<b>Total</b>	<b>89.44</b>	<b>62.49</b>

**14 OTHER CURRENT ASSETS**

(Unsecured-considered good except to the extent provided)

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Advances recoverable in cash or in kind or for value to be received	212.28	345.78
Export Incentive Receivable	87.71	109.43
GST/Sales Tax/VAT/Excise Recoverable	176.99	211.45
Others Recoverable	78.45	66.44
<b>Total</b>	<b>555.43</b>	<b>733.10</b>
Less: Provision for Doubtful advances	-	129.60
	<b>555.43</b>	<b>603.50</b>

**15 ASSETS HELD FOR SALE**

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Gross carrying value as on the first day of the period	549.02	-
Additions	-	790.06
Deletions	549.02	241.04
Gross carrying value as on the last day of the period	-	549.02

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

Accumulated depreciation as on the first day of the period	525.45	-
Additions	-	756.15
Deletions	525.45	230.70
Accumulated depreciation as on the last day of the period	-	525.45
Net Carrying value	-	23.57

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**16 SHARE CAPITAL**

a) Authorised

Particulars	No. of Shares		Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
<b>Equity Shares of Rs. 10 each</b>				
At the beginning of the year	12,100,000	12,100,000	1,210.00	1,210.00
Add: Additions during the year	-	-	-	-
Less: Reduction during the year	-	-	-	-
At the end of the year	<b>12,100,000</b>	<b>12,100,000</b>	<b>1,210.00</b>	<b>1,210.00</b>

b) Issued, Subscribed and Paid up

Particulars	No. of Shares		Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
<b>Equity Shares of Rs. 10 each fully paid up</b>				
At the beginning of the year	9,337,068	9,337,068	933.71	933.71
Add: Additions during the year	-	-	-	-
Less: Reduction during the year	-	-	-	-
At the end of the year	<b>9,337,068</b>	<b>9,337,068</b>	<b>933.71</b>	<b>933.71</b>

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

Name of the Shareholder	No. of Shares		% of Holding	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Pasupati Olefin Limited	4,068,428	4,068,428	43.57%	43.57%
Sulabh Impex Limited	1,777,354	1,777,354	19.04%	19.04%
J M Financial Asset Reconstruction Co. Pvt. Ltd	1,000,000	1,000,000	10.71%	10.71%
Mrs. Vrinda Jain	714,052	714,052	7.65%	7.65%

**17 LONG TERM BORROWINGS**

(Secured)

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
From Banks		
Term Loan	39.27	177.02
Vehicle Loans	55.24	75.82
Sub-Total	94.51	252.84
Less: Transferred to Current maturity	51.80	165.86
<b>Total</b>	<b>42.71</b>	<b>86.98</b>

Notes: -

i) Term loan are secured on pari-passu basis by way of joint equitable mortgage of fixed assets of the company alongwith personal guarantee of the chairman & managing director (CMD).

ii) Vehicle loans are secured against hypothecation of vehicle financed out of the loan amount.

iii) The above loans are repayable as follows:

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Payable after 1 year	19.24	50.11
Payable after 2 years	10.64	17.88
Payable after 3 years	11.72	9.13
Payable after 4 years	1.33	10.03
Payable after 5 years	-	0.72

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

Unamortised Upfront fees	(0.22)	(0.89)
<b>Total</b>	<b>42.71</b>	<b>86.98</b>

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**18 OTHER NON-CURRENT FINANCIAL LIABILITIES**

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Unsecured Loans from Companies	704.22	636.73
Less: Transferred to current maturity	418.98	251.70
<b>Total</b>	<b>285.24</b>	<b>385.03</b>

The above loans are repayable as follows:

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Payable after 1 year	167.28	167.28
Payable after 2 years	167.28	167.28
Payable after 3 years	82.87	167.28
Payable after 4 years	-	82.87
Amortisation adjustment as per Ind AS	(132.19)	(199.68)
<b>Total</b>	<b>285.24</b>	<b>385.03</b>

**19 NON CURRENT PROVISIONS**

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Provisions for Employee Benefits	76.87	91.34
<b>Total</b>	<b>76.87</b>	<b>91.34</b>

**20 DEFERRED TAX LIABILITIES (NET)**

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
<b>A) Deferred Tax liability</b>		
Fixed Assets	502.13	549.09
Others	36.84	55.80
<b>Total (A)</b>	<b>538.97</b>	<b>604.89</b>
<b>B) Deferred Tax Assets</b>		
Carry forward loss	288.54	358.85
43B items	11.91	18.28
Provisions not allowable under I.T.Act	36.88	54.18
<b>Total (B)</b>	<b>337.33</b>	<b>431.31</b>
<b>Net Deferred Tax Liability (A-B)</b>	<b>201.64</b>	<b>173.58</b>

Deferred tax assets in respect of amount disputed in appeals has not been considered.

**21 OTHER NON CURRENT LIABILITIES**

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Security Deposits	0.20	0.20
<b>Total</b>	<b>0.20</b>	<b>0.20</b>

**22 SHORT TERM BORROWINGS**

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
<b>Secured</b>		
Loans repayable on Demand		
-From Banks	3,458.06	3,886.08

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

<b>Unsecured</b>		
Inter Corporate loan	647.90	36.33
<b>Total (A+B)</b>	<b>4,105.96</b>	<b>3,922.41</b>

## PASUPATI SPINNING AND WEAVING MILLS LIMITED

Secured loans are secured against hypothecation of raw materials, finished goods, semi-finished goods, stores and spare parts, book debts, etc. together with second charge on all immovable/movable fixed assets of the company both present and future alongwith personal guarantee of CMD and two outsiders. The loans are further secured against pledge of 699115 equity shares of the company held by promoters/associates

### 23 TRADE PAYABLES

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Total outstanding dues of Micro, Small and Medium Enterprises	0.64	-
Others	1,704.21	1,619.48
<b>Total</b>	<b>1,704.85</b>	<b>1,619.48</b>

The information regarding suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 has been provided to the extent suppliers have been identified as registered under the said Act on the basis of information received from them. The amount outstanding is towards principal amount as payments have been made by the appointed date and hence no interest has been paid or is payable.

### 24 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Current Maturities of Long Term Borrowings	51.80	165.86
Current Maturities of Unsecured Loans from	418.98	251.70
<b>Total</b>	<b>470.78</b>	<b>417.56</b>

\*The company has given an undertaking to lenders not to repay any loan/deposit received from the Directors/Client/Relatives as unsecured loan during the currency of Bank's finance.

### 25 OTHER CURRENT LIABILITIES

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Advance from Customers	200.62	262.11
Other Payables	744.85	842.95
<b>Total</b>	<b>945.47</b>	<b>1,105.06</b>

No unclaimed amounts were outstanding to be credited to investor education & protection fund.

### 26 CURRENT PROVISIONS

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Provisions for Employee Benefits	40.26	61.85
<b>Total</b>	<b>40.26</b>	<b>61.85</b>

### 27 CURRENT TAX LIABILITIES

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Provision for Income Tax	21.72	16.39
<b>Total</b>	<b>21.72</b>	<b>16.39</b>

### 28 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

Particulars	Rs in Lacs	
	As at 31.03.2019	As at 31.03.2018
Contingent Liabilities & Commitments		
A. Contingent Liabilities		
Bank Guarantees	61.96	61.96
Claims not acknowledged as debts	144.97	144.97
Excise Duty demands disputed by the Company	94.19	94.19



**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

Sales Tax demands disputed by the company	45.71	45.71
Service Tax demands disputed by the company	2.29	2.29
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	17.60	745.46

- 29** In the opinion of the board the assets other than property, plant & equipments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**30 REVENUE FROM OPERATIONS**

Particulars	Rs in Lacs	
	For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
Gross Sales of Products*		
Sewing Thread	8,740.03	9,860.15
Fabrics	32.15	51.42
Garments	1,856.37	1,452.58
Others	41.65	40.78
	10,670.20	11,404.93
Less: Rebate & Discount	25.44	48.06
Less: Freight & Forwarding	323.67	380.30
	10,321.09	10,976.57
Job Work Income	945.08	923.42
<b>Total</b>	<b>11,266.17</b>	<b>11,899.99</b>

\*Sales include Export Incentives

**31 OTHER INCOME**

Particulars	Rs in Lacs	
	For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
Interest	11.36	13.77
Claims Received	4.66	17.07
Miscellaneous Receipts & Income	89.58	180.86
Excess Provisions/Sundry balances written back	183.37	36.24
Provision for Bad Debts Written back	9.41	-
Profit on sale of fixed assets (Net)	-	0.86
Profit on accretion in value of investments	3.30	-
<b>Total</b>	<b>301.68</b>	<b>248.80</b>

**32 COST OF MATERIALS CONSUMED**

Particulars	Rs in Lacs	
	For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
At the beginning of the period	58.98	52.37
Add: Purchases during the period	4,253.02	4,194.89
Less: Consumption during the period	4,276.91	4,188.28
At the end of the period	35.09	58.98

**33 CHANGES IN INVENTORIES**

Particulars	Rs in Lacs	
	For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
Closing Stock		
Finished Goods	1,900.90	1,694.61
Work in Progress	1,169.51	1,004.65
Waste	7.77	6.68
	3,078.18	2,705.94
Opening Stock		
Finished Goods	1,694.61	1,803.64
Work in Progress	1,004.65	1,002.43
Waste	6.68	7.21
	2,705.94	2,813.28
(Increase)/Decrease in stocks	<b>(372.24)</b>	<b>107.34</b>

**34** The company(Pasupati) has w.e.f. 1.4.2013 entered into joint venture with Star Cotspin Limited(Star) for the purpose of getting cotton yarn manufactured on job work basis from any outside party for sale. As per terms of joint venture agreement dated 1.4.2013, the profit sharing ratio between Star and Pasupati is 75:25 respectively. All the income, expenses, assets and liabilities of joint venture operations are included in the accounts of Pasupati as per the terms of joint venture agreement and amount of share of profit of Star Rs. 4.07 Lacs (previous year (-) Rs.1.55 Lacs) for the year has been adjusted in the accounts of Pasupati, the details of which are as under: -

Particulars	Rs in Lacs	
	For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
Other Income	6.51	-
Total Income	6.51	-
Other Expenses	1.08	2.06
Total Expenses	1.08	2.06

PASUPATI SPINNING AND WEAVING MILLS LIMITED

Profit for the year	5.43	(2.06)
Share of profit of Star @ 75%	4.07	(1.55)

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

The assets and liabilities of the joint venture at the year end included in the assets and liabilities of Pasuapti are as under: -

Particulars	Rs in Lacs			
	As at 31.03.2019		As at 31.03.2018	
PASUPATI'S CONTRIBUTION		256.71		254.36
CURRENT LIABILITIES				
Short-Term Borrowings	12.54		12.45	
Trade Payables	30.84		37.18	
Other Current Liabilities	0.39	43.77	0.57	50.20
		300.48		304.56
CURRENT ASSETS				
Inventories	172.16		172.16	
Trade Receivables	2.15		2.15	
Short Term Loans & Advances*	126.17	300.48	130.25	304.56
		300.48		304.56

\* Includes Rs.123.93 Lacs (Previous year Rs. 128.00 Lacs) due from Star

Note: - The operations were temporarily suspended from 16.08.2016 as premises of the party doing job work was sealed. The company has initiated legal action for release of its material lying in the premises. The management is of the opinion that the amounts are recoverable and no provision for any loss is required to be made in these accounts.

**35 EMPLOYEE BENEFITS EXPENSE**

Particulars	Rs in Lacs	
	For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
Salaries & Wages	2,017.76	1,974.34
Gratuity	14.37	26.28
Contribution to Provident & Other Funds	58.61	57.43
Staff Welfare Expenses	31.58	32.08
<b>Total</b>	<b>2,122.32</b>	<b>2,090.13</b>

**EMPLOYEE POST RETIREMENT BENEFITS**

Particulars	Rs in Lacs	
	For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
a) State Plans		
Contribution made by the company to various state plans which have been recognized as an expense in the profit & loss statement are: -		
Employer's contribution to Employees State Insurance Scheme	14.96	15.95
Employer's contribution to Employees Provident Fund	43.65	41.48
b) Defined Benefit Plan		
The present value of obligation on account of gratuity (unfunded) is determined based on actuarial valuation		
<b>I. Assumptions</b>		
Discount Rate	7.75%	6.95%
Rate of increase in Compensation	5.00%	7.00%
<b>II. Table showing Changes in Present Value of Obligations during the period</b>		
Present Value of Obligation as at the beginning of the period	153.20	138.83
Interest cost	11.86	9.64
Current Service Cost	14.37	26.11
Past Service Cost	-	0.17
Benefit paid	(8.76)	(11.85)
Actuarial (gain) / loss on obligations	(53.54)	(9.70)
Present Value of Obligation as at the end of the period	117.13	153.20
<b>III. Table showing Fair Value of Plan Assets</b>		
Funded Status	(117.13)	(153.20)
<b>IV. Actuarial gain / loss recognized for the period</b>		
Actuarial gain / (loss) for the period – Obligation	53.54	9.70
Total (gain) / loss for the period	(53.54)	(9.70)
Actuarial (gain) / loss recognized in the period	(53.54)	(9.70)
<b>V. The amounts to be recognized in Balance Sheet and statements of profit and loss</b>		
Present Value of Obligation as at the end of the period	117.13	153.20
Funded Status	(117.13)	(153.20)
Net Liability Recognized in Balance sheet	117.13	153.20
<b>VI. Expense recognized in the statement of profit and loss for the period</b>		
Current Service Cost	14.37	26.11

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

Past Service Cost	-	0.17
Interest cost	11.86	9.64
Net actuarial (gain) / loss recognized in the period	(53.54)	(9.70)
Expenses Recognized in the statement of Profit & Loss	(27.31)	26.22

Notes: -

- i) The above information is certified by the actuary
- ii) As per rules of the company leaves are not encashed

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**36 FINANCE COSTS**

Particulars	Rs in Lacs	
	For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
Interest Expense	522.75	558.12
Bank and Finance Charges	89.04	130.19
<b>Total</b>	<b>611.79</b>	<b>688.31</b>

**37 DEPRECIATION & AMORTISATION EXPENSE**

Particulars	Rs in Lacs	
	For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
Depreciation	364.15	363.36
<b>Total</b>	<b>364.15</b>	<b>363.36</b>

**38 OTHER EXPENSES**

Particulars	Rs in Lacs	
	For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
Consumption of Stores, Spare and Packing Materials	1,193.48	1,365.30
Power & Fuel	1,945.41	2,000.72
Job Work expenses	571.96	518.29
Rent	63.30	78.19
Repairs to Buildings	11.54	10.67
Repairs to Machinery	10.37	7.77
Insurance	15.20	16.67
Rates & Taxes	18.77	20.97
Travelling & Conveyance	107.13	129.87
Professional & Consultancy Charges	20.30	14.95
Other Selling Expenses	262.71	253.43
Charity & Donation	0.52	0.70
Exchange Rate Difference (Net)	5.32	3.73
Claims Paid/Written off	8.40	0.91
Bad debts/Advances provided/written off (net of provisions of Rs. 129.60 lacs previous year nil)	4.88	21.10
Investments Written off	1.51	-
Loss on Diminution in value of investments	-	2.55
Loss on Sale of Fixed Assets	67.07	-
Miscellaneous Expenses*	205.48	218.69
Prior period Expenses	0.61	3.57
<b>Total</b>	<b>4,513.96</b>	<b>4,668.08</b>

\* Includes Auditors' Remuneration

Particulars	Rs in Lacs	
	For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
As Audit Fees	4.88	4.88
As Quarterly Review Fees	3.66	3.66
As Tax Audit Fees	-	1.22
In Other Capacity	0.10	0.16

**39 EARNING PER SHARE (EPS)**

Particulars	Rs. in lacs except EPS	
	For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
<b>Basic and Diluted Earnings Per Share</b>		
Profit/(Loss) after tax as per profit & loss account (A)	9.94	60.99
No. of equity shares (B)	9,337,068	9,337,068
Basic and Diluted Earning Per Share (A/B)	0.11	0.65

40 In earlier years, the company had received compensation of Rs.6160713 on acquisition of part of its factory land at Dharuhera. Representation has been made before Sub Divisional Magistrate, Gurgaon cum competent authority(LA) of National Highway Authority of India for payment of compensation at a higher rate. Additional compensation of Rs. 61464287demanded in the representation will be accounted for as and when received.

**41 Related Party Disclosure:**

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

Names of related parties and description of relationship

i) Key Management Personnel and their relatives

Shri Ramesh Kumar Jain - CMD

Shri Vidit Jain - JMD

Shri Jitender Malik, WTD (ceased to be a director from 01.10.2017)

Shri C. M. Sharma , WTD (from 1.10.2017)

Smt. Vrinda Jain , Director (ceased to be a director from 14.02.2019)

Shri Praveen Paliwal, Director (ceased to be a director from 16.03.2019)

Shri Ghanshyam Das Gupta, Director

Shri Ashwani Kumar Rathore, Director

Shri Anil Gupta, Director (ceased to be a director from 08.11.2018)

Shri Umesh C. Tripathi (w.e.f. 14.02.2019)

Shri A.K. Monga, CFO

Shri Abhinav Tyagi, Company Secretary (w.e.f. 29.05.2018)

Smt. Rekha Sharma, Company Secretary (ceased to be company secretary w.e.f. 25.03.2018)

ii) Associate

Shivani Textiles Limited

Pasupati Olefin Limited

Sulabh Impex Limited

Particulars	Rs. in lacs except EPS		
	Key Management Personnel and Relatives	Associate	Total
Remuneration paid	24.47 (21.64)	- (-)	24.47 (21.64)
Sitting Fee paid	0.70 (0.90)	- (-)	0.70 (0.90)
Rent paid	- (5.52)	- (7.92)	- (13.44)
Purchases	- (-)	- (0.90)	- (0.90)
Sales	- (-)	15.24 (40.47)	15.24 (40.47)
Job Work Charges paid	- (-)	399.54 (275.38)	399.54 (275.38)
Loans received	- (-)	611.57 (23.78)	611.57 (23.78)
Balance outstanding at the end of year			
Loans Outstanding	- (-)	925.23 (246.16)	925.23 (246.16)
Amount Payable	13.34 (-)	47.65 (-)	60.99 (-)
Amount Receivable	- (-)	- (198.95)	- (198.95)

Note: - Previous year figures have been given in brackets.

42 The company's business activity falls within a single primary reportable segment viz. Textiles and Textile Articles. Accordingly, pursuant to Ind AS 108 "Operating Segments" issued by the Institute of Chartered Accountants of India segmental information is not required to be given

**43 MANAGERIAL REMUNERATION**

Particulars	Rs. in lacs except EPS	
	For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
Salary	14.27	13.21
Contribution to Provident and Other Funds	0.86	0.86
Other Benefits	9.34	7.57

Note : Sh. Ramesh Kumar Jain, Chairman & Managing Director has not been paid salary w.e.f. 1.4.2011. Other benefits are being paid.

44 In view of the accumulated losses incurred by the company exceeding its net worth, the company made a reference under Section 15(1) of Sick Industrial Companies (Special provisions) Act, 1985 to the Board for Industrial and Financial Reconstruction (BIFR). The company was declared a sick Industrial company within the meaning of section 3(1)(o) of the said Act by BIFR on 14.7.2005 and Bank of Baroda was appointed as the operating agency (OA) to

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

examine viability of the company and formulate rehabilitation scheme. The OA filed a draft rehabilitation scheme with BIFR which was approved by BIFR vide its order dated 17.2.2012. The company has substantially implemented the scheme sanctioned by BIFR and taken credit for relief and concessions granted by BIFR in the accounts resulting in positive net worth. Application for de-registration has been made to BIFR/NCLT.

45 Balance of sundry creditors, sundry debtors, investments and loans and advances are subject to confirmation and reconciliation

46 Previous year figures have been regrouped and / or re-arranged wherever considered necessary

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

Class of Goods	For the period 01.04.2018 to 31.03.2019		For the period 01.04.2017 to 31.03.2018	
	%	Rs. in lacs except EPS	%	Rs. in lacs except EPS
Raw Materials				
Imported	0.17%	7.13	0.53%	22.12
Indigenous	99.83%	4,269.78	99.47%	4,166.16
Total	100.00%	4,276.91	100.00%	4,188.28
Stores, Dyes & Packing materials				
Imported	6.89%	82.26	11.93%	162.94
Indigenous	93.11%	1,111.22	88.07%	1,202.36
Total	100.00%	1,193.48	100.00%	1,365.30



**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**48 OTHER INFORMATIONS**

Particulars	Rs. in lacs except EPS	
	For the period 01.04.2018 to 31.03.2019	For the period 01.04.2017 to 31.03.2018
C.I.F. value of Imports		
Capital Goods	-	5.49
Raw Materials	-	16.76
Stores & Spares	61.03	169.08
Expenditure in foreign currency		
Travelling (does not include cost of air tickets)	0.93	3.25
Commission & Brokerage	67.31	48.24
Earnings in Foreign currency		
FOB Value of Exports (Does not include export through merchant exporters)	3,201.93	3,515.44

As per our report of even date annexed

For Suresh Kumar Mittal & Co.,

Chartered Accountants

Reg. No. 500063N

Chairman & Managing Director

DIN No. 00575142

Joint Managing Director

DIN No. 01347588

Ankur Bagla

Partner

Membership No. 521915

Place: New Delhi

Date : 28/05/2019

Company Secretary

Chief Financial Officer

**PASUPATI SPINNING & WEAVING MILLS LTD.**

Regd Office & Works: Village Kapriwas (Dharuhera) Distt. Rewari (Haryana)  
 Head Office: 127-128 , Tribhuvan Complex, Ishwar Nagar , Mathura Road, New Delhi-110065  
 Website-www.pasupatitextiles.com, Email-ho@pasupatitextiles.com Ph: 011--47632200  
 CIN- L74900HR1979PLC009789

**PROXY FORM**

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

CIN:	L74900HR1979PLC009789
Name of the company:	Pasupati Spinning & Weaving Mills Limited
Registered office:	Village Kapriwas (Dharuhera) Distt. Rewari, Haryana

Name of the member (s):	
Registered address:	
E-mail Id:	
Folio No*	
Client Id:	
DP ID:	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: .....

Address: .....

E-mail Id: .....

Signature: ....., ..... or failing him/her

2. Name: .....

Address: .....

E-mail Id: .....

Signature: ....., ..... or failing him/her

3 Name: .....

Address: .....

E-mail Id: .....

Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39<sup>th</sup> Annual general meeting of the company, to be held on Friday, the 27<sup>th</sup> September, 2019, At 10 a.m. at Village Kapriwas (Dharuhera) Rewari, Haryana, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	For	Against
1.	Consideration and adoption of Annual Audited Account & Reports for the Financial Year ended 31st March,2019 Reports of the Board of Directors and the Auditors.		
2.	To appoint a director in place of Mr. CM Sharma (DIN-08047336) who retires who retires by rotation, offers himself for re-appointment. Rotation.		

3.	To ratify the remuneration of the cost auditors.		
4.	To approve the related party transactions.		
5.	To approve the appointment of Mr. Umesh C Tripathi as an Independent Director (Din-08364163).		
6.	To approve the appointment of Mr. Ban Mali Khemka as an Independent Director (Din-01495511).		
7.	To approve the appointment of Ms. Reema Kalhan as an Independent Director (Din-08499949).		
8.	Reappointment of Mr. GD Gupta as an Independent Director(Din-03599365)		
9.	Reappointment of Mr. Ashwani Kumar Rathore as an Independent Director(Din-01347415)		

Signed this ----- day of ----- 2019

Signature of shareholder----- Signature of

Proxy Holder(s) -----

Affix Revenue Stamp of Rs. 1/-
---

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**Notes:**

\* 1. Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

2. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.

3. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

**ATTENDENCE SLIP**

**PASUPATI SPINNING & WEAVING MILLS LTD. CIN L74900HR1979PLC009789**

**Regd. Office & Works: Village Kapriwas (Dharuhera) Distt. Rewari (Haryana)**

**Head Office: 127-128 , Tribhuvan Complex, Ishwar Nagar , Mathura Road, New Delhi-110065**

**Tel: 011-47632200, Website: [www.pasupatitextiles.com](http://www.pasupatitextiles.com)**

**E-mail:[abhinav.tyagi@pasupatitextiles.com](mailto:abhinav.tyagi@pasupatitextiles.com)**

I hereby record my presence at the 39<sup>th</sup> Annual General Meeting being held on Friday, the 27<sup>th</sup> September, 2019 at 10.00 AM at Village Kapriwas (Dharuhera), Distt. Rewari, Haryana.

Name of the Shareholder-----

(In block letters)

Folio No./ DPID\* No. and Client I D No.\* -----

No. of shares held -----

-----  
(Signature of the shareholder/ Proxy)

\*Applicable for Members holding shares in electronic form. Note:-

1 Member/Proxyholder desiring to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.

2. Member/Proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for Reference at the meeting.