

MINUTES OF THE EXTRA ORDINARY GENERAL MEETING OF MEMBERS OF M/S. PASUPATI ACRYLON LIMITED HELD ON MONDAY, THE 31ST MARCH, 2014 AT THE REGISTERED OFFICE OF THE COMPANY AT THAKURDWARA, KASHIPUR ROAD, DISTT. MORADABAD (UP) AT 12.00 NOON.

QUORUM

- | | | |
|----|--------------------|----------------------------------------|
| 1* | Shri Vineet Jain | Managing Director |
| 2. | Shri Rakesh Mundra | Director (Finance) & Company Secretary |

*Also present as Member

OTHER MEMBERS

| | |
|--------------------------------------|----|
| Total members as per Attendance Slip | 39 |
| Companies by their representatives | 06 |
| Present by Proxies | 03 |

CHAIRMAN

Shri Vineet Jain, Managing Director and a Member of the Company at the request of the members occupied the chair as Chairman of the Meeting.

QUORUM

The quorum being present the meeting was called to order by the Chairman, thereafter he welcomed the members and introduced Management Personnel's sitting on the dais.

Before I take up formal agenda, I would like to inform that Company has received three Proxy for 156.93 lacs shares comprising 17.56% of total paid-up share capital and 6 representations from Companies for 310 lacs shares representing 34.78% of total paid-up share capital. Total for 466.93 lacs shares representing 52.34% of Share capital.

He informed that the Register of Directors, their shareholdings and all other relevant documents/Register(s) which are required for inspection are available for inspection of the Members.

He also informed that register of proxy and representation register were open for inspection of the Members.

NOTICE OF THE MEETING

With the consent of the members present, the notice convening the Extra Ordinary General Meeting was taken as read. Thereafter the chairman proceeded with the Agenda.

The quorum is present.



SPECIAL RESOLUTION

The Chairman came to the first item of the Notice which is a Special Resolution for payment of remuneration to Shri Vineet Jain, Managing Director of the Company.

RESOLVED THAT pursuant to the provisions of Sections 198, 309, 311, 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications, amendments or re-enactments thereto for the time being in force) (hereinafter referred to as "the Act"), and subject to any such approvals as may be required, consent and approval of the Shareholders be and is hereby accorded to revise, amend, alter the remuneration payable to Mr. Vineet Jain, Managing Director of the Company with effect from 1.10.2012 to 30.09.2014.

RESOLVED FURTHER THAT the Board of Directors of the Company (on the recommendations of the Remuneration Committee) be and are hereby authorized to revise, amend, alter the remuneration payable to Mr. Vineet Jain, Managing Director in such manner as may be permissible in accordance with the provisions of the Act, and Schedule XIII or any modification or enactment thereto and subject to the approval of Central Government, if required, and as may be agreed to by and between the Board of Directors and Mr Vineet Jain, without any further reference to the shareholders in general meeting.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year during the term of office of Mr Vineet Jain as Managing Director, he shall be paid the remuneration, allowances and perquisites as set out in the Explanatory Statement, as the Minimum Remuneration with and in accordance with the approval of the Central Government, if required.


Proposed by : Mr. Deep Kumar
Seconded by : Mr. .S. Yadav

The resolution was carried unanimously on show of hands.

VOTE OF THANKS

The meeting terminated with a vote of thanks to the Chair.

Proposed by : Mr. Deep Kumar
Seconded by : Dr. N K Sankhla



CHAIRMAN



PASUPATI ACRYLON LTD.

NOTICE

NOTICE is hereby given that an Extra-Ordinary General Meeting of the Members of PASUPATI ACRYLON LIMITED will be held on Monday, the 31st March, 2014 at 12:00 Noon at the Company's Registered office at Kashipur Road, Thakurdwara, Distt. Moradabad, U.P to transact the following business:-

SPECIAL BUSINESS

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

1. As a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 198, 309, 311, 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications, amendments or re-enactments thereto for the time being in force) (hereinafter referred to as "the Act"), and subject to any such approvals as may be required, consent and approval of the Shareholders be and is hereby accorded to revise, amend, alter the remuneration payable to Mr. Vineet Jain, Managing Director of the Company with effect from 1.10.2012 to 30.09.2014.

RESOLVED FURTHER THAT the Board of Directors of the Company (on the recommendations of the Remuneration Committee) be and are hereby authorized to revise, amend, alter the remuneration payable to Mr. Vineet Jain, Managing Director in such manner as may be permissible in accordance with the provisions of the Act, and Schedule XIII or any modification or enactment thereto and subject to the approval of Central Government, if required, and as may be agreed to by and between the Board of Directors and Mr Vineet Jain, without any further reference to the shareholders in general meeting.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year during the term of office of Mr Vineet Jain as Managing Director, he shall be paid the remuneration, allowances and perquisites as set out in the Explanatory Statement, as the Minimum Remuneration with and in accordance with the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all actions and steps expedient or desirable to give effect to this resolution in conformity with the provisions of the Act as may be prevailing."

RESOLVED FURTHER that Shri Rakesh Mundra, Company Secretary be and is hereby authorized to file an application / other documents with Company Law Board or any other authorities and do all needful in this regards on behalf of the company.

By Order of the Board
For Pasupati Acrylon Ltd.

Rakesh Mundra
Company Secretary

Place: New Delhi
Date : 14.02.2014

NOTES:

1. An Explanatory Statement pursuant to relevant provisions of the Act in respect of Special Business set out in the Notice and the relevant details pursuant to the provisions of Clause 49 of the Listing Agreements executed with Stock Exchanges are annexed hereto.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. Proxy in order to be effective must be deposited at the Registered Office or Corporate Office of the Company not less than forty eight (48) hours before the commencement of the meeting. A blank proxy form is annexed herewith.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Members are informed that in the case of joint holder(s) attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. For convenience and proper conduct of the meeting, the Members are requested to bring their attendance slip, which is annexed to this Notice, duly completed and signed and hand it over at the entrance of the meeting venue.
6. The documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered/Corporate Office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of meeting and will also be available for inspection at the meeting.
7. The members/proxies are welcome at the meeting. However, please note that no gift will be distributed at the meeting.



Explanatory Statement pursuant to relevant provisions of the Act

Item No.1

With the approval of the shareholders by an ordinary resolution passed at AGM held on 16.01.2010, Mr. Vineet Jain was appointed as Managing Director of the Company for a period of five years from 1.10.2009 to 30.09.2014 and the revised remuneration was also approved for a period of five years from 1.10.2009 to 30.09.2014 subject to approval of Central Government. The Central Government on an application by the Company approved the remuneration for a period of 3 years i.e. from 1.10.2009 to 30.09.2012 vide letter No.A-78582277-CL.VII dated 9.08.2010. On expiry of said three years on 30.09.2012, the company made another application to Central Government for approval of remuneration for a period of remaining two years i.e. w.e.f. 1.10.2012 to 30.09.2014 but the Central Government vide its letter No.SRN B76454974/2013-CL-VII dated 27.12.13 turned down the company's request for the reason that resolution was not carried as a "Special Resolution". Company submitted that the resolution passed was "unanimous" and present application is an extension of earlier sanction but Central Government still insisted for a special resolution.

I. Remuneration

1. Salary:

Rs.2,00,000/- (Rupees Two lac) per month.

2. Allowances and Perquisites:

- (i) House Rent Allowance : 60% of Salary per month.
- (ii) Medical Allowance : Rs.15,000/- per annum
- (iii) Leave Travel Assistance : Rs.1,00,000/- per annum.
- (iv) Depreciation on furniture : As per Income Tax Rules.
- (v) Personal Accident Premium : For a maximum of Rs.7,500/- per annum
- (vi) Medical Insurance Premium : For a maximum of Rs.7,500/- per annum
- (vii) Company's contribution to the Provident and Superannuation Fund and payment of Gratuity shall be as per the Rules of the Company.
- (viii) **Leave:** Leave with full pay and allowances or encashment thereof as per Rules of the Company. Leave accumulated, but not availed during the tenure shall be encashed at the end of the tenure as per Rules of the Company.
- (ix) **Club Memberships:** Subscription or reimbursement of membership fees for two clubs in India and/or abroad, including admission and life membership fees subject to the maximum of Rs.10,000/- per annum.

Explanation:

Perquisites shall be evaluated as per Income-tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

II. Overall Remuneration

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed under Sections 198, 309 and other applicable provisions of the Act read with Schedule XIII thereto.

III. Minimum Remuneration

Notwithstanding anything to the contrary contained therein, in the event of absence or inadequacy of profits in any financial year during the term of office of Mr Vineet Jain as Managing Director commencing from 01.10.2012, the Company will subject to applicable laws, pay him the remuneration, allowances and perquisites as detailed above as the Minimum Remuneration.

Mr Vineet Jain will not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

The approval of the shareholders is sought by way of a Special Resolution to the re-vision of remuneration payable to Mr. Vineet Jain as Managing Director so that it remain within the permissible limit as set out by Schedule XIII of the Companies Act, 1956.

The Board commends the passing of Special Resolution at Item No.1 of the Notice. This may also be considered and treated as Abstract and Memorandum of Interest under Section 302 of the Companies Act, 1956.

None of the Directors of the Company, except Mr Vineet Jain, Managing Director of the Company is concerned or interested in this resolution.

It may be mentioned here that the Companies Act, 2013 has been notified in the Official Gazette and is being implemented by the Ministry of Corporate Affairs in phases. The relevant provisions relating to appointment and remuneration of managerial personnel has yet not come into force. On implementation of the said provisions, approval of the shareholders shall be deemed to be in accordance with the relevant corresponding provisions of the Companies Act, 2013 subject to compliance of any transitional provisions prescribed by the Companies Act, 2013.



'Annexure - A'

Statement as required under Section II, Part II of the Schedule XIII of the Companies Act, 1956 with reference to the Resolution at Item No.1 of the Notice for the Extra-Ordinary General Meeting of Pasupati Acrylon Limited.

I. General Information:

1. **Nature of Industry:** Manufacture of Acrylic Fibre, Tow & Tops.
2. **Date or expected date of commencement of commercial production:** Existing Company in operation since 1990.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
4. **Financial performance based on given indicators:**

| S.No. | Particulars | 2012-13 | 2011-12 | 2010-11 |
|-------|-----------------------------|---------|---------|---------|
| 1 | Gross Turnover | 463.88 | 431.08 | 423.23 |
| 2 | Profit/(Loss) before tax | (9.84) | (12.48) | 0.50 |
| 3 | Net Profit/(Loss) after tax | (6.93) | (8.70) | 0.47 |
| 4 | Paid-up share capital | 89.14 | 89.14 | 71.14 |
| 5 | Reserves & Surplus | (12.35) | 3.00 | (0.89) |

5. **Export performance and net foreign exchange collaborations:** The Company had foreign exchange earnings of Rs.33.56 Crore during the financial year 2012-13 and Rs.45.50 Crore for the 9 months ended on 31.12.2013.
6. **Foreign investments or collaborators, if any:** None

II. Information about Mr Vineet Jain

1. **Background details:** Mr Vineet Jain, aged about 44 years is one of the promoters of the Company. He joined the Company in October 1994 as Jt. Managing Director and re-designated as Managing Director w.e.f 5.12.1997. He possesses a Bachelors Degree in Business Administration from Richmond University, London.
2. **Past Remuneration:**

| S.No. | Financial Year | *Amount (in Rs.) |
|-------|----------------|------------------|
| 1 | 2012-13 | Rs. 44,08,540/- |
| 2 | 2011-12 | Rs. 44,00,938/- |
| 3 | 2010-11 | Rs. 39,48,981/- |

*excluding retirement benefits (PF, Superannuation and Gratuity)

3. **Recognition or Award;** He is a well known figure in the Acrylic Fibre Industry and commands respect.
4. **Job profile and his suitability:** Mr Vineet Jain, has been entrusted with substantial powers of the management of business and affairs of the Company. The Company is substantially benefitted by his vision, professional knowledge and managerial expertise and has made enormous progress. Mr Vineet Jain plays a major role in providing thoughtful leadership and strategic inputs to the Company.
5. **Remuneration proposed:** As stated in the Explanatory Statement at Item No.1 of the Notice.
6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):** Remuneration of Mr Vineet Jain is in sync with his peers and is commensurate with his qualification, experience and size of the Company.
7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Mr Vineet Jain is a Promoter-Director, holds 12,02,422 equity shares of Re.10/- each representing about 1.35% of the total paid-up capital of the Company.

III. Other information:

1. **Reasons of loss or inadequate profits:**

During the Financial Year 2012-13 the company suffered losses as Acrylonitrile (ACN), the principal raw material, witnessed volatile scenario, also USD rose sharply against INR. In the first 9 months of Current Financial Year, the company recorded a net profit of Rs. 8.02 Crore (till December 2013).

2. **Steps taken or proposed to be taken for improvement:**

- The Company has put up a new captive based Power Plant which would save substantially in power cost.
- To de-risk foreign exchange fluctuation, the Company is increasing its exports and also taking forward cover.
- Company is striving to optimize its resources and save on cost.

3. **Expected increase in productivity and profits in measurable terms:**

- Installation of New Power Plant would entail a saving of Rs. 9 Crore annually.
- Other measures are ongoing and difficult to be quantified.

IV. Disclosures:

- Remuneration package of the managerial person:** Fully described in the Explanatory Statement as stated above.
- Disclosures in the Board of Directors' report under the heading 'Corporate Governance' attached to the Annual Report:** The requisite details of remuneration etc. of Directors are/will be included in the Corporate Governance Report, forming part of the Annual Report of the Company.

For & on behalf of the Board
For Pasupati Acrylon Ltd.

Rakesh Mundra
Company Secretary

Place : New Delhi
Dated : 14th February, 2014

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