

**Board of Directors**

Mr. Ramesh Kumar Jain	—	Chairman & Managing Director
Mrs. Vrinda Jain	—	Non Executive Non Independent Director (W.e.f .01-07-2014)
Mr. S. K. Chhajer	—	Whole-time Director
Mr. Vedit Jain	—	Executive Director
Mr. Ram Karan Bhardwaj	—	Whole Time Director (W.e.f 01-08-2014)
Mr. Praveen Paliwal	—	Independent Director
Mr. Ghanshyam Das Gupta	—	Independent Director
Mr. Ashwani Kumar Rathore	—	Independent Director
Mr. Anil Gupta	—	Independent Director (W.e.f 01-07-2014)

**Company Secretary**

Ms. Rekha Sharma

**Chief Finance Officer**

Shri A. K. Monga

**Auditors**

M/s. B.K. Shroff & Co.,  
3/7-B, Asaf Ali Road,  
New Delhi-110002.

**Bankers**

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

**Registered Office & Works**

Village Kapriwas (Dharuhera), Distt. Rewari, Haryana.  
Company Identity Number (CIN) : L74900HR1979PLC009789  
Website : pasupatitextiles.com

**Sewing Thread Unit :**

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

**Head Office**

1501, Nirmal Tower,  
26, Barakhamba Road,  
New Delhi-110001.  
Phone : +91-11-47632200,  
Fax : 011-23316441  
E'mail : 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  
E'mail : 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 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) 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 [rekhasharma@pasupatitextiles.com](mailto:rekhasharma@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 [rekhasharma@pasupatitextiles.com](mailto:rekhasharma@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 Spinning & Weaving Mills Limited**

Sd/-

**Ms. Rekha Sharma**

Company Secretary and Compliance Officer



## NOTICE

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NOTICE IS HEREBY GIVEN THAT THE 34TH 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 MONDAY 29TH SEPTEMBER, 2014 AT 10.00 A.M TO TRANSACT THE FOLLOWING BUSINESS :

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2014 and Statement of Profit & Loss for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Vidit Jain, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration and in this regard 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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s B. K. Shroff & Co., Chartered Accountants (Firm Registration No. 302166E), be and are hereby re-appointed as the Auditors of the company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirty sixth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### **SPECIAL BUSINESS :**

4. To appoint Mrs. Vrinda Jain (DIN :06641054) as director of the Company and in this regard 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 the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. Vrinda Jain (DIN :06641504), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by rotation.”
5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution :  
“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Vidit Jain (DIN :01347588) as Whole Time Director of the Company for a period of five years w.e.f. April 1, 2015 up to March 31, 2020 (both days inclusive).



RESOLVED FURTHER THAT Mr. Vidit Jain being paid remuneration as set out hereunder w.e.f. April 1, 2014 to March 31, 2020 (both days inclusive).

a) Basic Salary at the scale of : Rs. 70000 -10000 -120000.

b) Perquisites :

- i) Expenses pertaining to electricity, gas and water charges of his residence will be borne/reimbursed by the Company.
- ii) Medical Expenses : All expenses on Medical including hospitalization, diagnostic checks, periodic health checks will be borne by the Company at actual.
- iii) Personal Accident Insurance : Reimbursement of personal accident insurance premium subject to a maximum of Rs. 15,000 per annum.
- iv) Conveyance facilities : Company's car and driver for official use.
- v) Communication facilities : Company shall provide telephone, telefax and other communication facilities at the Whole Time Director's residence. The mobile bills of the Whole Time Director will be borne by the Company.
- vi) Club Fees : Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- vii) Leave Travel Concession : Two journeys in a block of four years alongwith his family members on actual basis.
- viii) Terminal Benefits :
  - (a) Company's contribution to provident fund at the applicable rates.
  - (b) Gratuity in accordance with the rules of the Company.
  - (c) Encashment of leave at the end of the tenure as per Company's rules.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profits for any financial year, the aforesaid remuneration payable to Mr. Vidit Jain shall be the minimum remuneration payable to him in terms of the applicable provisions of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT the ceiling on remuneration shall not include the terminal benefits.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient or desirable to give effect to this resolution and also to revise the remuneration of Mr. Vidit Jain within the limits stipulated in the Companies Act, 2013."

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory

modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the appointment of Mr. Ram Karan Bhardwaj (DIN : 06580797) as Whole Time Director of the Company for a period of five years w.e.f. 1st August, 2014 up to July 31, 2019 (both days inclusive) liable to retire by rotation on the terms and conditions and remuneration set out hereunder :

**Remuneration :**

1. Basic Salary at the scale of :Rs.100,000-10000-150,000.
2. Perquisites :
  - i) Accommodation shall be provided by the company.
  - ii) Expenses pertaining to electricity and water charges of his residence will be borne/ reimbursed by the Company.
  - iii) Conveyance facilities : Company's car and driver for official use.
  - iv) Communication facilities : Company shall provide mobile phone to Whole Time Director and his mobile bills will be borne by the Company.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profits for any financial year, the aforesaid remuneration payable to Mr. Ram Karan Bhardwaj shall be the minimum remuneration payable to him in terms of the applicable provisions of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient or desirable to give effect to this resolution and also to revise the remuneration of Mr. Ram Karan Bhardwaj within the limits stipulated in the Companies Act, 2013."

7. To appoint Mr. Praveen Paliwal (DIN : 02529141) as an independent director and in this regard 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 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Praveen Paliwal be and is hereby re-appointed as Independent Director of the company for a period of 5 (Five) consecutive years with effect from September 11, 2014 up to September 10, 2019. (both days inclusive)."

8. To appoint Mr. Ghanshyam Das Gupta (DIN: 03599365 ) as an independent director and in this regard 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 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ghanshyam Das Gupta be and is hereby appointed as Independent Director of the company



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for a period of 5 (Five) consecutive years with effect from 11th September, 2014 up to September 10, 2019 (both days inclusive).”

9. To appoint Mr. Ashwani Kumar Rathore (DIN : 01347415) as an independent director and in this regard 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 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ashwani Kumar Rathore be and is hereby appointed as Independent Director of the company for a period of 5 (Five) consecutive years with effect from 11th September, 2014 up to September 10, 2019 (both days inclusive).”

10. To appoint Mr. Anil Gupta (DIN : 00283431) as an independent director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Anil Gupta who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Independent Director of the company for a period of 5 (Five) consecutive years with effect from 1st July, 2014 up to June 30, 2019 (both days inclusive).”

11. To approve the remuneration of the cost auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of `Rs.60,000/- plus service tax 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 2014-15.”

12. To adopt new set of Articles of Association of the company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.



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

13. To adopt new set of Memorandum of Association of the company containing regulations in conformity with the companies act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the amended set of Memorandum of Association submitted to this meeting be and are hereby approved.

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

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

“RESOLVED THAT in supersession of the earlier resolution passed by the Members at the Annual General Meeting of the Company held on 30th September ,1996 in terms of provisions of Companies Act, 1956, consent of the Company be and is hereby accorded pursuant to Section 180 (1) (c) of the Companies Act, 2013 and any other applicable provisions thereof (including any statutory modification(s) or re-enactment(s) thereof and any rules thereunder for the time being in force), to the Board of Directors of the Company for borrowing, from time to time, as they may think fit, any sum or sums of money which, together with the moneys already borrowed by the Company (apart from temporary loans obtained / to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the aggregate of the moneys borrowed and to be so borrowed and outstanding at any time shall not exceed Rs. 200.00 Crores (Rupees two hundred Crores only).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this Resolution.”

15. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as Special 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 Clause 49 of Listing agreement, 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 Limited Company



in which Mr. Ramesh Kumar 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 Per Year Rs. (in Lacs)	Name of Party in which Directors are interested
Purchases	Rs. 125 Lacs	Shivani Textiles Ltd.
Sales	Rs. 125 Lacs	Shivani Textiles Ltd.
Job Work	Rs. 350 Lacs	Shivani Textiles Ltd.
Vehicle Hire Charges being paid to Shivani Textiles Ltd.	Rs. 8.50 Lacs	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 Clause 49 of Listing agreement, the consent of the company, be and is hereby accorded to the lease agreement(s) up to the value of Rs. 12,00,000/- per year, which may be entered into by the company with Mrs. Vrinda Jain (Director and Relative of Mr. Vidit Jain and Mr. Ramesh Kumar Jain), Mrs. Vandita Jain (Relative of Mr. Vidit Jain, Ramesh Kumar Jain & Mrs. Vrinda Jain) or with any other Related Party / Parties.”

## **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 NO. 4 :**

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have at least one woman director.

Keeping in view the above legal requirements, the Board of Directors appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company Mrs. Vrinda Jain as an Additional Director of the Company with effect from 1st July 2014. In terms of the provisions of Section 161(1) of the Act, Mrs. Vrinda Jain would hold office up to the date of the ensuing Annual General Meeting.

A notice has been received from a member proposing Mrs. Vrinda Jain as a candidate for the office of Director of the Company.

Mrs. Vrinda Jain is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. She holds 714052 (7.65% ) equity shares in the Company.

Brief resume of Mrs. Vrinda Jain, nature of her expertise in specific functional areas, names of companies in which she is holding directorships and memberships/chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

None of the Directors except Mr. Vidit Jain, Mr. Ramesh Kumar Jain and Mrs. Vrinda Jain (Alongwith Their Relatives)/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

**ITEM NO. 5 :**

The Board of Directors of the Company (the 'Board'), at its meeting held on May, 27 2014, has, subject to the approval of members, re-appointed Mr. Vidit Jain as Whole Time Director, for a period of 5 (five) years from the expiry of his present term, (which is expiring on March 31, 2015), at the remuneration recommended by Nomination and Remuneration Committee of the Board and approved by the Board. It is proposed to seek the members' approval for the re-appointment and payment of remuneration to Mr. Vidit Jain as Whole Time Director on the terms as set out in resolution. Mr. Vidit Jain satisfy all the conditions as set out in Part-I of Schedule V to the Act and also conditions set out under sub-section (3) of Section 196 of the Act. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. Brief resume of Mr. Vidit Jain , nature of his expertise in specific functional areas, names of companies in which he is holding directorships and memberships/chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Save and except Mr. Vidit Jain, Mrs. Vrinda Jain and Mr. Ramesh Kumar Jain (Alongwith Their Relatives) none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 5 of the Notice, which pertains to his re-appointment and payment of remuneration.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

**ITEM NO. 6 :**

The Board of Directors of the Company (the 'Board'), at its meeting held on May, 27 2014, appointed Mr. Ram Karan Bhardwaj as an Additional Director w.e.f. 01.08.2014. In terms of the provisions of Section 161(1) of the Act, Mr. Ram Karan Bhardwaj would hold office up to the date of the ensuing Annual General Meeting. Now, it is proposed to seek the members' approval for the appointment of Mr. Ram Karan Bhardwaj as Executive Director of the company for a period of 5 (five) years i.e. w.e.f. 01.08.2014 at the remuneration recommended by Nomination and Remuneration Committee of the Board and approved by the Board. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. A notice u/s 160 of the Companies Act, 2013 has been received from a member proposing Mr. Ram Karan Bhardwaj as a candidate for the office of Whole Time Director of the Company.



Brief resume of Mr. Ram Karan Bhardwaj, nature of his expertise in specific functional areas, names of companies in which he is holding directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Mr. Ram Karan Bhardwaj is interested in the resolution set out at Item No. 6 of the Notice, which pertains to his appointment and payment of remuneration.

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

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

**ITEM NO. 7 :**

Mr. Praveen Paliwal was appointed as an Independent Director with effect from 18.05.2009. As per Section 149 (10) & (11) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of the Company and as per explanation to Sub Sections 10 and 11 of Section 149 of the Act, any tenure of an Independent Director on the date of commencement of the Act shall not be counted as a term under those Sub Sections. As per revised Clause 49 II (B) (3) of the Listing Agreement pursuant to SEBI circular dated April 17, 2014 (effective from October 1, 2014), a person who has served as an Independent Director for five years or more in a Company as on October 1, 2014 shall be eligible for appointment on completion of present term for one more term of up to five years only with the approval of members by means of special resolution. As Mr. Praveen Paliwal has completed his 5 year term now Board of directors recommends his appointment for another term of five years. The Company has received declarations from Mr. Praveen Paliwal that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board Mr. Praveen Paliwal fulfill the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement. Brief resume of Mr. Praveen Paliwal independent director, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. A notice has been received from a member proposing Mr. Praveen Paliwal as a candidate for the office of Independent Director of the Company. In terms of provision of Section 149(13) of the Act, Mr. Praveen Paliwal shall not be liable to retire by rotation. Copy of the draft letter for appointment of Mr. Praveen Paliwal setting out the terms and conditions of his appointment is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. 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. Praveen Paliwal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Praveen Paliwal as an Independent Director, for the approval by the shareholders of the Company.

None of the Directors except Mr. Praveen Paliwal / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

**ITEM NOS. 8, 9 & 10 :**

In compliance with the provisions of Section 149 of the Act, and Clause 49 of the listing agreement, the appointment or re-appointment of Independent Directors is now being placed before the Members for their approval. Keeping in view the legal requirements, the Board of Directors recommends the Resolutions as set out at Item No 8, 9 & 10 of the Notice for approval by the shareholders. The Company has also received declarations from all proposed appointees that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board all the proposed appointee(s) fulfills the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement.

Brief resume of Mr. Ghanshyam Das Gupta, Mr. Ashwani Kumar Rathore and Mr. Anil Gupta, nature of their expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. Copy of the draft letter for appointment of all Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

A notice has been received from member(s) proposing Mr. Ghanshyam Das Gupta, Mr. Anil Gupta and Mr. Ashwani Kumar Rathore as candidates for the office of Independent Directors of the Company. In terms of provision of Section 149(13) of the Act, Independent Directors shall not be liable to retire by rotation.

The Board considers that continued association of Mr. Ghanshyam Das Gupta and Mr. Ashwani Kumar Rathore would be of immense benefit to the Company and it is desirable to continue to avail their services as an Independent Directors. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ghanshyam Dass Gupta, Mr. Ashwani Kumar Rathore and Mr. Anil Gupta as an Independent Directors, for the approval by the shareholders of the Company.

None of the Directors except Mr. Ghanshyam Das Gupta, Mr. Ashwani Kumar Rathore and Mr. Anil Gupta, / Key Managerial Personnel of the Company, their relatives are, in any way, concerned or interested, financially or otherwise, in these Resolutions.

**ITEM NO. 11 :**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Avtar Singh & Co., Cost Accountants as Cost Auditor(s) of the Company for the year 2014-15. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor(s) has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 11 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 11 of the Notice.



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The Board recommends the Ordinary Resolution set out at Item No. 11 of the Notice for approval by the shareholders.

**ITEM NOS. 12 & 13 :**

The existing Articles of Association & Memorandum of Association are based on the Companies Act, 1956 and several regulations in the existing Articles of Association & Memorandum of Association contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing Articles of Association & Memorandum of Association are no longer in conformity with the New Companies Act, 2013. Hence, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles and amend Memorandum of Association to some extent which shall be in conformity with the new Companies Act, 2013. The proposed new draft Articles of Association & Memorandum of Association are being uploaded on the Company's website for perusal by the shareholders. The draft Articles of Association & Memorandum of Association shall be available for inspection during the meeting and can be inspected by members during the business hours at the registered office of the company.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 12 & 13 of the Notice.

The Board recommends the Special Resolutions set out at Item Nos.12 & 13 of the Notice for approval by the shareholders.

**ITEM NO. 14 :**

The Members of the Company, at the Annual General Meeting held on 30th September, 1996, had accorded by way of an Ordinary Resolution, their approval to the Board of Directors of the Company for borrowing monies on behalf of the Company, from time to time, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) not exceeding Rs.200.00 Crores. However, after the applicability of the provisions of Section 180(1) (c) of the Companies Act, 2013, a company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) with the approval of Members of the Company by way of a Special Resolution only. The Board accordingly recommends the Special Resolution as mentioned at item No. 14 of this Notice for your approval.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 14 of the Notice.

**ITEM NO. 15 :**

The Special Resolution as set out in item No. 15 relates to approval of material related party transactions by members as required under Sec 188 of the Act and clause 49 of the listing agreement. As per Clause 49 of listing agreement related party transaction said to be material if such transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds five percent of the annual turnover or twenty percent of the net worth of the company as per the last audited financial statements of the company, whichever is higher. Board of directors is expecting that in coming years related party transactions with Shivani Textiles Ltd. (In which Mr. Ramesh Kumar Jain, Mrs. Vrinda Jain and Mr. Vidit Jain, Directors of the company, along with their relatives are holding more than 2% paid up share capital),

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Mrs. Vrinda Jain (Director), Mrs. Vandita Jain (Relative of Mr. Vidit Jain, Mrs. Vrinda Jain and Mr. Ramesh Kumar Jain) and with other Related Parties, may exceed five percent of the annual turnover or twenty percent of the net worth of the company as per the last audited financial statements of the company. Hence, Board of Directors recommends the passing of the Resolution at Item No. 15 of the Notice as Special Resolution.

Save and except Mr. Vidit Jain, Mrs. Vrinda Jain and Mr. Ramesh Kumar Jain (alongwith 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.

BY ORDER OF THE BOARD  
For **PASUPATI SPINNING & WEAVING MILLS LIMITED**

**REGISTERED OFFICE :**

Village Kapriwas  
(Dharuhera), Distt. Rewari,  
HARYANA

DATED : 27.05.2014

**REKHA SHARMA**  
COMPANY SECRETARY

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**NOTES :**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 4 to 15 of the Notice, is annexed hereto. The relevant details as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors are also annexed.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by 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 shareholder.
3. Corporate members intending to send their authorised representative(s) to attend the Annual General Meeting are requested to send certified copy of the Board Resolution authorising such representative(s) to attend and vote on their behalf.
4. The Register of Members and Transfer Books of the Company will be closed from 3rd September, 2014 to 11th September, 2014, (both days inclusive).
5. Copies of relevant documents can be inspected at the Registered Office of the Company on all working days from Monday to Friday during business hours up to date of meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. In terms of Section 72 of the Companies Act, 2013, the shareholders of the Company may nominate a person on whom the shares held by him/her/them, shall vest in the event of his/her/their death. Shareholders desirous of availing this facility may submit nomination in Form SH-13.
8. Members are requested to update their valid email id with company's RTA or same can be done by sending a email at the company's investors email id : rekhasharma@pasupatitextiles.com.
9. Members who hold shares in de-materialised form are requested to bring their client ID and DP ID numbers for facilitating identification for attendance at the meeting.



10. Members and Proxies are requested to produce the Attendance slip duly signed, at the entrance of the meeting venue.
11. The Ministry of Corporate Affairs (MCA) has vide its circular dated 29.04.2011 stated that service of notice / documents including Annual Report to the members can be made e-mail. To support this green initiative of MCA, members who have not yet registered their e-mail addresses are requested to do so
  - (i) in respect of the electronic holdings through their concerned depository participants; and
  - (ii) in respect of physical holdings to Skyline Financial Services Pvt. Ltd.
12. Members may also note that the Notice of the 34th Annual General Meeting and Annual Report, 2014 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 and New Delhi office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send request to the Company's investor email id: [rekhasharma@pasupatitextiles.com](mailto:rekhasharma@pasupatitextiles.com).
13. In compliance of BIFR order dated 13.02.2012, the company has sent cheques to all the debenture holders towards full and final settlement of their dues. In case non-receipt of cheques by any debenture holder(s), they may please contact the company at the following address :

Pasupati Spinning & Weaving Mills Limited  
1501, Nirmal Tower, 26, Barakhamba Road,  
New Delhi-110001.  
Phone : 011-47632200  
e-mail : [ajay.monga@pasupatitextiles.com](mailto:ajay.monga@pasupatitextiles.com)  
[rekhasharma@pasupatitextiles.com](mailto:rekhasharma@pasupatitextiles.com)

**In compliance with the provisions of section 108 of the Act and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.**

**The instructions for e-voting are as under :**

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company / Depositories) :
  1. Open the e-mail and also open PDF file namely "SPG e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
  2. Open the internet browser and type the following URL : <https://www.evoting.nsdl.com>
  3. Click on Shareholder – Login.
  4. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
  5. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
  6. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
  7. Once the e-voting home page opens, click on e-voting > Active Voting Cycles.
  8. Select "EVEN" (E-Voting Event Number) of Pasupati Spg. & Wvg. Mills Ltd. Now you are ready for e-voting as Cast Vote page opens.
  9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.



10. Upon confirmation, the message "Vote cast successfully" will be displayed.
11. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
12. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution / Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to shreyanshpjain@gmail.com with a copy marked to evoting@nsdl.co.in.
13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com)

**B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company / Depositories) :**

1. Initial password is provided in the enclosed ballot form : EVEN (E-Voting Event Number), user ID and password.
2. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

**C. Other Instructions :**

1. The e-voting period commences on 23rd September, 2014 (9.00 a.m. IST) and ends on 25th September, 2014 (6 P.M). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 1st August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
2. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 1-8-2014 August, 2014.
3. Mr. Shreyansh Pratap Jain Practicing Company Secretary (C.P. No 9515, Membership No.25359) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
4. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
5. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Shreyansh Pratap Jain ,Practicing Company Secretary, at the Registered Office of the Company not later than 25th September, 2014 (6.00 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [rekhasharma@pasupatitextiles.com](mailto:rekhasharma@pasupatitextiles.com) by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than 25th September, 2014 (6.00 p.m. IST). Ballot Form received after this date will be treated as invalid.
6. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
7. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.pasupatitextiles.com](http://www.pasupatitextiles.com) and on the website of NSDL [www.evoting.nsd.com](http://www.evoting.nsd.com) within two days of the passing of the resolutions at the AGM of the Company on 30th September, 2014 and communicated to the BSE Limited and DSE, where the shares of the Company are listed.



## Appendix

**PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED :**

NAME OF THE DIRECTOR	MR. VIDIT JAIN	MRS. VRINDA JAIN	MR. ANIL GUPTA	MR. RAM KARAN BHARDWAJ	
Date of Birth	13.09.1979	19.06.1959	09.09.1950	01.06.1955	
Date of Appointment	01.04.2010 Reappointment (w.e.f 01.04.2015)	01.07.2014	01.07.2014	01.08.2014	
Qualification	B.Sc. in Economics from University of Pennsylvania (USA)	Graduate	Graduate (Textile Technology) Doctorate of Science in Management (USA)	Graduate B.Tech	
Expertise in specific functional areas	Industrial and business experience of 13 years in Textile Industry	Experience of 20 Years in Textiles Designing	40 Years of Experience in Textiles Industry	34 Years of Experience in Textiles Industry	
Remuneration	Remuneration Last Drawn Rs. 50,000/- Per Month plus perquisites	Proposed Remuneration Rs. 70,000/- Per Month plus perquisites	Nil	NIL	Proposed Remuneration Rs. 1,00,000/- Per Month Plus Perquisites
Name of the other Companies in which he / she holds Directorship	Pasupati Fincap Ltd. Shailja Investments Ltd. Sulabh Impex Ltd. Pasupati Olefin Ltd.	Shailja Investments Ltd. Pasupati Olefin Ltd. Sulabh Impex Ltd. Sunsung Marketing Pvt. Ltd.	Rohan Tyres Pvt Ltd. Pee Cee Cosma Sope Ltd. Shanti Krishna Tyres Tubes Pvt. Ltd. Bengal Chemicals Pharmaceuticals Ltd. Nepa Ltd. J.K.Cotton Ltd.	Shiva Speciality Yarns Ltd	
Memberships / Chairmanships of committees of other companies	<b>Pasupati Fincap Ltd.:</b> Audit Committee (Member)  Stakeholders Relationship Committee (Member)	Nil	Nepa Ltd Audit Committee (Member)  Bengal Chemical & Pharmaceautical (Audit Committee Member)  Pee Cee Cosma Sope Ltd. (Remuneration Committee Member)	Nil	
Number of shares held in the Company	1,34,076	7,14,052	Nil	Nil	

**Appendix (Continued)**

**PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED :**

NAME OF THE DIRECTOR	MR. PRAVEEN PALIWAL	MR. ASHWANI KUMAR RATHORE	MR. GHANSHYAM DAS GUPTA
Date of Birth	02.07.1964	30.06.1978	28.06.1944
Date of Appointment	18.05.2009	25.02.2012	21.07.2011
Qualification	Graduate	Graduate and L.L.B	Fellow Member of ICAI & ICSI
Expertise in specific functional areas	Business Experience of about 17 Years	Professional Experience of 10 Years	Practising Chartered Accountant for 40 Years
Remuneration	NIL	NIL	NIL
Name of the other Companies in which he holds Directorship	NIL	Shyam Overseas Pvt. Ltd. Vignesh Fashion Pvt. Ltd. Harshit Creations Pvt. Ltd.	Nil
Memberships / Chairmanships of committees of other companies	NIL	NIL	NIL
Number of shares held in the Company	NIL	NIL	NIL



# DIRECTORS' REPORT

## TO THE MEMBERS

Your Directors have pleasure in presenting their Report together with the Audited Accounts for the year ended 31st March, 2014.

### 1. FINANCIAL RESULTS

Particulars	For the Year 2013-14 (Rs. in Lacs)	For the Year 2012-13 (Rs. In Lacs)
Sales and other Income	21093.31	15998.31
Profit before Interest and Depreciation	1122.92	1688.42
Financial Charges	729.74	710.69
Depreciation	335.50	312.77
Profit before Taxes	57.68	664.96
Payment / Provision for Taxation	4.75	126.67
Profit after Taxation but before extra-ordinary items	52.93	538.29
Extra-ordinary items	(99.41)	1457.87
Net Profit after extra-ordinary items	(46.86)	1996.16

### 2. COMPANY'S PERFORMANCE

During the year under review, although, the turnover of the company registered a growth of 31.85%, the profit before taxes also declined to Rs. 57.68 lacs from Rs. 664.96 lacs. During the year under review, the performance of the company deteriorated mainly due to the following reasons:

- (a) The company had to pay interest to J M Financial Asset Reconstruction Co. Pvt. Ltd. (JMFARC) on Optionally Convertible Cumulative Debentures (OCCD), which were earlier to be converted into Equity. The terms of conversion were linked with the listing of company's equity at Bombay Stock Exchange (BSE). Since there was delay in listing of company's shares at BSE, the due date of conversion of OCCD into equity expired and the company had to pay interest since inception.
- (b) During the year under review, the Company suffered loss to the tune of Rs.115.68 Lacs due to exchange rate fluctuations due to sudden depreciation of Indian Rupee against USD. Besides, due to depreciation of Indian rupee against USD, there was significant impact on prices of our major raw materials (i.e. Polyester, being used for manufacturing sewing thread at Kala Amb Unit), which is mainly linked with international market. The company is purchasing the entire requirement of polyester from Reliance Industries Ltd. and the said company increased prices of polyester by as much as Rs.19 per kg from April 2013 to August 2013, but the increased cost of production could be passed on to the customers only by the end of December 2013, which also adversely affected company's profitability.
- (c) During the year under review, the company continued to face problem of labour shortage. As a result the company's sewing thread unit could not operate at full capacity resulting production losses.

(d) During the year, the company has re-started its Spinning unit at Dharuhera, which was lying closed since September 2008. In order to re-start this unit, the company had to incur huge expenditure on overhauling / repairing of machines / buildings as the plant was lying close since 2008. Even the company imported and commissioned four new machines (autoconers) to upgrade the production facilities to enable the company to produce better quality yarn. As per original schedule, the production activities were supposed to commence from last week of June 2013, but due to delay in getting the power connection restored, the company could commence the production activities from 31 August, 2013. Thereafter due to some teething troubles, the production activities could not be stabilized till March 2014. Hence instead of contributing anything to the bottom line, the company suffered significant loss in this unit.

### **3. 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.

### **4. SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT**

No special resolution was passed through postal ballot during the Financial Year 2013-14. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a special resolution through postal ballot.

### **5. CORPORATE GOVERNANCE**

Your Company is committed to good Corporate Governance Practices and following to the guidelines prescribed by the SEBI and Stock Exchange from time to time. The company has implemented all of its major stipulations as applicable to company. The statutory Auditors' Certificate dated 27th May, 2014 in accordance with Clause 49 of the Listing Agreement and report on Corporate Governance is annexed to and forming part of the Directors' Report.

### **6. EMPLOYEES STOCK OPTION PLAN**

Your company has not provided any employee stock options.

### **7. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956**

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, and based on the representations received from the operating management, the directors hereby confirm that :

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period;
- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the



assets of the company and for preventing and detecting fraud and other irregularities; and

iv) the directors had prepared the annual accounts on a going concern basis.

## **8. AUDITORS**

During the year under review, the auditors need not be routed as they can continue as auditors for a period of three years i.e. up to the year 2017. M/s. B.K. Shroff & 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. B.K. Shroff & Co. as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the thirty sixth AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

## **9. INTERNAL AUDITORS**

M/s. M. C. Jain & Co. Chartered Accountants, New Delhi were appointed as Internal Auditors of the Company for the Financial Year 2013-14 and their reports for the year were submitted to the Audit Committee.

## **10. COST AUDIT**

The Central Govt. has approved the appointment of M/s. Avtar Singh & Co. as cost auditors for conducting Cost Audit for the Financial Year 2013-14 The report of Cost Auditors in respect of audit of the cost records of the Company for the year ended 31st March 2014 will be submitted to the Central Government in due course.

## **11. PARTICULARS OF EMPLOYEES**

None of the employees was drawing in excess of the limits as mentioned by Companies Act, Companies Act, 1956 and rules made thereunder which needs to be disclosed in the Directors report.

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

Information in accordance with Clause (e) of Sub-Section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the financial year ended 31st March 2014 is given in the Annexure to this report.

## **13. INDUSTRIAL RELATIONS**

Industrial relations continued to be cordial during the year under review.

## **14. CORPORATE GOVERNANCE**

The Company has been in compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchange and a certificate from the Auditors to this effect is made part of the Annual Report. Committed to the practice of good Corporate Governance, the Board lays strong emphasis on transparency, accountability and integrity, with its 'Governance Committee' specifically assigned the task of analysing the clause with respect to good governance practice. In terms of such sub clause (v) of Clause 49 of Listing Agreement, Certificate of CEO/CFO, inter alia, confirming the correctness of

the financial statements, adequacy of the internal control measures and reporting of matters to the Audit Committee in terms of the said clause, is also enclosed as a part of said Report.

**15. DIRECTORS**

Mr. Vidit Jain is the director who retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting. The brief resume(s) of the all Directors proposed to be appointed or reappointed at the ensuing AGM, as required in terms of Clause 49 of the Listing Agreement with the stock exchanges is provided in the annexure(s) to the notice of Annual General Meeting.

**16. DEPOSITS**

During the year, the Company did not accept any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

**17. AUDITORS' OBSERVATIONS**

Auditors' observations relating to Note No. 12 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.

**18. ACKNOWLEDGEMENT**

The Directors wish to convey their appreciation to Customers, Suppliers, Bankers, other Stakeholders and specially the employees for their co-operation. The Directors also appreciate the confidence reposed in the Management of the Company by its shareholders.

For and on behalf of Board of Directors  
For **PASUPATI SPINNING & WEAVING MILLS LIMITED**

Place : New Delhi  
Dated : May 27, 2014

Sd/-  
**RAMESH KUMAR JAIN**  
CHAIRMAN & MANAGING DIRECTOR



## CONSERVATION OF ENERGY

### a) Energy Conservation Measures Taken :

1. Replacement of ordinary motors by high power factor high efficiency motors.
2. Putting 36/38 mm dia-meter rings to get more productivity with same power consumption.
3. Maximum utilisation of natural light in place of tube-light.
4. Adjusted the angle of fan blades at optimum level to maintain the humidity at minimum power consumption.
5. Ring frame lift reduction to get more production with same power consumption (2 - 3%).
6. Adjusted the blades of S.A. & R.A. Fans at H. Plants to maintain humidity with minimum power consumption.
7. Some innovative modifications carried out in machine to reduce down the given load – such as simplex pneumatic suction motor stopped by introducing under clearer.
8. 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.
9. Optimising the Humidification plants saturation efficiency the load on supply air fan and water pumps reduced.
10. By modifying the compressed air line consumption of compressed air reduced thus resulted in energy saving.
11. 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.
12. We have obtained additional sanction of 1000 KVA load during peak hours from HPSEB resulting reduction in P.U. cost of power.
13. The new generation air-compressor is added to save the power consumption as well as maintenance cost.
14. 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.
15. Optimize the power voltage and reduce the energy consumption.
16. Optimize the compressed air pressure by reducing from 9.5 Kgs to 8 Kgs and save the power.
17. Over-head cleaner travelling frequency reduced by 3 to 4 minutes in all Ring Frames and achieved the conservation in this area.
18. Plugged all air leakage, hence saving of air results power saving.
19. By installing power capacitors near to load.
20. By replacing conventional tube-lights with new energy saving (TS) Tube-lights.
21. By maintaining Power Factor 11 - 100%.
22. By providing transparent sheets at Godowns for maximum utilisation of natural day light.
23. 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 :

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 :**

Particulars		Current Year	Previous Year
<b>A)</b>	<b>POWER AND FUEL CONSUMPTION</b>		
	<b>1. Electricity</b>		
	a) Purchased units	<b>25293839</b>	21218603
	Total amount paid (Rs.)	<b>160192439</b>	111924378
	Rate / Unit (Rs.)	<b>6.33</b>	5.27
	b) Own generated through Diesel generators (units)	<b>159127</b>	494478
	Rate of diesel / HFO (Rs. / Ltr.)	<b>47.27</b>	42.19
	Cost / Unit (Rs.)	<b>13.68</b>	12.81
	<b>2. Coal used in boiler</b>		
	Quantity (MT)	<b>2322.00</b>	2448.00
	Total Cost (Rs.)	<b>17481722</b>	16744920
	Average Cost per MT (Rs.)	<b>7527.67</b>	6848.68
<b>B)</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION :</b>		
	Production of Yarn (MT)	<b>4815.129</b>	3868.196
	Electricity (KWH / Ton)	<b>5286.04</b>	5613.23
	Coal (Kg. / Ton)	<b>482.30</b>	632.07
	Others (Diesel / HFO Ltr. / Ton)	<b>9.56</b>	38.82

**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 in 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**

Total Foreign Exchange earned (on FOB basis)

Rs. 399594074/-

Total Foreign Exchange used

Rs. 2743168/-



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# CORPORATE GOVERNANCE

## INTRODUCTION

The Securities and Exchange Board of India has introduced a Code of Corporate Governance (Code) by way of amendment to the listing agreements with the Stock Exchanges. The Company has complied with the mandatory requirements of the Code.

### 1. Company's Philosophy on Corporate Governance :

Corporate Governance implies governance with highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics for efficient and ethical conduct of business. Your Company's endeavor has been to inculcate good corporate governance practices in its organizational and business systems and processes with a clear goal to not merely adhere to the letter of law to comply with the statutory obligations, but also to center around following the spirit underlying the same.

The Corporate governance practices followed by the Company include the corporate structure, its culture, policies and practices, personal belief, timely and accurate disclosure of information, commitment to enhancing the shareholder while protecting the interests of all the stakeholders.

Your Company is committed to and firmly believes in practicing good corporate governance practices as they are critical for meeting its obligations towards shareholders and stakeholders. The Company's governance framework is based on the following principles which adhere to sound corporate governance practices of transparency and accountability :

- Constitution of Board of Directors with an appropriate blend of Executive and Non Executive Directors committed to discharge their responsibilities and duties.
- Strict Compliance with all governance codes, Listing Agreements, other applicable laws and regulations.
- Timely and balanced disclosure of all material information relating to the Company to all stakeholders.
- Adoption of 'Code of Conduct' for Directors and Senior Management, and 'Code of Ethics' and 'Policy on Prohibition of Insider Trading' and effective implementation thereof.
- Regular update of Pasupati website : [www.pasupatitextiles.com](http://www.pasupatitextiles.com) to keep stakeholders informed.

### 2. Board of Directors :

- a) Presently, the Board comprises of 6 Directors out of which 3 are executive directors and 3 are non-executive directors. There are three Independent Directors on the board. The Company is headed by CMD.
- b) During the year ended 31.03.2014, 4 (Four) Board Meetings were held with at least one meeting in every quarter on 27.05.2013, 13.08.2013, 14.11.2013 and 13.02.2014. Statement of Attendance of each Director at the Board Meetings held during the Year and Last Annual General Meeting :

Statement of Attendance of each Director at the Board Meetings held during the Year and Last Annual General Meeting :

S. No.	Name of the Director	Executive / Independent / Non Executive / Nominee	No. of Meetings Held	No. of Meetings Attended	Attendance at Last AGM on 30.09.2013
1.	Mr. Ramesh Kumar Jain	Chairman & Managing Director	4	4	Yes
2.	Mr. S. K. Chhajer	Whole Time Director	4	4	No
3.	Mr. Vedit Jain	Executive Director	4	4	Yes
4.	Mr. Praveen Paliwal	Independent Director	4	4	No
5.	Mr. G. D. Gupta	Independent Director	4	4	Yes
6.	Mr. A. K. Rathore	Independent Director	4	4	No

Details of Board Meetings held during the year :

S. No.	Date	Board Strength	No. of Directors Present
1	27.05.2013	6	4
2	13.08.2013	6	5
3	14.11.2013	6	6
4	13.02.2014	6	6

Number of Directorship on other Boards & Membership / Chairmanship of Committees of other Boards :

S. No.	Name of Director	No. of Directorship on Other Boards	Membership of Committees of Other Boards	Chairmanship of Committees of Other Boards
1.	Mr. Ramesh Kumar Jain	1	NIL	NIL
2.	Mr. Vedit Jain	4	2	2
3.	Mr. Praveen Paliwal	NIL	NIL	NIL
4.	Mr. S. K. Chhajer	NIL	NIL	NIL
5.	Mr. G. D. Gupta	NIL	NIL	NIL
6.	Mr. Ashwani Kumar Rathore	3	NIL	NIL

### 3. Audit Committee :

#### a) Composition :

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and the provisions of Clause 49 of the listing Agreement, Audit Committee has been constituted by the Board of Directors. The strength of the Audit Committee as on 01.04.2013 was three members i.e. Mr. G. D. Gupta, Chairman, Mr. Praveen Paliwal and Mr. Ashwani Kumar 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.

**b) Terms of Reference**

The broad terms of reference of Audit Committee are as follows :

- a. Oversight of the Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending to the Board, the appointment, re-appointment or removal of the statutory auditor and cost auditor and the fixation of their audit fees;
- c. Reviewing with management the periodical financial statements before submission to the Board for approval, with particular reference to (i) changes in accounting policies and practices, (ii) major accounting entries involving estimates based on exercise of judgment by management, (iii) qualifications in draft audit report (if any), (iv) significant adjustments made in financial statements arising out of the audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with listing and other legal requirements concerning financial statements, (viii) Disclosures of any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the company at large;
- d. Reviewing with the management performance of statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
- e. Reviewing the adequacy of internal audit functions;
- f. Discussion with internal auditors any significant findings and follow-up thereon;
- g. Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- h. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- i. Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate.

The terms of reference stipulated by the Board to the Audit Committee are as per Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Audit Committee had reviewed the Annual Financial Statements, before their submission to the Board, as prescribed in Section 292A of the Companies Act, 1956. In the past, the meetings of the Audit Committee were attended by the Members of the Committee, Chief Financial Officer of the Company and the Auditors. The minutes of the Committee were placed before the Board of Directors for information.

c) **Number of Committee Meetings and Attendance :**

Date of the Meetings	Composition	Attendance (Yes / No)	Chairman
27.05.2013	1. Mr. G. D. Gupta, Member and Chairman 2. Mr. Praveen Paliwal, Member 3. Mr. Ashwani Kumar Rathore, Member	Yes Yes Yes	Mr. G. D. Gupta
13.08.2013	1. Mr. G. D. Gupta, Member and Chairman 2. Mr. Praveen Paliwal, Member 3. Mr. Ashwani Kumar Rathore, Member	Yes Yes Yes	Mr. G. D. Gupta
14.11.2013	1. Mr. G. D. Gupta, Member and Chairman 2. Mr. Praveen Paliwal, Member 3. Mr. Ashwani Kumar Rathore, Member	Yes Yes Yes	Mr. G. D. Gupta
13.02.2014	1. Mr. G. D. Gupta, Member and Chairman 2. Mr. Praveen Paliwal, Member 3. Mr. Ashwani Kumar Rathore, Member	Yes Yes Yes	Mr. G. D. Gupta

4. **Remuneration Committee :**a) **Composition :**

The strength of the Remuneration Committee as on 01.04.2013 was three members i.e. Mr. G. D. Gupta as Chairman, Mr. Praveen Paliwal & Mr. Ashwani Kumar Rathore as Members.

The Company Secretary is the Secretary of the Remuneration Committee.

b) **Terms of Reference :**

The role, terms of reference, authority and powers of the Remuneration Committee are in conformity with the listing agreement and as prescribed under the Companies Act, 1956. 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.

c) **Number of Committee Meetings and Attendance :**

Date of the Meetings	Composition	Attendance (Yes / No)	Chairman
27.05.2013	1. Mr. G. D. Gupta, Member and Chairman 2. Mr. Praveen Paliwal, Member 3. Mr. Ashwani Kumar Rathore, Member	Yes Yes Yes	Mr. G. D. Gupta
14.11.2013	1. Mr. G. D. Gupta, Member and Chairman 2. Mr. Praveen Paliwal, Member 3. Mr. Ashwani Kumar Rathore, Member	Yes Yes Yes	Mr. G. D. Gupta



d) **Details of remuneration / sitting fees paid to directors during the year 2013-14 :**

Amount (Rs.)

Sl. No.	Name of the Director	Description of Transaction	Basic RS.	Perquisites Rs.	Sitting Fee Rs.	Total Rs.
1	Mr. Ramesh Kumar Jain Chairman & Mg. Director	Perquisites	NIL	220244	NIL	220244
2	Mr. S. K. Chhajer Whole Time Director	Remuneration & Perquisites	672000	41400	NIL	713400
3	Mr. Vidit Jain Executive Director	Remuneration & Perquisites	672000	235244	NIL	907244
4	Mr. Praveen Paliwal Director	Sitting Fees	NIL	NIL	20000	20000
5.	Mr. G. D. Gupta Director	Sitting Fees	NIL	NIL	40000	40000
6.	Mr. Ashwani Kumar Rathore Director	Sitting Fees	NIL	NIL	20000	20000

**5. Share / Debenture Transfer-cum-Shareholders' / Investors' Grievance Committee :**

The Committee is vested with the requisite power and authority to specifically look into the redressal of the shareholders' / Debentureholders / Investors' Grievance.

a) **Composition :**

Presently the Share / Debenture Transfer-cum-Shareholders' / Investors' Grievance Committee consisted of three members – Mr. Ashwani Kumar Rathore as Chairman, Mr. Ramesh Kumar Jain and Mr. Vidit Jain as members.

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

Ms. Rekha Sharma, Company Secretary of the Company acts as the Compliance Officer of the Company.

c) **Investors Complaints received and resolved during the year :**

During the financial Year 2013-14, only one Investor Complaint was received and same was redressed timely. No Complaint was pending as on 31.03.2014.

d) **Meetings :**

During the year ending 31.03.2014, 36 Meetings of Share / Debenture Transfer-cum Shareholders / Investors' Grievance 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 Kumar Rathore, Chairman	36	36
2. Mr. Ramesh Kumar Jain, Member	36	36
3. Mr. Vidit Jain, Member	36	36

**6. Annual General Meetings :**

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

Year	Date	Venue	Time
2011	30.09.2011	Village Kapriwas (Dharuhera) Distt. Rewari, Haryana	12.00 Noon
2012	29.09.2012	Village Kapriwas (Dharuhera) Distt. Rewari, Haryana	10.00 A.M.
2013	30.09.2013	Village Kapriwas (Dharuhera) Distt. Rewari, Haryana	10.00 A.M.

**No postal ballots resolutions were passed.**

**7. Disclosures :****a) Related Party Transactions :**

There were no material significant transactions with related parties except those mentioned in the Annual Accounts for the Financial Year 2013-14 conflicting with the Company's interest. There was also no instance of non-compliance on any matter related to the Capital Markets during the Financial Year 2013-14.

**b) Compliance by the Company :**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital market during the last three years.

**8. Code of conduct for Directors and Senior Management :**

The Company has framed a Code of Conduct for Directors and senior officers of the Company, which has been complied by the Board members and senior officers of the Company.

**9. Means of Communication & Website :**

- The Quarterly & Annual Results were generally published in the newspaper i.e. Pioneer (English edition) and in the Aaj Samaj (Hindi edition).
- The Quarterly results are also displayed on the website of the Company, i.e., [www.pasupatitextiles.com](http://www.pasupatitextiles.com)
- The Management Discussion and Analysis (MDA) report, which covers the operations of the Company, forms part of the Annual Report.



## 10. Shareholders information :

### a) Annual General Meeting

Date & Time : 29.09.2014 at 10.00 A.M.  
Venue : Registered Office of the Company at  
Village Kapriwas (Dharuhera) Distt. Rewari, Haryana

b) **Book Closure** : 4th September, 2014 to 11th September, 2014  
(both days inclusive)

### c) Financial Year

The financial year of the Company starts from 1st April of the calendar year and ends on 31st March of next calendar year.

### d) Distribution of Shareholding as on 31.03.2014 :

	Shareholding	%age
Promoters' holding including their relatives & Associate Companies	6993970	74.905
Non-Promoters Holding		
A. Directors	360	0.003
B. Institutional Investors Financial Institutions, Banks and Mutual Funds etc.	10282	0.111
C. Private Corporate Bodies	1621849	17.370
D. Public	710607	7.611
	9337608	100.000

### e) Share Transfer System & Registrar & Share Transfer Agent :

All requests for dematerialization, rematerialization, transfer, transmission, issue of duplicate share certificates, sub-divisions, etc. are being handled by the Registrar & Share Transfer Agent and registered within 15 days of receipt of documents, if found in order.

All requests for transfer of shares in the physical form are processed and the duly transferred share certificates are returned to the transferee within the time prescribed by the law in this regard, subject to the share transfer documents being valid and complete in all respects.

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

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



f) **Dematerialization of shares and liquidity****Procedure for dematerialization / rematerialization of shares**

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.

As on 31st March, 2014, 95.86% 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.

g) **Registered Office and address for correspondence :****Registered Office :**

Village Kapriwas (Dharuhera),  
Distt. Rewari (Haryana)

**Company Secretary & Compliance Officer :**

Name : Ms. Rekha Sharma  
Address : Pasupati Spinning & Weaving Mills Limited,  
1501, Nirmal Tower, 26, Barakhamba Road, New Delhi -110001.  
Mail Id : rekhasharma@pasupatitextiles.com

**Plants Location :**

Polyester Viscose Yarn & Cotton Yarn Unit : Village Kapriwas (Dharuhera)  
Distt. Rewari, Haryana

Sewing Thread Unit : Village Kheri (Kala-amb)  
Distt. Sirmour, H.P.

**11. Listing at Stock Exchanges**

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

Sl. No.	Name of Stock Exchanges	Listing Fee Paid up to	Stock Code No.
1.	Delhi Stock Exchange Association Ltd.	2004-05	A-2
2.	Bombay Stock Exchange Limited, Mumbai	2013-14	A-1



## 12. Market Price data : High / Low during the year

### Market Price data : High / Low during the year 2013-14 :

Month	High (Rs.)	Low (Rs.)
April, 2013	Trading Suspended	Trading Suspended
May, 2013	Trading Suspended	Trading Suspended
June, 2013	Trading Suspended	Trading Suspended
July, 2013	9.72	8.00
August, 2013	28.35	10.20
September, 2013	27.70	24.50
October, 2013	30.40	25.70
November, 2013	29.00	20.00
December, 2013	22.60	18.65
January, 2014	23.20	20.00
February, 2014	24.15	22.60
March, 2014	21.50	16.75

## 13. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT / OUTLOOK ON THREATS, RISKS AND CONCERNS :

Due to Anti Dumping duty imposed on Polyester Yarn and Polyester Threads of Indian products in Turkey, our growth of export sales and realization is severely affected. The company's product is facing stiff competition from China, due to favorable policy of Government of China extended to their exporters various benefits, such as credit benefit of GST and other than GST extra Duty Drawback. However, the Government of India has still not implemented GST. Therefore, our product is costlier as compared to China and other countries and we are not competitive in Man Made Fibre Products. Although Government of Turkey had invited representation from India stakeholders for reviewing anti dumping duty, but so far no relief appears to be forthcoming.

The Company continuously is facing labour shortage resulting low capacity utilization. Although the position had marginally improved during few months, but situation is far below satisfactory level. The company is continuously trying its level best to counter this problem by recruiting female workers, trainees and apprentices.

The company is trying to improve its domestic sales of Sewing Thread, but at some stage, we have to stop increase of sales due to non-availability of working capital, as the finished sewing thread is being sold on credit basis. Therefore, the company requires an additional

working capital for increase of sales.

There is a continuous increase in cost due to power tariff hike, wages hike etc. However these increases are partially passed on to customers, balance is being absorbed by the company, due to which profitability of the company is affected. The company is trying, its level best to increase / maintain the profitability with the available resources.

In view of improved market of cotton yarn, the company has restarted production activities from August 2013 at its Spinning Unit at Dharuhera, where the production activities were suspended due to bad market scenario and frequent power problems. In order to upgrade its production facilities for producing quality yarn, the company has also imported and commissioned four new machines with financial assistance of Rs. 452 Lacs from Bank of Baroda. Originally production activities in this unit were supposed to commence from June 2013, but due to delay in restoration of power connection, the same could commence only from August 2013. Thereafter, the company faced various teething troubles as the plant was lying closed for last six year and operations could be streamlined only by March 2014. Therefore, the company suffered loss in this unit instead of any contribution to the bottom line. Due to overall improvement in market scenario of cotton yarn industry, the competition in the market has also increase. In order to counter the same, the company proposes to diversify its production line from single to double yarn and for this purpose, the company has already place order for purchase of TFO machines and cheese winding machines. This will not only give the company an edge over other units but there will be better sales realisation and there will also be extra market for company's product.

**14. Segment-wise performance :**

Company is only manufacturing textile and textile articles and therefore, segment reporting is not applicable to the Company.

**15. Internal Control Systems and Adequacy :**

In order to strengthen internal control systems, M/s. M.C. Jain & Co., Chartered Accountants were appointed as Internal Auditors of the Company for the year 2013-14.

**16. Financial performance :**

The financial performance of the company has been given separately in the Directors' Report.

**17. Human Resources :**

The key resource for your Company has been its people. Your Company has been able to create a favorable work environment that motivates performance, customer focus and innovation while adhering to the highest degree of integrity.

**18. CEO / CFO Certificate**

The requisite certificate has been obtained from the CEO / CFO of the Company.

For and on behalf of The Board of Directors  
For **PASUPATI SPINNING & WEAVING MILLS LIMITED**

Place : New Delhi  
Dated : May 27, 2014

**RAMESH KUMAR JAIN**  
CHAIRMAN & MANAGING DIRECTOR



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## **Declaration Regarding Compliance by Board Members and Senior Management Personnel with the 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, 2014, 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.

For **PASUPATI SPINNING & WEAVING MILLS LIMITED**

Place : New Delhi  
Date : May 27, 2014

**RAMESH KUMAR JAIN**  
Chairman & Managing Director

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**CERTIFICATION BY CHAIRMAN & MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER**

In terms of Clause 49 of the Standard Listing Agreement, We, Ramesh Kumar Jain, Chairman & Managing Director and A.K. Monga – C.F.O of the company, certify that :

- a. We have reviewed financial statements, cash flow statement and the directors' report for the year ended 31st March, 2014;
- b. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
- c. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations;
- d. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
- e. We accept the responsibility for establishing and maintaining internal controls for financial reporting evaluate the effectiveness, disclosing the deficiencies in the design or operation of internal controls, if any, to the Auditors and Audit Committee and take steps or propose to take steps to rectify these deficiencies.
- f. We have indicated, wherever applicable, to the Auditors and the Audit Committee :
  - i. Significant changes in Internal Control over financial reporting during the period; and
  - ii. Significant changes in Accounting Policies, the same have been disclosed in the notes to the financial statement;

For **PASUPATI SPINNING & WEAVING MILLS LIMITED**

Place : New Delhi  
Date : May 27, 2014

**(RAMESH KUMAR JAIN)**  
Chairman & Managing Director

**(A.K. MONGA)**  
Chief Financial Officer



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## AUDITORS' CERTIFICATE

We have examined the compliance of conditions of corporate governance by PASUPATI SPINNING & WEAVING MILLS LIMITED for the year ended on 31st March, 2014, as stipulated in clause 49 of the listing agreement of the said company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to 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 statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the following :

- i) *Annual listing fees payable to Delhi Stock Exchange Association Limited has not been paid from the financial year 2005-06 to 2013-14.*

We certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

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

For **B. K. SHROFF & CO.**  
Chartered Accountants  
Firm Registration No.302166E

Place : New Delhi  
Date : May 27, 2014

**O. P. Shroff**  
Partner  
Membership No. : 6329

# INDEPENDENT AUDITORS' REPORT

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

## **Report on the Financial Statements**

We have audited the accompanying financial statements of Pasupati Spinning & Weaving Mills Limited ("the Company") which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## **Management's responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Basis of Qualified Opinion**

*The company has claimed additional compensation in respect of part of factory land acquired. The additional compensation demand is Rs. 61464287 (including amount upto previous year Rs. 24276787), 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. 12 of the accompanying notes to the financial statements).*

## **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in the Basis of Qualified Opinion paragraph,*



the 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 :

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
  - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and
  - (v) *As per information and explanations given to us, we report that as on 31.3.2014 none of the directors of the company are disqualified from being appointed as a director of the company under Section 274((1)(g) of the Companies Act, 1956. As the company had not redeemed its debentures on due dates and as the default continued for more than a year, directors of the company were not qualified for being appointed as directors of any other public company in terms of provision of Section 274(1)(g) of the Companies Act, 1956 as amended by the Companies Amendment Act, 2000. Board for Industrial and Financial Reconstruction (BIFR) has sanctioned rehabilitation scheme for the company vide its order dated 17.2.2012. The said scheme has approved payments of the settled amount to debenture-holders in instalments. The payment as approved by BIFR has been made and there is no default in such payment. Besides, one of the directors has been appointed after the scheme has been sanctioned. He has certified that he is not disqualified from being appointed as a director in any other company.*

For **B. K. SHROFF & CO.,**  
Chartered Accountants  
Firm Registration No. 302166E

Place : New Delhi  
Dated : May 27, 2014

**O. P. SHORFF**  
Partner  
Membership No. 06329



**ANNEXURE REFERRED TO IN PARAGRAPH (1) UNDER THE HEADING OF ‘REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS’ OF OUR REPORT OF EVEN DATE**

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, 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.
- (c) In our opinion and according to explanations given to us, fixed assets disposed off during the year were not substantial and as such the disposal has not affected the going concern concept of the company.
- (ii) (a) As explained to us, physical verification of inventory (except material in transit and lying with third parties) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material and these have been properly dealt with in the books of accounts.
- (iii) (a) On the basis of the records of the company, the Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence para (iii) (a) to (d) of the order are not applicable to the company;
- (b) On the basis of the records of the company, the following are the particulars of loans taken by the company from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

Name of the Party	Relationship with the company	Opening Balance Rs.	Loan taken Rs.	Loan repaid Rs.	Year end balance Rs.	Maximum Balance Outstanding during the year Rs.
Sulabh Impex Ltd.	Associate	5700000	17436500	—	23136500	23136500
Pasupati Olefin Ltd.	Associate	6800000	3120000	9920000	—	9920000

- (c) In our opinion the rate of interest and other terms and conditions on which unsecured loans have been taken from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
- (d) In our opinion, the company is regular in repaying the principal amount as per stipulations and has been regular in payment of interest whenever applicable.



- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. No major weakness in the internal control system was observed during the course of audit.
- (v) According to the information and explanations given to us, during the year there were no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs v (a) and (b) of the aforesaid order are not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public as per provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975. No order has been passed by the Company Law Board or National Company law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) 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 209 (1) (d) of the Companies Act, 1956 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.
- (ix) (a) *According to the records of the company, the company is not regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it. According to information and explanations given to us the undisputed amounts outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable are as under :*

<i>Name of the statute</i>	<i>Nature of dues</i>	<i>Amount Rs.</i>	<i>Period to which amount relates</i>
<i>Service Tax Act</i>	<i>Service Tax</i>	<i>95145</i>	<i>2009-10</i>

(b) According to the records of the company, dues in respect of Sales Tax/Income Tax/ Customs duty/Wealth Tax/Service Tax/Excise Duty/Cess which have not been deposited on account of any dispute are as under :

Name of the statute	Nature of dues	Amount Rs.	Forum where pending
Central Excise Act	Excise Duty	13373657	Hon'ble High Court of Punjab & Haryana
Central Excise Act	Excise Duty	2670382	Hon'ble Supreme Court
Central Excise Act	Excise Duty	2583953	Central Excise & Service Tax Tribunal
Haryana Value Added Tax Act	VAT	4222661	Sales Tax Tribunal
Service Tax Act	Service Tax	229316	Central Excise & Service Tax Tribunal
Income Tax Act, 1961	Income Tax	465270	Income Tax Tribunal

(x) As at 31.03.2014, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.

(xi) The company has defaulted in payment of dues to financial institutions, banks and debenture-holders. Details as per company's books of accounts are as under :

The limits with banks were overdrawn for most of the year and were within limits for the remaining part of the year. The overdrawn limits as on 31.03.2014 are as under :

Nature of Limit	Name of the Bank	Limit (Rs. in Lacs)	Balance as per Banks (Rs. in Lacs)	Excess (Rs. in Lacs)	Remarks
Cash	Canara Bank	323.00	324.24	1.24	Due to interest charged by bank on 31.3.2014 and paid subsequently
Credit/Packing	State Bank of Patiala	315.68	320.15	4.47	
Credit	ING Vysya Bank Ltd	301.74	305.29	3.55	

Nature of Limit	Name of the Bank	Amount Overdue (Rs.)	Due Date	Remarks
Bill discounted/purchased	Bank of Baroda	4556237	24.03.2014	Realised on 02.04.2014
		4773600	30.03.2014	Realised on 03.04.2014

(xii) Based on our examination of documents and records maintained by the company, we are of the opinion that since the company has not granted any loan and advance on the basis of security by way of pledge of shares, debenture and other securities, it is not required to maintain records in respect thereof.



- 
- (xiii) In our opinion the company is neither a chit fund nor nidhi / mutual benefit fund / society and hence paragraph 4 (xiii) of the aforesaid order is not applicable.
- (xiv) In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments and accordingly the provisions of paragraph 4(xiv) of the aforesaid order is not applicable.
- (xv) Based on our examination of the records we are of the opinion that the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, term loans received during the year have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that funds raised on short term basis have not been used for long term investments.
- (xviii) During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of Companies Act, 1956.
- (xix) During the year the company had not issued any debentures. The company has created security or charge in respect of debentures issued in earlier years.
- (xx) During the year under review no money was raised by public issue.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with auditing standards generally accepted in India, we have not come across any instance of fraud by the company or on the company, noticed or reported during the year. We have also not been informed of any such case by the management.

For **B. K. SHROFF & CO.**,  
Chartered Accountants  
Firm Registration No. 302166E

3/7-B, Asaf Ali Road,  
New Delhi-110 002.  
Dated : May 27, 2014

**O. P. SHORFF**  
Partner  
Membership No. 06329

# BALANCE SHEET

## As at 31st March, 2014

Particulars	Note No.	As at 31.03.2014 Rs.		As at 31.03.2013 Rs.
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital	2	93,370,680	93,370,680	
Reserves & Surplus	3	<u>186,238,097</u>	<u>190,886,567</u>	284,257,247
<b>NON-CURRENT LIABILITIES</b>				
Long-Term Borrowings	4	143,544,518	54,167,470	
Deferred Tax Liability	5	13,138,252	12,663,660	
Other Long Term Liabilities	6	8,006,628	4,700	
Long Term Provisions	7	<u>8,093,518</u>	<u>8,676,874</u>	75,512,704
<b>CURRENT LIABILITIES</b>				
Short-Term Borrowings	8	333,458,140	327,184,783	
Trade Payables	9	231,040,069	155,268,857	
Other Current Liabilities	10	112,106,333	183,845,068	
Short Term Provisions	11	<u>1,729,571</u>	<u>1,185,388</u>	667,484,096
		<b><u>1,130,725,806</u></b>	<b><u>1,185,388</u></b>	<b><u>667,484,096</u></b>
				<b><u>1,027,254,047</u></b>
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
Fixed Assets				
Tangible Assets	12	459,594,051	415,808,965	
Capital Work-in-Progress		1,729,148	1,207,956	
Non-Current Investments	13	1,052,792	1,052,792	
Long-Term Loans & Advances	14	<u>9,859,014</u>	<u>14,483,020</u>	432,552,733
<b>CURRENT ASSETS</b>				
Current Investments	15	—	—	
Inventories	16	336,111,868	279,515,671	
Trade Receivables	17	233,450,731	248,560,357	
Cash & Cash Equivalents	18	30,261,793	32,219,221	
Short Term Loans & Advances	19	34,479,661	18,976,582	
Other Current Assets	20	<u>24,186,748</u>	<u>15,429,483</u>	594,701,314
		<b><u>658,490,801</u></b>	<b><u>15,429,483</u></b>	<b><u>594,701,314</u></b>
		<b><u>1,130,725,806</u></b>	<b><u>1,130,725,806</u></b>	<b><u>1,027,254,047</u></b>

See accompanying notes to the financial statements

As per our report of even date annexed  
For B.K. SHROFF & CO.,  
Chartered Accountants  
Firm Registration No. 302166E

RAMESH KUMAR JAIN  
Chairman & Managing Director  
DIN No. 00575142

VIDIT JAIN  
Executive Director  
DIN No. 01347588

Place : New Delhi  
Dated : May 27, 2014  
O.P. SHROFF  
Partner  
Membership No. 06329

REKHA SHARMA  
Company Secretary

S.K. CHHAJER  
Whole-time Director  
DIN No. 00575234

# STATEMENT OF PROFIT AND LOSS

## For the year ended 31st March, 2014



Particulars	Note No.	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
Revenue from Operations	23	<b>2,078,233,572</b>	1,565,421,531
Other Income	24	<b>31,097,655</b>	34,409,076
<b>Total Revenue</b>		<b><u>2,109,331,227</u></b>	<b><u>1,599,830,607</u></b>
<b>Expenses</b>			
Cost of Materials Consumed	25	<b>1,243,871,902</b>	826,206,914
Purchases of Stock in Trade	26	<b>852,589</b>	274,687
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	27	<b>(47,810,570)</b>	(38,280,766)
Share of Profit of Joint Venture partner	28	<b>16,876,733</b>	—
Employee Benefits Expense	29	<b>130,193,526</b>	109,913,515
Finance Costs	30	<b>72,974,222</b>	71,068,826
Depreciation and Amortisation Expense	31	<b>33,550,061</b>	31,277,155
Other Expenses	32	<b>653,055,083</b>	532,874,072
<b>Total Expenses</b>		<b><u>2,103,563,546</u></b>	<b><u>1,533,334,403</u></b>
Profit/(Loss) before extraordinary items and tax		<b>5,767,681</b>	66,496,204
Extra ordinary Items	33	<b>(9,941,574)</b>	145,786,818
Profit/(Loss) before tax		<b>(4,173,893)</b>	212,283,022
<b>Tax Expense</b>			
Wealth Tax		—	3,500
Deferred Tax		<b>474,592</b>	12,663,660
Earlier Year's Tax		<b>(15)</b>	—
Profit/(Loss) for the year		<b><u>(4,648,470)</u></b>	<b><u>199,615,862</u></b>
<b>Earnings per Equity Share</b>	<b>34</b>		
Before extraordinary items			
Basic		<b>0.57</b>	5.77
Diluted		<b>0.57</b>	5.77
After extraordinary items			
Basic		<b>(0.50)</b>	21.38
Diluted		<b>(0.50)</b>	21.38

See accompanying notes to the financial statements

As per our report of even date annexed  
For B.K. SHROFF & CO.,  
Chartered Accountants  
Firm Registration No. 302166E

RAMESH KUMAR JAIN  
Chairman & Managing Director  
DIN No. 00575142

VIDIT JAIN  
Executive Director  
DIN No. 01347588

Place : New Delhi  
Dated : May 27, 2014  
O.P. SHROFF  
Partner  
Membership No. 06329

REKHA SHARMA  
Company Secretary

S.K. CHHAJER  
Whole-time Director  
DIN No. 00575234

**CASH FLOW STATEMENT**

For the year ended 31st March, 2014

	Note No.	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
<b>A. Cash Flow from Operating Activities</b>			
<b>Net Profit / (Loss) before Tax and extraordinary item</b>		<b>5,767,681</b>	66,496,204
Adjustments for:			
Depreciation		<b>33,550,061</b>	31,277,155
Interest Income		<b>(1,679,988)</b>	(1,922,950)
(Profit) / Loss on Fixed Assets sold / discarded		<b>(6,100,455)</b>	(159,641)
Dividend Income		<b>(600)</b>	—
Interest Charged		<b>59,138,345</b>	60,588,582
<b>Operating Profit before Working Capital Charges</b>		<b>90,675,044</b>	156,279,350
Adjustments for:			
Trade & Other Receivables		<b>(8,444,718)</b>	(42,530,211)
Inventories		<b>(56,596,197)</b>	(56,487,845)
Trade Payables & Other Liabilities		<b>103,836,307</b>	22,156,338
<b>Cash Generated from Operations</b>		<b>129,470,436</b>	79,417,632
Interest Paid		<b>(70,595,098)</b>	(83,167,247)
Taxes Paid		<b>(422,801)</b>	7,741
<b>Net Cash from Operating Activities</b>		<b>58,452,537</b>	(3,741,874)
<b>B. Cash Flow from Investing Activities</b>			
Purchase of Fixed Assets		<b>(74,874,330)</b>	(9,703,319)
Sale of Fixed Assets		<b>7,512,501</b>	178,802
Interest Received		<b>1,623,255</b>	1,884,601
Dividend Received		<b>600</b>	—
<b>Net Cash used in Investing Activities</b>		<b>(65,737,974)</b>	(7,639,916)
<b>C. Cash Flow from Financing Activities</b>			
Proceeds from Borrowings			
— Short Term		<b>23,978,417</b>	68,517,076
— Long Term		<b>113,576,500</b>	371,897
Repayment of Loans			
— Short Term		<b>(17,705,060)</b>	(3,728,212)
— Long Term		<b>(114,521,848)</b>	(91,055,701)
Promoters' Contribution		—	(59,648,621)
Increase in Share Capital		—	69,644,660
Increase in Share premium		—	30,000,000
<b>Net Cash used in Financing Activities</b>		<b>5,328,009</b>	14,101,099
Net (Decrease) / Increase in Cash & Cash equivalents		<b>(1,957,428)</b>	2,719,309
Cash & Cash equivalents at start of the year		<b>32,219,221</b>	29,499,912
Cash & Cash equivalents at close of the year		<b>30,261,793</b>	32,219,221

Note : Brackets represent cash outflows

See accompanying notes to the financial statements

As per our report of even date annexed  
For B.K. SHROFF & CO.,  
Chartered Accountants  
Firm Registration No. 302166E

RAMESH KUMAR JAIN  
Chairman & Managing Director  
DIN No. 00575142

VIDIT JAIN  
Executive Director  
DIN No. 01347588

Place : New Delhi  
Dated : May 27, 2014

O.P. SHROFF  
Partner  
Membership No. 06329

REKHA SHARMA  
Company Secretary

S.K. CHHAJER  
Whole-time Director  
DIN No. 00575234



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## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of Preparation of Financial Statements

- a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, subject to what is stated herein below, as adopted consistently by the company.
- b) The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

#### B. Fixed Assets

Fixed assets are stated at cost of acquisition inclusive of inward freight, duties & taxes and incidental expenses relating to acquisition and are net of modvat credit. In respect of major projects, related pre-operational expenses form part of the value of assets capitalized.

#### C. Depreciation

Depreciation is calculated on fixed assets on 'Straight Line Method' in accordance with Schedule XIV of the Companies Act, 1956 as under :

- a) In respect of Plant & Machinery by applying the revised rates in force in terms of the notification dated 16.12.1993. Based upon legal opinion depreciation has been provided at the rate prescribed for continuous process plant.
- b) In respect of other assets at the rates in force prior to the above mentioned notification and at the revised rates on assets acquired thereafter.

#### D. Foreign Currency Transactions, Derivatives Instruments and hedge Accounting

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- b) 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.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the statement of profit & loss.
- d) 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 statement of profit & loss.

#### E. Investments

- a) Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.



- b) Current investments are valued at cost or market value whichever is lower. The decline in the value of current investments is provided in the accounts each year.

**F. 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.

**G. Sales**

Sales are inclusive of recovery of excise duty and packing charges and net of returns and sales tax.

**H. Taxes, Duties etc.**

Excise duty has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in bonded warehouses. Provision is made for goods meant for sale in domestic tariff area only.

**I. Employee Retirement Benefits**

Company's contribution to state plans are charged to revenue every year. Liability to defined benefit plans is determined on the basis of an actuarial valuation at the end of the year. Actuarial gains and losses comprises experience adjustments and the effect of changes in actuarial assumptions and are recognized immediately in the statement of profit and loss as income or expense.

**J. Borrowing Cost**

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalized upto the date when such assets are ready for its intended use and other borrowing cost are charged to profit & loss account.

**K. Earning per Share**

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).

**L. Deferred Taxation**

Deferred taxation is provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystallize in the foreseeable future.

Deferred tax benefits are recognized in the financial statements only to the extent of any deferred tax liability or when such benefits are reasonably expected to be realizable in the near future.



## M. Impairment of Assets

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

## N. Operating Lease

Operating lease receipts and payments are recognized as income or expenses in the statement of profit and loss on a straight line basis over the lease term.

## O. Contingent Liabilities

Contingent liabilities not provided for in the accounts are separately shown in the Annual Statement of Accounts.

## P. Events occurring after Balance Sheet date

Events occurring after the Balance Sheet date have been considered in the preparation of financial statements.

## 2. SHARE CAPITAL

### a) Authorised

Particulars	No. of Shares		Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
<b>Equity Shares of Rs. 10 each</b>				
At the beginning of the year	12,100,000	12,100,000	121,000,000	121,000,000
Add : Additions during the year	—	—	—	—
Less : Reduction during the year	—	—	—	—
At the end of the year	12,100,000	12,100,000	121,000,000	121,000,000
Total			121,000,000	121,000,000

### b) Issued, Subscribed and Paid up

Particulars	No. of Shares		Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
<b>Equity Shares of Rs. 10 each fully paid up</b>				
At the beginning of the year	9,337,068	2,372,602	93,370,680	23,726,020
Add : Additions during the year	—	6,964,466	—	69,644,660
Less : Reduction during the year	—	—	—	—
At the end of the year	9,337,068	9,337,068	93,370,680	93,370,680
Total			93,370,680	93,370,680

Board for Industrial and Financial Reconstruction (BIFR) had sanctioned a rehabilitation scheme for the company vide its order dated 17.2.2012. In terms of the said scheme, on 1.5.2012, 5964466 equity shares of Rs.10 each have been allotted to promoters / associates at par against promoters' contribution received from them and 1000000 equity shares of Rs. 10 each have been allotted to

J.M. Financial Asset Reconstruction Company Private Limited (JMFARC) at a price of Rs. 40 per share (Rs. 10 towards face value and Rs. 30 towards premium) on conversion of part dues of financial assistance given by IDBI to the company and later transferred / assigned to Stressed Assets Stabilization Fund (SASF), which was further assigned by SASF in favour of JMFARC.

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 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
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%

### 3. RESERVES & SURPLUS

Particulars	Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013
<b>Capital Reserve</b>		
At the beginning of the year	40,352,040	40,352,040
Add : Additions during the year	—	—
Less : Reduction during the year	—	—
At the end of the year	40,352,040	40,352,040
<b>Share Premium Account</b>		
At the beginning of the year	86,610,090	56,610,090
Add : Additions during the year *	—	30,000,000
Less : Reduction during the year	—	—
At the end of the year	86,610,090	86,610,090
<b>Debenture Redemption Reserve</b>		
At the beginning of the year	4,382,421	75,089,247
Add : Additions during the year	—	—
Less : Transferred to Surplus	4,382,421	70,706,826
At the end of the year	—	4,382,421
<b>Surplus</b>		
At the beginning of the year	59,542,016	(210,780,672)
Add : Additions during the year	—	199,615,862
Add : Transferred from Debenture Redemption Reserve	4,382,421	70,706,826
Less : Reduction during the year	4,648,470	—
At the end of the year	59,275,967	59,542,016
Total	186,238,097	190,886,567

\* Represents premium on shares allotted to JMFARC as explained in note no. 2 above



#### 4. LONG TERM BORROWINGS

Particulars	Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013
<b>Secured</b>		
Term Loan - From Bank	78,900,000	—
Vehicle Loans	73,018	232,470
Sub Total	78,973,018	232,470
<b>Unsecured</b>		
From Companies - Free of interest	64,571,500	53,935,000
<b>Total</b>	<b>143,544,518</b>	<b>54,167,470</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	Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013
Payable after 1 year	25,592,839	159,452
Payable after 2 years	33,264,500	1,552,839
Payable after 3 years	33,264,500	7,705,001
Payable after 4 years	16,004,500	7,705,001
Payable after 5 years	9,224,500	7,705,001
Payable after 6 years	9,224,500	7,705,001
Payable after 7 years	9,224,500	7,705,001
Payable after 8 years	7,744,679	7,705,001
Payable after 9 years	—	6,225,173
<b>Total</b>	<b>143,544,518</b>	<b>54,167,470</b>

- iv) There is no default in repayment of loans and interest thereon on balance sheet date.

## 5. DEFERRED TAX LIABILITIES (NET)

Particulars	Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013
<b>Deferred Tax (Liability)</b>		
Fixed Assets	<b>(76,632,733)</b>	(73,016,069)
Sub Total	<b>(76,632,733)</b>	(73,016,069)
<b>Deferred Tax Assets</b>		
Carry forward losses	<b>54,914,879</b>	56,564,449
Section 43B items	<b>1,320,365</b>	589,285
Provision for Gratuity	<b>3,187,101</b>	3,198,675
Others	<b>4,072,136</b>	—
Sub Total	<b>63,494,481</b>	60,352,409
Net deferred tax asset / (liability)	<b>(13,138,252)</b>	(12,663,660)

Deferred tax assets in respect of additions which are in appeal has not been considered.

## 6. OTHER LONG TERM LIABILITIES

Particulars	Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013
Security Deposits	<b>19,700</b>	4,700
Interest accrued but not due	<b>7,986,928</b>	—
Total	<b>8,006,628</b>	4,700

## 7. LONG TERM PROVISIONS

Particulars	Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013
Provisions for employees benefits	<b>8,093,518</b>	8,676,874
Total	<b>8,093,518</b>	8,676,874



## 8. SHORT TERM BORROWINGS

Particulars	Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013
<b>Secured</b>		
Loans repayable on demand		
From Banks		
Working capital Loans *	<b>326,603,775</b>	308,129,723
Buyers' Credit	—	17,705,060
Sub Total	<b>326,603,775</b>	325,834,783
<b>Unsecured</b>		
Loans repayable on demand		
From Companies		
- Bearing interest	<b>1,350,000</b>	1,350,000
- Free of Interest	<b>5,504,365</b>	—
Sub Total	<b>6,854,365</b>	1,350,000
<b>Total</b>	<b>333,458,140</b>	327,184,783

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.

\* Includes borrowing of Rs. 102.56 lacs (previous year Rs. 71.17 lacs) in excess of the limits / overdue.

## 9. TRADE PAYABLES

The company is in the process of identifying suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, information thereto has not been provided.

## 10. OTHER CURRENT LIABILITIES

Particulars	Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013
Current maturity of long term debts	<b>24,199,452</b>	114,521,848
Interest accrued on borrowings	<b>4,661,160</b>	6,176,339
Advance from customers	<b>6,253,940</b>	4,547,154
Other liabilities	<b>76,991,781</b>	58,599,727
<b>Total</b>	<b>112,106,333</b>	183,845,068

### Notes :

- No unclaimed amounts were outstanding to be credited to investor education & protection fund as on 31.03.2014.
- Interest accrued on borrowings include amount accrued and due Nil (previous year Rs. 5636383).

**11. SHORT TERM PROVISIONS**

Particulars	Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013
Provision for Wealth Tax	—	3,500
Provision for employees Benefits	1,729,571	1,181,888
<b>Total</b>	<b>1,729,571</b>	<b>1,185,388</b>

**12. TANGIBLE FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.2013	Additions	Sales/ Adjust- ments	Total	Upto 31.3.2013	For the Year	Adjust- ments	Total	As at 31.3.2014	As at 31.3.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land - Freehold *	4,817,593	—	24,562	4,793,031	—	—	—	—	4,793,031	4,817,593
Land - Leasehold	—	1,802,615	—	1,802,615	—	45,065	—	45,065	1,757,550	—
Buildings	256,240,918	—	—	256,240,918	150,695,293	4,345,055	—	155,040,348	101,200,570	105,545,625
Plant & Machinery	1,699,196,275	75,524,101	27,173,355	1,747,547,021	1,399,012,427	28,164,375	25,785,871	1,401,390,931	346,156,090	300,183,848
Furniture & Fixtures	6,479,768	257,284	—	6,737,052	5,909,087	123,546	—	6,032,633	704,419	570,681
Factory & Office Equipments	15,726,356	1,163,193	—	16,889,549	13,427,653	408,057	—	13,835,710	3,053,839	2,298,703
Vehicles	10,028,305	—	—	10,028,305	7,635,790	463,963	—	8,099,753	1,928,552	2,392,515
<b>Total</b>	<b>1,992,489,215</b>	<b>78,747,193</b>	<b>27,197,917</b>	<b>2,044,038,491</b>	<b>1,576,680,250</b>	<b>33,550,061</b>	<b>25,785,871</b>	<b>1,584,444,440</b>	<b>459,594,051</b>	<b>415,808,965</b>
Previous Year	1,988,733,362	4,101,308	345,455	1,992,489,215	1,545,729,389	31,277,155	326,294	1,576,680,250	415,808,965	

\* The company has received compensation of Rs. 4812500 (previous year Rs. 1348213) 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. 61464287 (previous year Rs. 24276787) demanded in the representation will be accounted for as and when received.



### 13. NON CURRENT INVESTMENTS (AT COST)

Particulars	No. of Shares		Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
<b>Equity Shares of Rs. 10 each</b>				
<b>Quoted - Trade</b>				
Amit Spinning Industries Limited	100	100	2,329	2,329
Global Syntex (Bhilwara) Limited	9,900	9,900	108,900	108,900
G.T.N. Industries Limited	100	100	17,597	17,597
Malwa Cotton Spinning Mills Limited	50	50	16,325	16,325
Sanghi Polyesters Limited	200	200	7,141	7,141
<b>Quoted - Non-Trade</b>				
Pasupati Fincap Limited	70,000	70,000	700,000	700,000
<b>Unquoted - Non-Trade</b>				
India Comm Directories Limited	50	50	500	500
Shivalik Solid Waste Management Limited	20,000	20,000	200,000	200,000
<b>Total</b>			<b>1,052,792</b>	1,052,792
Aggregate value of quoted investments			<b>852,292</b>	852,292
Aggregate value of unquoted investments			<b>200,500</b>	200,500
<b>Total</b>			<b>1,052,792</b>	1,052,792
Market value of quoted investments			<b>256,683</b>	436,056

In the opinion of the management the diminution in the value of long term investments is temporary in nature and hence provision for the same is not required.

### 14. LONG TERM LOANS & ADVANCES

(Unsecured - considered good)

Particulars	Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013
Capital Advances	—	4,394,055
Security Deposits	9,859,014	10,088,965
<b>Total</b>	<b>9,859,014</b>	14,483,020



**15. CURRENT INVESTMENTS (At Cost)**

Particulars	No. of Shares		Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
<b>Equity Shares of Rs. 10 each</b> Quoted - Not-Trade Srishti Video Corp. Limited	<b>240,000</b>	240,000	<b>2,008,050</b>	2,008,050
Less : Provision for diminution in value of investments			<b>2,008,050</b>	2,008,050
Total			—	—
Market value of quoted investments			—	—

**16. INVENTORIES**

(As taken, valued and certified by the management)

Particulars	Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013
Stores & Spares	<b>22,329,737</b>	15,883,912
Raw Materials	<b>30,699,730</b>	28,359,928
Finished goods		
Own Manufactured *	<b>185,570,140</b>	175,904,836
Trading	<b>793,985</b>	793,985
Semi-finished goods	<b>94,375,695</b>	57,692,095
Waste	<b>2,342,581</b>	880,915
Total	<b>336,111,868</b>	279,515,671

\* including in transit Rs. 12799872 (previous year Rs. 9090309)

**17. TRADE RECEIVABLES**

(Unsecured - considered good)

Particulars	Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013
Exceeding six months	<b>32,791,341</b>	32,024,598
Others	<b>200,659,390</b>	216,535,759
Total	<b>233,450,731</b>	248,560,357



## 18. CASH & CASH EQUIVALENTS

Particulars	Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013
Cash in hand	2,789,854	5,058,982
Cheques/drafts in hand	1,274,103	855,679
Balances with Scheduled Banks		
Held as Margin / Security	20,369,328	19,975,660
Others	5,662,408	6,162,800
Balance in Post Office Savings Bank Account		
Held as Margin / Security	166,100	166,100
<b>Total</b>	<b>30,261,793</b>	<b>32,219,221</b>

Bank Deposits with more than 12 months maturity Nil (previous year Rs. 3190249)

## 19. SHORT TERM LOANS & ADVANCES

(Unsecured - Considered good unless stated otherwise)

Particulars	Amount (Rs.)			
	As at 31.03.2014		As at 31.03.2013	
Loans				
- Staff		1,131,775		1,174,745
Advances (recoverable in cash or in kind or for value to be received)				
- considered good	27,442,830		12,326,908	
- considered doubtful	12,960,000		30,185,070	
	40,402,830		42,511,978	
Less : Provision for doubtful advances	12,960,000	27,442,830	30,185,070	12,326,908
Advance Payment of Taxes (including tax deducted at source)		2,067,457		1,648,141
Balance with Central Excise		3,837,599		3,826,788
<b>Total</b>		<b>34,479,661</b>		<b>18,976,582</b>

## 20. OTHER CURRENT ASSETS

(Unsecured-Considered good)

Particulars	Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013
Interest receivable	1,047,549	990,816
Other receivables	23,139,199	14,438,667
<b>Total</b>	<b>24,186,748</b>	<b>15,429,483</b>

**21. CONTINGENT LIABILITIES AND COMMITMENTS**

(to the extent not provided for)

Particulars	Amount (Rs.)	
	As at 31.03.2014	As at 31.03.2013
<b>A. Contingent Liabilities</b>		
Bank Guarantees	6,295,500	6,095,500
Claims not acknowledged as debts	15,191,524	16,114,198
Letters of Credit outstanding	—	45,200,000
Excise Duty demands disputed by the Company	18,627,992	27,555,087
Sales Tax demands disputed by the company	4,222,661	4,507,602
Service Tax demands disputed by the company	229,316	229,316
Income tax demands disputed by the company	465,270	—
<b>B. Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	—	43,702,520

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

**23. REVENUE FROM OPERATIONS**

Particulars	Amount (Rs.)	
	Year ended 31.03.2014	Year ended 31.03.2013
Gross Sales of Products *		
Sewing Thread	1,013,071,807	891,897,774
Polyester / Synthetic / Blended Yarn	2,076,371	2,902,364
Cotton Yarn	763,043,952	448,393,913
Fabrics	139,842,917	124,416,618
Garments	121,413,541	79,886,462
Others	38,848,073	22,454,267
	2,078,296,661	1,569,951,398
Less : Excise Duty	63,089	4,529,867
Net Sales of Products	2,078,233,572	1,565,421,531

\* Sales include Export Incentives



#### 24. OTHER INCOME

Particulars	Amount (Rs.)	
	Year ended 31.03.2014	Year ended 31.03.2013
Rent	2,032,257	1,583,932
Dividend on Trade Investments	600	—
Interest from Banks & Others	1,679,988	1,922,950
Miscellaneous Receipts	1,110,958	1,305,892
Claims, Rebates & Discounts	11,246	901,988
Liabilities no longer required written back	2,852,524	18,583,089
Advances provided in earlier years now recovered	17,225,070	9,590,000
Profit on Sale of Fixed Assets (Net)	6,100,455	159,641
Sundry Balances written off	6,576	—
Income relating to earlier years	77,981	361,584
<b>Total</b>	<b>31,097,655</b>	<b>34,409,076</b>

#### 25. RAW MATERIALS CONSUMED

Particulars	Amount (Rs.)	
	Year ended 31.03.2014	Year ended 31.03.2013
<b>Polyester / Synthetic Fibre</b>		
At the beginning of the year	876,518	4,666,777
Add: Purchases during the year	417,194,642	351,325,147
Less: Consumption during the year	410,371,469	355,115,406
At the end of the year	7,699,691	876,518
<b>Cotton</b>		
At the beginning of the year	20,236,567	3,420,695
Add: Purchases during the year	593,105,766	314,099,442
Less: Consumption during the year	596,189,033	297,283,570
At the end of the year	17,153,300	20,236,567
<b>Yarn</b>		
At the beginning of the year	7,246,843	4,691,728
Add: Purchases during the year	146,358,774	160,468,101
Less: Consumption during the year	147,758,878	157,912,986
At the end of the year	5,846,739	7,246,843
<b>Fabric</b>		
At the beginning of the year	—	—
Add: Purchases during the year	89,552,522	15,894,952
Less: Consumption during the year	89,552,522	15,894,952
At the end of the year	—	—
<b>Total</b>		
At the beginning of the year	28,359,928	12,779,200
Add: Purchases during the year	1,246,211,704	841,787,642
Less: Consumption during the year	1,243,871,902	826,206,914
At the end of the year	30,699,730	28,359,928

**26. PURCHASES OF STOCK IN TRADE**

Particulars	Amount (Rs.)	
	Year ended 31.03.2014	Year ended 31.03.2013
Cotton / Polyester Yarn	852,589	274,687
<b>Total</b>	<b>852,589</b>	<b>274,687</b>

**27. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

Particulars	Amount (Rs.)	
	Year ended 31.03.2014	Year ended 31.03.2013
Closing Stocks		
Finished Goods		
Own Manufactured	185,570,140	175,904,836
Trading	793,985	793,985
Semi-finished Goods	94,375,695	57,692,095
Waste	2,342,581	880,915
	<b>283,082,401</b>	<b>235,271,831</b>
Opening Stocks		
Finished Goods		
Own Manufactured	175,904,836	144,797,301
Trading	793,985	793,985
Semi-finished Goods	57,692,095	50,654,647
Waste	880,915	745,132
	<b>235,271,831</b>	<b>196,991,065</b>
Change in Inventories of Finished Goods, Work in Progress and Stock in Trade	<b>(47,810,570)</b>	<b>(38,280,766)</b>



28. 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 Rs.16876733 for the period 1.4.2013 to 31.3.2014 paid/payable to Star has been debited in the accounts of Pasupati as an expense, the details of which are as under :

Particulars	Amount (Rs.)	
	Year ended 31.03.2014	Year ended 31.03.2013
Sales (net of excise)	673,463,356	—
Total Income	673,463,356	—
Cost of material consumed	486,782,122	—
Purchase of Stock in trade	852,589	—
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	(4,041,429)	—
Job work charges	133,960,061	—
Other Expenses	33,407,703	—
	650,961,046	—
Profit for the year	22,502,310	—
Share of profit of Star @ 75%	16,876,733	—

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

Particulars	Amount (Rs.)		
	As at 31.03.2014		As at 31.03.2013
<b>EQUITY AND LIABILITIES</b>			
SHAREHOLDERS' FUNDS			
Pasupati's Contribution		17,140,415	—
CURRENT LIABILITIES			
Short-Term Borrowings	5,504,365		—
Trade Payables	42,972,974		—
Other Current Liabilities	323,249	48,800,588	—
		65,941,003	—
<b>ASSETS</b>			
CURRENT ASSETS			
Inventories	30,343,241		—
Trade Receivables	17,955,650		—
Cash & Cash Equivalents	16,323		—
Short Term Loans & Advances *	17,625,789	65,941,003	—
		65,941,003	—

\* Includes Rs. 16656335 (previous year Nil) due from Star

## 29. EMPLOYEE BENEFITS EXPENSE

Particulars	Amount (Rs.)	
	Year ended 31.03.2014	Year ended 31.03.2013
Salaries, Wages, Bonus & Other benefits	119,959,244	100,553,782
Gratuity	851,133	2,154,762
Contribution to Provident Fund, Employees' State Insurance etc.	6,874,054	5,467,942
Workmen & Staff Welfare expenses	2,447,367	1,633,098
Staff Recruitment & Training expenses	61,728	103,931
<b>Total</b>	<b>130,193,526</b>	<b>109,913,515</b>

## EMPLOYEE POST RETIREMENT BENEFITS

Particulars	Amount (Rs.)	
	Year ended 31.03.2014	Year ended 31.03.2013
<b>a) State Plans</b>		
Contribution made by the company to various state plans which have been recognized as an expense in the statement of profit & loss are		
Employer's contribution to Employees State Insurance Scheme	2,102,637	1,783,329
Employer's contribution to Employees Provident Fund	4,771,417	3,684,613
<b>b) Defined Benefit Plan</b>		
The present value of obligation on account of gratuity (unfunded) is determined based on actuarial valuation		
<b>I. Assumptions</b>		
Discount Rate	9.10%	8.10%
Rate of increase in Compensation	8.00%	8.00%
<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	9,858,762	8,769,898
Interest cost	798,560	762,981
Current Service Cost	1,635,216	1,601,704
Benefit paid	(886,806)	(1,065,898)
Actuarial (gain)/loss on obligations	(1,582,643)	(209,923)
Present Value of Obligation as at the end of the period	9,823,089	9,858,762
<b>III. Table showing Fair Value of Plan Assets</b>		
Funded Status	(9,823,089)	(9,858,762)
<b>IV. Actuarial gain/loss recognized for the period</b>		
Actuarial gain/(loss) for the period	1,582,643	209,923
Total (gain)/loss for the period	(1,582,643)	(209,923)
Actuarial (gain)/loss recognized in the period	(1,582,643)	(209,923)
<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	9,823,089	9,858,762
Funded Status	(9,823,089)	(9,858,762)
Net Liability Recognized in Balance sheet	9,823,089	9,858,762
<b>VI. Expense recognized in the statement of profit and loss for the period</b>		
Current Service Cost	1,635,216	1,601,704
Interest cost	798,560	762,981
Net actuarial (gain)/loss recognized in the period	(1,582,643)	(209,923)
Expenses Recognized in the Statement of Profit & Loss	851,133	2,154,762

## Notes :

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



### 30. FINANCE COSTS

Particulars	Amount (Rs.)	
	Year ended 31.03.2014	Year ended 31.03.2013
Interest	59,138,345	60,588,582
Bank & Finance procurement expenses	13,835,877	10,480,244
<b>Total</b>	<b>72,974,222</b>	<b>71,068,826</b>

### 31. DEPRECIATION & AMORTISATION EXPENSE

Particulars	Amount (Rs.)	
	Year ended 31.03.2014	Year ended 31.03.2013
Depreciation	33,550,061	31,277,155
<b>Total</b>	<b>33,550,061</b>	<b>31,277,155</b>

### 32. OTHER EXPENSES

Particulars	Amount (Rs.)	
	Year ended 31.03.2014	Year ended 31.03.2013
Consumption of Stores, Spare, Dyes, Chemicals and Packing Materials	124,599,604	113,004,365
Job Work expenses	164,624,369	136,744,424
Power & Fuel	179,850,899	135,004,317
Rent	7,936,893	7,223,464
Repairs to Buildings	1,815,639	123,282
Repairs to Machinery	1,465,108	1,258,567
Insurance	2,097,026	1,510,129
Rates & Taxes	1,593,760	2,063,811
Travelling & Conveyance	13,650,897	19,286,472
Directors' sitting fees	80,000	82,500
Difference in Exchange (Net)	11,568,087	5,551,473
Irrecoverable claims written off	1,088,887	374,120
Charity & Donation	85,169	59,506
Bad Debts / Advances written off (Net of amount provided in earlier years NIL, previous year Rs. 6780519)	1,738,956	2,270,432
Freight & Forwarding Charges	43,273,708	36,375,443
Packing Expenses	26,440,012	14,979,993
Claims, Rebate & Discount	31,345,661	22,817,512
Other Selling Expenses	13,723,099	16,583,585
Miscellaneous Expenses	24,925,942	16,280,224
Previous Year Expenses	74,367	203,453
Auditors' Remuneration		
As Audit Fees	488,000	488,000
As Quarterly Review Fees	366,000	366,000
As Tax Audit Fees	122,000	122,000
In Other Capacity	101,000	101,000
<b>Total</b>	<b>653,055,083</b>	<b>532,874,072</b>



**33. EXTRA ORDINARY ITEMS REPRESENT**

Particulars	Amount (Rs.)	
	Year ended 31.03.2014	Year ended 31.03.2013
Term loan dues not payable written back	—	64,500,000
Principal amount and interest of debentures not payable written back	—	81,861,046
Provision for excise duty demands not payable written back	—	27,555,087
Interest of earlier years on dues of JMFARC	<b>(9,941,574)</b>	(28,129,315)
<b>Total</b>	<b>(9,941,574)</b>	145,786,818

**34. EARNING PER SHARE (EPS)**

Particulars	Amount (Rs.)			
	Year ended 31.03.2014		Year ended 31.03.2013	
<b>Basic and Diluted</b>				
Net Profit after tax but before extra ordinary Items (A)		<b>5,293,104</b>		53,829,044
Net Profit after tax and extra ordinary Items (B)		<b>(4,648,470)</b>		199,615,862
Total No. of Equity Shares (C)		<b>9,337,068</b>		9,337,068
Earning per share before extra ordinary Items (A/C)		<b>0.57</b>		5.77
Earning per share after extra ordinary Items (B/C)		<b>(0.50)</b>		21.38

**35. RELATED PARTY DISCLOSURE :**

Names of related parties and description of relationship

- i) Key Management Personnel and their relatives
  - Shri Ramesh Kumar Jain - CMD
  - Shri Vidit Jain - ED
  - Shri S.K.Chhajjer, WTD
  - Smt. Vrinda Jain, Relative of Director
  - Smt. Sangeeta Chhajjer, Relative of Director
- ii) Associate
  - Shivani Textiles Limited
  - Pasupati Olefin Limited
  - Sulabh Impex Limited



Particulars	Amount (Rs.)		
	Key Management Personnel and Relatives	Associate	Total
Remuneration paid	<b>1,840,888</b> (1,562,652)	— (—)	<b>1,840,888</b> (1,562,652)
Sitting Fee paid	<b>80,000</b> (82,500)	— (—)	<b>80,000</b> (82,500)
Rent paid	<b>653,400</b> (528,600)	— (—)	<b>653,400</b> (528,600)
Purchases	— (—)	<b>89,552,522</b> (15,894,952)	<b>89,552,522</b> (15,894,952)
Sales	— (—)	<b>137,176,065</b> (120,303,612)	<b>137,176,065</b> (120,303,612)
Job Work Charges paid	— (—)	<b>1,907</b> (21,277)	<b>1,907</b> (21,277)
Vehicle hire charges paid	— (—)	<b>612,000</b> (612,000)	<b>612,000</b> (612,000)
Loans received	— (—)	<b>20,556,500</b> (12,500,000)	<b>20,556,500</b> (12,500,000)
Loans repaid	— (—)	<b>9,920,000</b> (12,500,000)	<b>9,920,000</b> (12,500,000)
Balance outstanding at the end of year Loans Outstanding	— (—)	<b>23,136,500</b> (12,500,000)	<b>23,136,500</b> (12,500,000)
Amount Payable	<b>256,650</b> (199,782)	— (—)	<b>256,650</b> (199,782)
Amount Receivable	— (—)	<b>6,468,736</b> (39,469,522)	<b>6,468,736</b> (39,469,522)

Note : Previous year figures have been given in brackets.

36. The company's business activity falls within a single primary reportable segment viz. Textiles and Textile Articles. Accordingly, pursuant to Accounting Standard (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India segmental information is not required to be given.

**37. MANAGERIAL REMUNERATION**

Particulars	Amount (Rs.)	
	Year ended 31.03.2014	Year ended 31.03.2013
Salary	1,200,000	1,053,600
Contribution to Provident and Other Funds	144,000	72,000
Other Benefits	496,888	437,052

Note :

Shri Ramesh Kumar Jain, Chairman & Managing Director has not been paid salary w.e.f. 01.04.2011. Other benefits are being paid.

- 38.** 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 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.
- 39.** In pursuance of Accounting Standard on Impairment of Assets (AS28) issued by The Institute of Chartered Accountants of India the company had identified and impaired certain assets/cash generating units. There is no further impairment/reversal during the year.
- 40.** The company has not made any provision for Income Tax for the year as there is no taxable income/book profit under the provisions of the Income Tax Act, 1961.
- 41.** Balance of sundry creditors, sundry debtors, investments and loans and advances are subject to confirmation and reconciliation.
- 42.** Previous year figures have been regrouped and/or re-arranged wherever considered necessary.
- 43.** Paise have been rounded off to the nearest rupee.

**44. OPERATING LEASE**

As Lessee

The Company has taken generators on hire for which total rent of Rs. 1260365 (previous year Rs. 1460393) has been paid, which is being recognized as an expense in the statement of profit & loss. The period of hire is not contracted and hence future lease payments are not determinable. The assets have not been subleased.



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

Class of Goods	Year ended 31.03.2014		Year ended 31.03.2013	
	%	Amount (Rs.)	%	Amount (Rs.)
Raw Materials				
Imported	2.56%	31,797,956	1.89%	15,642,403
Indigenous	97.44%	1,212,073,946	98.11%	810,564,511
Total	100.00%	1,243,871,902	100.00%	826,206,914
Stores, Dyes & Packing materials				
Imported	0.61%	764,506	0.79%	894,715
Indigenous	99.39%	123,835,098	99.21%	112,109,650
Total	100.00%	124,599,604	100.00%	113,004,365

#### 46. OTHER INFORMATIONS

Particulars	Amount (Rs.)	
	Year ended 31.03.2014	Year ended 31.03.2013
C.I.F. value of Imports		
Capital Goods	58,247,594	—
Raw Materials	22,327,772	10,828,571
Stores & Spares	764,506	894,715
Expenditure in foreign currency		
Travelling (does not include cost of air tickets)	—	124,610
Commission & Brokerage	2,514,579	2,236,240
Claims	228,589	1,651,397
Earnings in Foreign currency		
FOB Value of Exports	399,594,074	356,860,176
(Does not include export through merchant exporters)		

As per our report of even date annexed  
For B.K. SHROFF & CO.,  
Chartered Accountants  
Firm Registration No. 302166E

RAMESH KUMAR JAIN  
Chairman & Managing Director  
DIN No. 00575142

VIDIT JAIN  
Executive Director  
DIN No. 01347588

Place : New Delhi  
Dated : May 27, 2014

O.P. SHROFF  
Partner  
Membership No. 06329

REKHA SHARMA  
Company Secretary

S.K. CHHAJER  
Whole-time Director  
DIN No. 00575234

**PROXY**  
**PASUPATI SPINNING & WEAVING MILLS LIMITED**

**CIN : L74900HR1979PLC009789**

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

**Head Office** : 1501, Nirmal Tower, 26, Barakhamba Road, New Delhi-110001

Tel : 011-47632200, Website : www.pasupatitextiles.com E-mail : rekasharma@pasuptitextiles.com

I / We \_\_\_\_\_  
of \_\_\_\_\_  
in the district of \_\_\_\_\_  
being a member / members of the above - named Company, hereby appoint Mr. / Miss /  
Mrs. \_\_\_\_\_  
of \_\_\_\_\_  
in the district of \_\_\_\_\_  
or failing him / her Mr. / Miss / Mrs. \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
as my / our proxy to vote for me / us on my / our behalf at the 34th Annual General Meeting of the Company to be held on Monday, the 29th September, 2014 at 10.00 A.M. and at any adjournment thereof.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2014

No. of Shares held \_\_\_\_\_ Ref.No. / L.F.No. / Client I D No. \_\_\_\_\_

D P I D No. : \_\_\_\_\_

Signature (s) \_\_\_\_\_

Address : \_\_\_\_\_

Affix Re. 1/- Revenue Stamp
--------------------------------------

Note : The proxy must be deposited at the Registered Office / Head Office of the Company not less than 48 hours before the time for holding the Meeting.

-----TEAR HERE-----

**ATTENDANCE SLIP**  
**PASUPATI SPINNING & WEAVING MILLS LIMITED**

**CIN : L74900HR1979PLC009789**

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

**Head Office** : 1501, Nirmal Tower, 26, Barakhamba Road, New Delhi-110001

Tel : 011-47632200, Website : www.pasupatitextiles.com E-mail : rekasharma@pasuptitextiles.com

I hereby record my presence at the 34th Annual General Meeting of the Company being held on Monday, the 29th September, 2014 at 10.00 A.M. 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)

Note : 1. Please complete this attendance slip and hand it over at the entrance of the venue of the meeting.  
2. Please bring your copy of Balance Sheet at the time of Annual General Meeting.

**PASUPATI SPINNING & WEAVING MILLS LTD.**  
**Regd Office & Works: Village Kapriwas (Dharuhera) Distt. Rewari (Haryana)**  
**Head Office: 1501, Nirmal Tower, 26, Barakhamba Road, New Delhi-110 001**  
**Website-[www.pasupatitextiles.com](http://www.pasupatitextiles.com), [Email-ho@pasupatitextiles.com](mailto: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]

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

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

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 34<sup>th</sup> Annual general meeting of the company, to be held on Monday the 29<sup>th</sup> September, 2014, 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 31 <sup>st</sup> March,2014		
2.	To appoint M/s B K Shroff & Co, Chartered Accountants, as Statutory Auditors of the company & fix their remuneration.		
3.	To re-appoint Mr. Vedit Jain as Director who retire by rotation.		
4.	To appoint Mrs. Vrinda Jain as Director of the company.		
5.	To Re-appoint Mr. Vedit Jain as Whole-Time Director of the company for period of Five Years.		
6.	To appoint Mr. Ram Karan Bhardwaj as whole-time director of the company for a period of five years.		
7.	To appoint Mr. Praveen Paliwal as an Independent Director for a period of five years.		
8.	To appoint Mr. Ghanshyam Das Gupta as an Independent Director for a period of five years.		
9.	To appoint Mr. Ashwani Kumar Rathore as an Independent Director for a period of five years.		
10.	To appoint Mr. Anil Gupta as Independent Director for a period of five years..		
11.	To approve the remuneration of the cost auditors.		
12.	To adopt new set of Articles of Association of the company containing regulations in conformity with Companies Act, 2013.		
13.	To adopt new set of Memorandum of Association of the company containing regulations in conformity with Companies Act, 2013.		
14.	To consider the consent of the company for borrowing		

	any sums of money together with the money already borrowed, may exceed the aggregate of the paid-up capital & free reserves of the company.		
15.	To consider the consent of the company for entering in related party contracts/transactions with Shivani Textiles Ltd in which Mr. Ramesh Kumar Jain & Mr. Vidit Jain, Directors of the company are holding More than 2% of the share capital.		

Signed this ----- day of----- 2014

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.**



**ATTENDENCE SLIP**

**PASUPATI SPINNING & WEAVING MILLS LTD.**

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

**Head Office: 1501, Nirmal Tower, 26, Barakhamba Road, New Delhi-110 001**

**Website-www.pasupatitextiles.com, Email-ho @pasupatitextiles.com Ph:-011-47632200**

**CIN- L74900HR1979PLC009789**

I hereby record my presence at the 34<sup>th</sup>Annual General Meeting being held on Monday the 29<sup>th</sup> September, 2014 at 10.00 AM at Village Kapriwas (Dharuhera), Distt. Rewari, Haryana.

Name of the Shareholder \_\_\_\_\_

(In block letters)

Folio No\* \_\_\_\_\_

DPID No. \_\_\_\_\_

Client I D No. \_\_\_\_\_

No. of shares held \_\_\_\_\_

(Signature of the shareholder)

(Signature of Proxy)

- **Applicable for members holding shares in Physical form.**