

**38<sup>th</sup>**  
**Annual Report**  
**2017-18**

**Pasupati Spinning And Weaving Mills Limited**

**Board of Directors**

Mr. Ramesh Kumar Jain	-Chairman & Managing Director
Mrs. Vrinda Jain	-Non Executive and Non Independent Director
Mr. Vedit Jain	- Whole Time Director
Mr. CM Sharma	- Whole Time Director (Appointed w.e.f 20.12.2017)
Mr. Jitender Singh Malik	-Whole Time Director (Resigned w.e.f 01.10.2017)
Mr. Praveen Paliwal	-Independent Director
Mr. Ghanshyam Das Gupta	-Independent Director
Mr. Ashwani Kumar Rathore	-Independent Director
Mr. Anil Gupta	-Independent Director

**Company Secretary**

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

Mrs. Rekha Sharma (Resigned w.e.f 25.03.2018)

**Chief Finance Officer**

Mr. Ajay Kumar Monga

**Auditors**

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

**Bankers**

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

**Registered Office & Works**

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

**Sewing Thread Unit:**

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

**Head Office**

127-128 Tribhuvan Complex,  
Ishwar Nagar,  
Mathura Road,  
New Delhi 110065,  
Phone: +91-11-47632200,  
Fax: 011-23316441  
Email: [abhinav.tyagi@pasupatitextiles.com](mailto:abhinav.tyagi@pasupatitextiles.com) and ho@pasupatitextiles.com

**Registrar & Shares / Debentures Transfer Agent**

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

Content	Page
Notice.....	
Director's Report.....	
Corporate Governance.....	
Auditor's Report.....	
Balance Sheet.....	
Statement of Profit & Loss.....	
Notes to the Financial Statements.....	

**Dear Shareholder**

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

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

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

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

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

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

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

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

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

Thanking You,

Yours faithfully

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

Sd/-

**Mr. Abhinav Tyagi**

**Company Secretary and Compliance Officer**

**PASUPATI SPG & WVG MILLS LTD  
NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 38<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD AT THE REGISTERED OFFICE & WORKS OF THE COMPANY AT VILLAGE KAPRIWAS (DHARUHERA), DISTT. REWARI, HARYANA ON FRIDAY 28<sup>TH</sup> SEPTEMBER, 2018 AT 10.00 A.M TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2018, together with the Reports of the Board of Directors and the Auditor's thereon.
2. To appoint a Director in place of Mr. Vidit Jain , who retires by rotation and, being eligible, offers himself for re-appointment.
3. 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 ,142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the company hereby ratifies the appointment of M/s Suresh Kumar Mittal & Co, Chartered Accountants (Firm Registration No. 500063N ) as the statutory auditors of the company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next AGM of the Company and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them , as may be determined by the audit committee in consultation with the auditors, in addition to the reimbursement of Gst and actual out-of-pocket expenses incurred in connection with the audit of accounts of the Company.”

**SPECIAL BUSINESS**

**ITEM-4 TO APPROVE THE REMUNERATION OF THE COST AUDITORS FOR THE FINANCIAL YEAR ENDING MARCH 31, 2019**

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

“RESOLVED THAT pursuant to the Provisions of Section 148 the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2015 and Companies (Cost Records and Audit) Rules, 2015 {including any statutory modification(s) or re-enactment(s) thereof, for the time being in force}, the Company hereby ratifies the remuneration of `Rs.60,000/- plus G.S.T and actual out-of-pocket expenses payable to M/s. Avtar Singh & Co., Cost Accountants, who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2018-19.”

**ITEM-5 APPROVAL OF RELATED PARTY TRANSACTIONS**

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

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

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

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

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

**ITEM-6 CHANGE IN DESIGNATION OF MR. VIDIT JAIN FROM WHOLE-TIME DIRECTOR TO JOINT MANAGING DIRECTOR**

To consider and if thought fit to pass the following resolution as an Ordinary Resolution with or without modification:

“**RESOLVED THAT** pursuant to the provisions of Section 196 of the Companies Act, 2013 and the rules made thereunder, consent of the Company be and is hereby accorded for the change of designation of Mr. Vidit Jain from Whole-time Director to Joint Managing Director w.e.f 07.12.2017 on such remuneration, terms and conditions as set out hereunder:-

- 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, and 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** Mr. Abhinav Tyagi, Company Secretary of the company be and is hereby severally authorized to do all the acts, deeds and things which are necessary to file necessary forms with ROC ”

**ITEM-7 APPOINTMENT OF MR. CM SHARMA , AS WHOLE TIME DIRECTOR LIABLE TO RETIRE BY ROTATION**

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 appointment of Mr. CM Sharma as Whole Time Director of the Company for a period of five years w.e.f. 20-12-2017, up to 19-12-2022 (both days inclusive) liable to retire by rotation on a Maximum Salary of Rs. 12,00,000/- (Rupees Twelve Lac) p.a. inclusive of all perks & allowances.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profits for any financial year, the aforesaid remuneration payable to Mr. CM Sharma 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. CM Sharma within the limits stipulated in the Companies Act, 2013”

**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-4**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Avtar Singh & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors. None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution. The Board recommends the Ordinary Resolution set out at Item No. 4 for the approval of Members.

None of the other Director(s) / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

**ITEM 5**

The ordinary resolution as set out in item no 5 relates to approval of material related party transactions by members as required under Sec 188 of the Act and regulation 23 of Listing Regulations 2015. As per regulation 23 of Listing Regulations 2015, related party transaction said to be material if such transaction(s) to be entered into individually or taken together during a financial year exceeds ten percent of the annual turnover as per the previous audited financial statements of the company. Board of directors is of the view that during the financial year 2018-19 transactions with related parties namely 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) , 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 ten percent of the annual turnover of the previous audited financial statements of the company. Hence, Board of Directors recommends the passing of the resolution at Item No- 5 of the Notice as ordinary resolution.

Save and except Mr. 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.

#### **ITEM 6**

The ordinary resolution as set out in Item no. 6 relates to the approval for change in designation of Mr. Vidit Jain from Whole time director to Joint Managing Director. Mr. Vidit Jain was appointed as Whole-time Director of the Company, it is proposed to change his designation to Joint Managing Director. The Board of Directors have, subject to the approval of the shareholders, appointed Mr. Vidit Jain as Joint Managing Director of the Company with effect from 07.12.2017 on the remuneration, terms and conditions recommended by the Nomination & Remuneration Committee and approve by the board.

Save and except Mrs. Vrinda Jain and Mr. Ramesh Kumar Jain, none of other Director(s), key managerial personnel or their relatives are concerned or interested in the said resolution.

#### **ITEM 7**

The Board of Directors of the Company (the 'Board'), at its meeting held on 07-12-2017, appointed Mr. CM Sharma as Additional Director w.e.f. 20-12-2017. In terms of the provisions of Section 161(1) of the Act, Mr. CM Sharma 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. CM Sharma as Whole Time Director of the company for a period of 5 (five) years i.e. w.e.f. 20-12-2017 at the remuneration recommended by Nomination and Remuneration Committee and approved by the Board. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. Nomination of Mr. CM Sharma for the office of whole time director is proposed by Nomination and Remuneration committee. A notice u/s 160 of the Companies Act, 2013 has been received from a member proposing Mr. CM Sharma as a candidate for the office of Whole Time Director of the Company. Brief resume of Mr. CM Sharma , 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 Listing Regulations , 2015, are provided in the Corporate Governance Report forming part of the Annual Report. Mr. CM Sharma is interested in the resolution set out at Item No. 7 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 these resolutions. The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholder.

#### **REGISTERED OFFICE**

Village Kapriwas  
(Dharuhera), Distt. Rewari,  
HARYANA

DATED: 13-08-2018

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

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

### **IMPORTANT NOTES:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from 21<sup>st</sup> September, 2018 to 28<sup>th</sup> September, 2018, both days inclusive, for annual closing.
2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 4, 5, 6 & 7 of the accompanying Notice, is annexed hereto.

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

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

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

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

7. Electronic copy of the Annual Report for 2018 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018 is being sent in the permitted mode. Electronic copy of the Notice of the 38<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of electronic voting (‘e-voting’) along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 38<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.

8 Members may also note that the Notice of the 38<sup>th</sup> Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for 2018 will also be available on the Company’s website [www.pasupatitextiles.com](http://www.pasupatitextiles.com) for their download. The physical copies of the aforesaid documents will also be available at the Company’s Registered Office for inspection without any fee during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company’s investor email id: [abhinav.tyagi@pasupatitextiles.com](mailto:abhinav.tyagi@pasupatitextiles.com)

### **Voting through electronic means**

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 (‘Amended Rules 2015’), Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 38<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by



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

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

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

IV. The remote e-voting period commences on 25<sup>th</sup> September, 2018 (9:00 am) and ends on 27<sup>th</sup> September, 2018(5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21<sup>st</sup> September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

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

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

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

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

(iii) Click on Shareholder - Login

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

X. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21<sup>st</sup> September, 2018.

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

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

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

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

XIII. Mr. Yashlok Dubey, practicing company secretary (C.P No. 14742 and Membership No. 39066) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

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

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

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

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

ANNEXURE

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

NAME OF THE DIRECTOR	MR. VIDIT JAIN	MR. C.M. SHARMA
Date of Birth	13.09.1979	13.12.1956
Date of Appointment	01-04-2010	20.12.2017
Qualification	B.Sc in Economics from University of Pennsylvania(USA)	B. Tech
Expertise in specific functional areas	Industrial and Business Experience of 16 years.	Around 30 years of experience in Textile Industry.
Remuneration	Rs. 1,107,509/-	As set out in Item No-7 of the Accompanying notice
Name of the other Companies in which he/she holds Directorship	Pasupati Fincap Ltd. Shailja Investments Ltd. Pasupati Olefin Ltd. Sulabh Impex Ltd. India Spintex Ltd. Niprit Hospitality Services Private Ltd.	Nil
Memberships/ Chairmanships of committees of other companies	Pasupati Fincap Ltd. -Audit Committee(Member) -Share Transfer Committee(Member)	Nil
Number of shares held in the Company	134076(1.44 %)	Nil

The Directors may be deemed to be concerned or interested to the extent of shares held by them in the Company. Mr. Vidit Jain is Son of Mr. Ramesh Kumar Jain, CMD of the company and Mrs. Vrinda Jain, Non Executive Director of the company .

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

### **DIRECTORS REPORT**

The Directors are pleased to present the 38<sup>th</sup> Directors Report on the business and operations of the Company together with the Audited Accounts for the financial year ended 31st March, 2018.

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

Particulars	<b><u>2017-18</u></b> <b><u>Rs./Lacs</u></b>	<b><u>2016-17</u></b> <b><u>Rs./Lacs</u></b>
Sales and other Income	<b>12280.29</b>	14972.50
Profit before Finance Costs and Depreciation	<b>1090.11</b>	1160.90
Financial Charges	<b>688.31</b>	677.47
Depreciation	<b>363.36</b>	417.85
Profit before Taxes	<b>38.44</b>	65.58
Payment/Provision for Taxation	<b>(22.55)</b>	(16.32)
Profit after Taxation but before extra-ordinary items	<b>60.99</b>	81.90
Other Comprehensive Income	<b>6.49</b>	2.47
Total Comprehensive Income of the year	<b>67.48</b>	84.37

Note:

Transition to Ind-As: - The Company has adopted The Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013, which became applicable from 1<sup>st</sup> April 2017 and accordingly financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS prescribed under Section 133 of the Companies Act 2013 read with the relevant rules issued thereunder. These are the Company's first financial statements prepared in accordance with Ind AS. Therefore, the results for previous year 2016-17 have been restated as based on Ind As. The complete reconciliation and explanation narrating the impact of the same has been given in note 50 to the accounts.

During the year under review, the turnover of the company has declined by 17.98% as compared to last year and the profit before taxes declined by almost 41.38%. The main reasons for decline in turnover and profit are as under: -

1. The cotton yarn manufacturing at Dharuhera spinning unit was discontinued from August /September 2016 as cotton yarn operations were no longer viable. Last year turnover also include sales of this unit for first 5-6 months, whereas there was no sales turnover during FY 2017-18 from this unit except job work income.
2. The company was getting the yarn manufactured from outside party on job work basis. As factory premises of Job-worker party was taken over and sealed by IDBI under SARFAESI Act in August 2016. Even company's stock to the tune of Rs.2.00 Crore approx is blocked due to action of IDBI for which the company has already initiated legal action, which is sub-judice. Last year turnover also include the sales of these operations for first 4-5 months, whereas there was no sales turnover during 2017-18 from these operations.
3. There was rejection of two lots of readymade garments by the customer, hence such stock had to be liquidated at throw away prices, which also adversely affected the turnover as well as profit of Knitting/Garment Division and the company.

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

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

The operations of spinning unit had to be discontinued from September 2016 as cotton yarn operations became unviable. Hence instead of manufacturing own cotton yarn, the company shifted to job work operations from October 2016 for an outside party. Under this arrangement, the said company is supplying polyester fiber and our company is manufacturing yarn for the said company. During the year under review, the company earned job work income to the tune of Rs. 9.23 Crore. However, the company is keeping a close

watch on the cotton yarn market and as and when such operations become profitable, the company shall start manufacturing own yarn.

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

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

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

Although the company was able to somewhat overcome the labour shortage problem being faced at the time of festival season every year but the same still remains an area of concern for the company. During the financial year 2015-16, there was significant decline in company's exports which came down to Rs.10.76 Crore as against Rs.36.66 Crore achieved during FY 2014-15. However, the exports have since picked up from 2016-17. During FY 2016-17 and 2017-18, the company achieved export turnover of Rs. 31.56 Crore and Rs.39.24 Crore respectively. The company has been exporting significant percentage of its production i.e. more than 90% to Turkey. The company has also undertaken modernization of this unit, whereby some old machines are being replaced by state-of-the-art new machines. With the completion of modernization drive, the results are expected to improve further.

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

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the annual return in form MGT-9 are annexed herewith as **Annexure C**.

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

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

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

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

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

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

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

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

#### **NOMINATION & REMUNERATION POLICY**

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

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

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

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

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

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

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

#### **RELATED PARTY TRANSACTIONS**

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

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

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

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

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

#### **DIVIDEND**

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

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

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

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

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

#### **RISK MANAGEMENT POLICY**

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

day to day needs of the Company. Regular communication and review of risk management practices provide the Company with important checks and balances to ensure the efficacy of its risk management program.

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

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

### **BOARD EVALUATION**

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

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

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

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

Mr. Vidit Jain retires by rotation and being eligible, offers himself for re-appointment.

#### **Directors appointed during the FY 2017-2018**

Mr. Chander Mohan Sharma was appointed as Whole Time Director of the Company with effect from 20<sup>th</sup> December, 2017.

Mr. Jitender Malik resigned from the post of Whole Time Director of the Company with effect from 1st October, 2017

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

Mrs. Rekha Sharma, Company Secretary resigned from the post of Company Secretary (Key Managerial Personnel) w.e.f. 25<sup>th</sup> March, 2018.

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

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

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

### **DEPOSITS**

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

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

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

### **INTERNAL CONTROL SYSTEMS**

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

M/s. M.C. Jain & Co. Chartered Accountants, New Delhi were appointed as Internal Auditors of the Company for the Financial Year 2017-18 and their reports for the year were submitted to the Audit Committee and to the Board.

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

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of Rs.60 lacs per year to be disclosed in the Report of Board of Directors are not applicable to the Company as none of the employees was in receipt of remuneration in excess of Rs.60 lacs during the financial year 2017-18. The information in accordance with the provisions of Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed as **Annexure- D**

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

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

### **COMPOSITION OF AUDIT COMMITTEE**

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

### **AUDITORS**

- **STATUTORY AUDITORS**

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

- **COST AUDITORS**

The Central Govt. has approved the appointment of M/s Avtar Singh & Co. as cost auditors for conducting Cost Audit for the Financial Year 2017-18. The report of Cost Auditors in respect of audit of the cost records of the Company for the year ended 31st March 2018 will be submitted to the Central Government in due course.

- **SECRETARIAL AUDITORS**

The Company has undertaken Secretarial Audit for the financial year 2017-18 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report. The Report of the Secretarial Audit as submitted by sucheta gupta & associates is annexed herewith as **Annexure-A**.

### **CORPORATE GOVERNANCE**

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



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

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

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

### **APPRECIATION**

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

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

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

**Place : New Delhi**

**Dated : 13-8-2018**

**To,  
The Members**

**PASUPATI SPINNING AND WEAVING MILLS LIMITED  
VILLAGE KAPRIWAS, DHARUHERA,  
DISTRICT REWARI, HARYANA**

Our report of even date is to be read along with this letter

1. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date:

Place: New Delhi

Signature

(Sucheta Gupta)  
Practicing Company Secretary  
Membership No. 24395  
Certificate of Practice No. 9891

**SECRETARIAL AUDIT REPORT**

**FORM NO. MR.3**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

**[Pursuant to section 204(1)of the Companies Act 2013, and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

**The Members**

**PASUPATI SPINNING AND WEAVING MILLS LIMITED  
VILLAGE KAPRIWAS, DHARUHERA,  
DISTRICT REWARI, HARYANA**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **PASUPATI SPINNING AND WEAVING MILLS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Companies (Amendment) Act, 2017 (**publish on 3<sup>rd</sup> January 2018 so the provision are applicable on the company during the audit period**)

- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period);**
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period);**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; **(Not applicable to the Company during the Audit Period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period).**
  - (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 201, **(Applicable to the company during audit period)**

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India **(Revised SS1 and SS2 notified hence applicable to the Company during the audit period).**

(ii) Secretarial Standards issued by The Institute of Company Secretaries of India (**SS-3 is effective from 1<sup>st</sup> January 2018 for voluntary adoption by companies not adopted by the company**)

(iii) The Listing Agreements entered into by the Company with Stock Exchanges.

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

**I further report that,** Pasupati Spinning & Weaving Mills Limited is an India based textile company. It has two manufacturing units. Its polyester viscose yarn and cotton yarn unit is located at Village Rewari, Haryana. Its sewing thread unit is located at Kala-Amb, Himachal Pradesh. As per the information and documents provided by the company, the company is not registered in any act as related to Textile as under-

1. Textile undertaking Act, 1995
2. The Textile Committee Act, 1963
3. Central Silk Board, 1948
4. The Handloom Act, 1985
5. Cotton Control order, 1986
6. Textiles (Development and Regulation) Order, 2001

**I further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- a) The Factories Act, 1948
- b) Industrial Dispute Act, 1947
- c) The Payment of wages Act, 1936
- d) The Minimum Wages Act, 1948
- e) Employees State Insurance Act, 1948
- f) The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- g) The Payment of Bonus Act, 1965
- h) The Payment of Gratuity Act, 1972
- i) The Contract Labour (Regulation and Abolition) Act, 1970
- j) The Industrial Employment (Standing Orders) Act, 1946

**I further report that,** the company having its unit in Kala-Amb (Himachal Pradesh) and in Dharuhara, (Haryana) and it has constituted separately for each of its unit a Internal Complaint Committee as per provision of Section 4 of the **Sexual Harassment of Women at Workplace (Prevention, prohibition, and Redressal) Act, 2013** and there is no case of Sexual harassment in any unit of the company during Audit period of 2016-2017.

**I further report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The

changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**I further report that, Mr. JITENDER SINGH MALIK** was resigned from the post of whole time director and he ceased to be whole time director w.e.f. 01/10/2017.

**I further report that, Mr. CHANDER MOHAN SHARMA** was appointed as an Additional Director w.e.f.20/12/2017.

**I further report that,** there is a change made in the designation of **Mr. Vidit Jain from whole time director to joint managing director** of the company.

**I further report that, SURESH KUMAR MITTAL & CO** was appointed as statutory Auditor of the company and after completion of the term of 10 years M/s B.K. Shroff & Co rotate from the company's auditorship .

**I further report that, Mrs. Rekha Sharma** holding the designation of Company Secretary has resigned w.e.f 25.03.2018 from the company and **Mr. Abhinav Tyagi was appointed as Company Secretary.**

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that,** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that,** all statutory registers are not properly maintained by the company.

**For Sucheta Gupta & Associates**

**Place: New Delhi**

**(Company Secretaries)**

**Date: 13.08.2018**

**Sucheta Gupta  
(Proprietor)  
C.P. No. 9891**

**CONSERVATION OF ENERGY .**

**a) ENERGY CONSERVATION MEASURES TAKEN:**

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

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

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

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

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

**Form A :**

<b>A POWER AND FUEL CONSUMPTION</b>	<b>F.Y 2017-18</b>	<b>F.Y 2016-17</b>
<b><u>1 Electricity</u></b>		
a) Purchased Units(in lacs)	302.56	299.14
Total amount paid (Rs in lacs)	1857.76	1737.47
Rate/unit (Rs)	6.14	5.81
b) Own generated through Diesel generators (units)(in lacs)	99344	150961
Rate of diesel/HFO (Rs/Ltr)	54.67	48.53
Cost/Unit (Rs)	15.26	12.43
<b><u>2 Coal used in boiler</u></b>		
Quantity (MT)	1132.22	1215.24
Total Cost (Rs.in lacs)	127.79	127.93
Avg. Cost per MT (Rs in lacs)	0.11	0.11
<b>B) CONSUMPTION PER UNIT OF PRODUCTION:</b>		
Production of Yarn (MT)(in lacs)	5326.48	5313.26
Electricity (KWH/Ton)	5699.00	5658.53
Coal (Kg/Ton)	212.57	228.72
Others (Diesel/HFO Ltr/Ton)	5.21	7.28

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

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

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



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

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

### **FUTURE PLAN OF ACTION**

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

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

Total Foreign Exchange earned (on FOB basis)	Rs.	3515.44
Total Foreign Exchange used	Rs	51.49

\*\*\*\*\*    \*\*\*\*\*    \*



## Annexure C

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2018</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014.</b>

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L74900HR1979PLC009789
ii	Registration Date	13/08/1979
iii	Name of the Company	PASUPATI SPINNING AND WEAVING MILLS LIMITED
iv	Category of the Company	Company limited by Shares
	Sub-category of the Company	Indian Non-Government Company
v	Address of the Registered office & contact details	VILLAGE KAPRIWAS, DHARUHERA, DISTRICT REWARI ,HARYANA
vi	Whether listed company	yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	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

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	SYNTHETIC YARN	55092200	0.01
2	COTTON YARN	52052110	19.16
3	SEWING THREAD	55081000	66.27
4	KNITTED FABRIC	60062100	1.30
5	READYMADE GARMENTS	61044200	12.49
6	POLYSTER WASTE	550510	0.18
7	COTTON WASTE	52029900	0.59
	TOTAL		100

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
	NOT APPLICABLE				

**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian	979734	-	979734	10.49	979734	-	979734	10.49	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	6014236	-	6014236	64.41	6014236	-	6014236	64.41	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>6993970</b>		<b>6993970</b>	<b>74.91</b>	<b>6993970</b>		<b>6993970</b>	<b>74.91</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>6993970</b>	<b>-</b>	<b>6993970</b>	<b>74.91</b>	<b>6993970</b>	<b>-</b>	<b>6993970</b>	<b>74.91</b>	<b>-</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	60	2400	2460	0.03	60	2400	2460	0.03	-
b) Banks/FI	2462	5360	7822	0.08	2462	5360	7822	0.08	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>2522</b>	<b>7760</b>	<b>10282</b>	<b>0.11</b>	<b>2522</b>	<b>7760</b>	<b>10282</b>	<b>0.11</b>	<b>-</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates	1586159	37612	1623771	17.39	1584068	37612	1621680	17.36	0.03
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	279830	334192	614022	6.57	293685	322083	615768	6.59	0.02
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	79087	-	79087	0.84	79087	-	79087	0.84	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	540	-	540	0.01	1640	-	1640	0.02	0.01
Hindu Undivided Families	10801	-	10801	0.12	10641	-	10641	0.11	0.01
Clearing Member/Public	0	4000	4000	0.04	0	4000	4000	0.04	-
Trust	-	-	-	-	-	-	-	-	-
Clearing Members	595	-	595	0.01	-	-	-	-	-
<b>SUB TOTAL (B)(2):</b>	<b>1957012</b>	<b>375804</b>	<b>2332816</b>	<b>24.98</b>	<b>1969121</b>	<b>363695</b>	<b>2332816</b>	<b>24.96</b>	<b>0.02</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1959534</b>	<b>383564</b>	<b>2343098</b>	<b>25.09</b>	<b>1971643</b>	<b>371455</b>	<b>2343098</b>	<b>25.09</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>8953504</b>	<b>383564</b>	<b>9337068</b>	<b>100</b>	<b>8965613</b>	<b>371455</b>	<b>9337068</b>	<b>100</b>	<b>-</b>

(ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares
1	Vrinda Jain	7,14,052	7.65	-	7,14,052	7.65	-
2	Vidit Jain	1,34,076	1.44	-	1,34,076	1.44	-
3	Tushar Jain	1,31,606	1.41	-	1,31,606	1.41	-
4	Shailja Investment	1,68,454	1.80	-	1,68,454	1.8	-
5	Sulabh Impex Ltd	17,77,354	19.04	-	17,77,354	19.04	-
6	Pasupati Olefin Ltd	40,68,428	43.57	7.49	40,68,428	43.57	7.49
	Total	69,93,970	74.91	7.49	69,93,970	74.91	7.49

(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

SI. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change in the Promoters Shareholding during the year			
	At the end of the year				

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	JM financial Assets Reconstruction Co. Pvt. Ltd.	1000000	10.71	1000000	10.71
2	India Spintex Ltd.	311620	3.34	311620	3.34
3	Priyanka overseas Private Ltd.	108574	1.16	108574	1.16
4	MVA Finance p LTD.	81727	0.88	81727	0.88
5	Manish Jain	52920	0.57	52920	0.57
6	R R B Securities Ltd.	20800	0.22	20800	0.22
7	Bijay Paper Traders & Investment L	20000	0.21	20000	0.21
8	Rashmi Jain	15000	0.16	15000	0.16
9	VMA Finance Private Limited	11495	0.12	11495	0.12
10	FINANCIAL SERVICES LIMITED	9776	0.1	9776	0.1
	Total	1631912	17.47	1631912	17.47

(v) Shareholding of Directors & KMP

Sl. No	RAMESH KUMAR JAIN Managing director	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
2	<b>JITENDER MALIK</b> DIRECTOR (Resigned w.e.f 1.10.2017)				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
3	<b>C.M. SHARMA</b> DIRECTOR (Appointed w.e.f 20.12.2017)				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
4	<b>VIDIT JAIN</b> Whole-time director				
	At the beginning of the year	1,34,076	1.44	1,34,076	1.44
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	1,34,076	1.44	1,34,076	1.44

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
5	<b>PRAVEEN PALIWAL</b> Director				
	At the beginning of the year	-	-	-	-

	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
6	<b>GHANSHYAM DASS GUPTA</b> Director				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
7	<b>ASHWANI KUMAR RATHORE</b> Director				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
8	<b>VRINDA JAIN</b> Director				
	At the beginning of the year	7,14,052	7.65	7,14,052	7.65
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	7,14,052	7.65	7,14,052	7.65



Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
9	<b>ANIL GUPTA</b> Director				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
10	<b>AJAY KUMAR MONGA</b> CFO				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
11	<b>REKHA SHARMA</b> Company Secretary ( Resigned w.e.f. 25.03.2018)				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	-	-	-	-

V INDEBTEDNESS

(Amt. in Lacs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3776.52	579.93		4356.45
ii) Interest due but not paid				-
iii) Interest accrued but not due	5.25			5.25
				-
<b>Total (i+ii+iii)</b>	<b>3781.77</b>	<b>579.93</b>	<b>-</b>	<b>4361.70</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	191.29	8.71		200
Reduction	-	-		-
<b>Net Change</b>	<b>191.29</b>	<b>8.71</b>	<b>-</b>	<b>200</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3973.06	588.64		4561.70
ii) Interest due but not paid				-
iii) Interest accrued but not due	-	-		-
				-
<b>Total (i+ii+iii)</b>	<b>3973.06</b>	<b>588.64</b>	<b>-</b>	<b>4561.70</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sl.No	Particulars of Remuneration	Key Managerial Personnel				Total (in lacs)
		MD	WTD			
	Name of the MD/WTD/Manager	RAMESH KUMAR	JITENDER	VIDIT JAIN	C.M. SHARMA	
		JAIN	MALIK			
1	Gross salary	(Rs. in lacs )	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.		4.56	7.20	1.44	14.91
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	2.85	1.60	3.88	0.11	6.73
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	Stock option					
3	Sweat Equity					
4	Commission as % of profit					
	others (specify)					
5	Others, please specify					
	<b>Total (A)</b>	2.85	6.16	11.08	1.55	21.64
	<b>Ceiling as per the Act (Rs. in lacs)</b>			42		

**B. Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Remuneration to other directors				Total
		PRAVEEN PALIWAL	GHANSHYAM DASS GUPTA	ASHWANI KUMAR RATHORE	ANIL GUPTA	
		(Rs. in lacs)	(Rs. In lacs)	(Rs. in lacs)	(Rs. In lacs)	(Rs. in lacs)
1	<b>Name of Independent Directors</b>					
	(a) Fee for attending board committee meetings	0.20	0.35	0.15	0.20	0.90
	(b) Commission					
	(c) Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	0.20	0.35	0.15	0.20	0.90
2	<b>Other Non Executive Directors</b>					
	<b>Non Executive Directors</b>					
	(a) Fee for attending board committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>			0.90		
	<b>Total Managerial Remuneration (Rs. in lacs)</b>			0		
	<b>Overall Cieling as per the Act. (Rs. In lacs)</b>			42		

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary (Resigned w.e.f 25.03.2018)	CFO	TOTAL
1	Gross Salary			
	NAME OF KMP	REKHA SHARMA	AJAY KUMAR MONGA	
		(Rs. in lacs)	(Rs. in lacs)	(Rs. in Lacs)
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	6.89	16.16	23.05
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (Rs.)</b>	6.89	16.16	23.05

## VII

## PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

SNO	Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
	<b>A. COMPANY</b>					
	Penalty	None				
	Punishment					
	Compounding					
	<b>B. DIRECTORS</b>					
	Penalty	None				
	Punishment					
	Compounding					
	<b>C. OTHER OFFICERS IN DEFAULT</b>					
	Penalty	None				
	Punishment					
	Compounding					

**Annexure D**

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

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of Director and KMP	Designation	Remuneration of Director/KMP for financial year 2017-18 (Amt. in lacs)	Remuneration of Director/KMP for financial year 2016-17 (Amt. in lacs)	% increase in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director/ to median remuneration of employees
Mr. Ramesh Kumar Jain	Managing director	2.85	2.80	1.60	1.08
Mr. Vidit Jain	Whole Time Director	11.08	11.95	(7.36)	4.21
*Mr. Jitender Malik	Whole Time Director	6.16	13.22	(53.40)	2.34
*Mr. C.M. Sharma	Whole Time Director	1.55	--	--	0.58
Mr. Praveen Paliwal	Independent Director	0.20	0.20	--	0.07
Mr. Ghanshyam Dass Gupta	Independent Director	0.35	0.35	--	0.13
Mr. Ashwani Kumar Rathore	Independent Director	0.15	0.20	(25)	0.05
Ms. Vrinda Jain	Non- Director Executive	NIL	NIL	--	--
Mr. Anil Gupta	Independent Director	0.20	0.15	33.33	0.07
Mr. Ajay Kumar Monga	CFO	16.16	13.76	17.45	6.14
*Ms. Rekha Sharma	Company Secretary	6.89	7.08	(2.73)	2.61

\* Mr. Jitender Malik resigned from the post of Whole-time Director w.e.f. 01/10/2017

\* Mr. C.M. Sharma appointed as Whole Time Director w.e.f. 20/12/2017

\* Ms. Rekha Sharma resigned from the post of Company Secretary W.e.f 25.03.2018.

- i) The median remuneration of employees of the Company during the financial year was 2.63 lakh p.a..
- ii) In the financial year, there was an increase of 6.05% in the median remuneration of employees;
- iii) There were 693 permanent employees on the rolls of Company as on March 31, 2018;
- iv) Relationship between average decrease in remuneration and company performance:-

During the year under review, the profit before taxes declined to Rs.38.44 lacs from Rs.65.58 lacs.

- V. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:-The total remuneration of Key Managerial Personnel declined by 8.47 (%) from Rs. 48.83 lacs in 2016- 17 to 44.69 lacs in 2017-18 whereas, during the year under review, the profit before taxes declined to Rs.38.44 lacs from Rs. 65.58 lacs.
- VI. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Closing date of Financial Year	Issued Capital (Shares) No of shares	Closing Market Price ( Per Share)	EPS	PE Ratio	Market Capitalization (Rs.)
31-3-2017	9337068	15.95	0.90	17.72	14,89,26,234
31-3-2018	9337068	23.20	0.72	32.22	21,66,19,978
Increase/(Decrease)	–	7.25	(0.18)	14.5	67,69,3744
% of Increase/ (Decrease)	–	45.45	(20)	81.8	27

Market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.:-The equity shares of the Company were initially listed on BSE Ltd. in the year 1982. The last public offer of the equity shares was made in the year 1991 by way of Rights Issue to the existing equity shareholders in the ratio of 1:5 at a price of Rs. 25/- per equity share of Rs.10/-at a premium of Rs. 15 per share. As on 31st March, 2018, the market quotation of the Company's share price (closing price) was Rs. 23.20 i.e. increase in price of 45.45 %.

- VII. Percentage increase made in the salaries of employees other than the managerial personnel in last financial year i.e. 2017-18 was 8 %
- VIII. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- IX. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive Remuneration in excess of the highest paid director during the year – Not Applicable; and
- X. It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.



**FORM NO. AOC -2**

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

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

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

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

SL No	Name (s) of the related party & nature of relationship	Details	Nature of contracts/arrangements/transaction	Duration of the contracts/arrangements/transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board, If any	Amount paid as advances, if any
1	Mr. Ramesh Kumar Jain	Chairman and Managing Director	Remuneration and perquisites paid during the year :- (Rs in lacs) 2.84	One year	N/A	30-5-2017	nil
2	Mr. Vidit Jain	Executive Director	Remuneration and perquisites and Retirement Benefits paid during the year :- (Rs in lacs) 11.07 and Rent paid for (Rs in lacs) 5.52	One year	N/A	30-5-2017	nil

3	Mr. Praveen Paliwal	Independent Director	Sitting Fees (Rs in lacs) 0.20	One year	N/A	30-5-2017	nil
4	Mr. Ghanshyam Das Gupta	Independent Director	Sitting Fees (Rs in lacs) 0.35	One year	N/A	30-5-2017	nil
5	Mr. Ashwani K Rathore	Independent Director	Sitting Fees (Rs in lacs) 0.15	One year	N/A	30-5-2017	nil
6	Mr. Anil Gupta	Independent Director	Sitting Fees (Rs. in lacs) 0.20	One year	N/A	30-5-2017	nil
7	Mr . Jitender Malik(Resigned w.e.f 01/10/2017)	Executive Director	Remuneration and perquisites paid during the year :- (Rs in lacs) 6.16	One year	N/A	30-5-2017	nil
8	Mr. CM Sharma(Appointed w.e.f 20/12/2017)	Executive Director	Remuneration and perquisites paid during the year :- (Rs in lacs) 1.55	One year	N/A	30-5-2017	nil
8	M/s Shivani Textiles	Directors along with their relatives are holding more than 2% shareholding of the company	Sales- (Rs in lacs) 40.47 Job Work (Rs. in lacs) 27.53 Rent-Paid:- (Rs in lacs) 7.92 Purchases :- (Rs in lacs) 0.90	One year	N/A	30-5-2017	nil

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

Your Directors present the Company's Report on Corporate Governance as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2018.

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

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

## **2 BOARD OF DIRECTORS :**

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

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

Name & Designation of Directors	Category	No. of Board Meetings attended	No. of Directorships held in other Companies	Attendance at last AGM	No. of Committee positions held in other Companies		No of Shares and Cover table Instruments held by NED
					Chairman of Committee	Member of Committee	
Mr. Ramesh Kumar Jain (Chairman & Managing Director)	ED and Promoter	4	1	Yes	Nil	Nil	Nil
Mrs. Vrinda Jain	NED & Promoter	4	6	Yes	Nil	Nil	714052
Mr. Vidit Jain	ED & Promoter	4	5	Yes	Nil	3	134076
Mr. Anil Gupta	NED & Independent	4	3	No	-	-	Nil
Mr. Ghanshyam Das Gupta	NED & Independent	4	1	Yes	Nil	2	Nil
Mr. Praveen Paliwal	NED & Independent	4	Nil	No	Nil	Nil	Nil
Mr. Ashwani Kumar Rathore	NED & Independent	3	2	No	Nil	Nil	Nil
*Mr. Jitender Malik (Resigned w.e.f 01.10.2017)	ED	Nil	Nil	No	Nil	Nil	Nil
**Mr. CM Sharma (Appointed w.e.f 20.12.2017)	ED	Nil	Nil	NA	Nil	Nil	Nil

**ED – Executive Director/ NED – Non-Executive Director / NED (I) – Non-Executive Director.**

\*\* Mr. CM Sharma appointed as Whole-time Director w.e.f. 20/12/2017.

\* Mr. Jitender Malik resigned from Whole-Time Directorship w.e.f 01/10/2017.

None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 Committees as specified in SEBI LODR 2015 across all the Companies in which he/she is a Director. Mr. Ramesh Kumar Jain is father of Mr. Vidit Jain and husband of Mrs. Vrinda Jain none of the other Directors on the Board are related to each other.

Web link of Familiarisation Programmes imparted to Independent Directors is :-  
[http://www.pasupatitextiles.com/pdf/familiarization\\_programme.pdf](http://www.pasupatitextiles.com/pdf/familiarization_programme.pdf)

**Number of Board Meetings:-**

During the financial year 2017-2018, four Meetings were held on the following dates:-

S. No.	Date	Board Strength	No. of Directors present
1	30/05/2017	8	7
2	04/09/2017	8	6
3	07/12/2017	7	7
4	13/02/2018	8	7

**3 AUDIT COMMITTEE :-**

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

The Company has complied with all the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI LODR 2015) relating to the composition of the Audit Committee. During the financial year 2017-2018, four meetings of the Audit Committee were held on the 30th May, 2017, 04<sup>th</sup> September, 2017, 07<sup>th</sup> December, 2017 and 13th February, 2018.

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

Date of the Meetings	Composition	Attendance (Yes/ No)	Chairman
30/05/2017	1. Mr. G.D. Gupta, Member and Chairman 2. Mr. Praveen Paliwal, Member 3. Mr. Ashwani Rathore, Member 4. Mr Anil Gupta, Member	Yes Yes Yes	Mr. G.D.Gupta
04/09/2017	1. Mr. G.D. Gupta, Member and Chairman 2. Mr. Praveen Paliwal, Member 3.Mr. Ashwani Rathore, Member 4.Mr. Anil Gupta	Yes Yes No Yes	Mr. G.D.Gupta
07/12/2017	1. Mr. G.D. Gupta, Member and Chairman 2. Mr. Praveen Paliwal, Member 3.Mr. Ashwani Rathore, Member 4.Mr. Anil Gupta	Yes Yes Yes Yes	Mr. G.D.Gupta
13/02/2018	1. Mr. G.D. Gupta, Member and Chairman 2. Mr. Praveen Paliwal, Member	Yes Yes	Mr. G.D.Gupta

	3.Mr. Ashwani Rathore, Member	Yes	
	4.Mr. Anil Gupta	Yes	

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

**Terms of reference:**

The terms of reference of the Committee, inter alia covers the matters specified under Regulation 18 of SEBI (LODR) 2015 as amended from time to time as well as specified in Section 177 of the Companies Act, 2013 read alongwith rules made thereunder. Besides, in additions to other terms as may be referred by the Board of Directors, the Audit Committee has the power inter alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

**4 NOMINATION AND REMUNERATION COMMITTEE**

**Composition:**

The strength of the Nomination and Remuneration Committee as on 01.04.2017 was four members i.e. Mr. G. D. Gupta, Chairman, Mr. Praveen Paliwal, Mr. Anil Gupta and Mr. Ashwani Rathore as Members. Presently all the members of the Committee including its Chairman are independent Directors. The Company Secretary acted as the Secretary of the Committee.

**Terms of Reference:**

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

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

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

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

<b>Date of the Meetings</b>	<b>Composition</b>	<b>Attendance (Yes/ No)</b>	<b>Chairman</b>
07/12/2017	1. Mr. G.D Gupta, Member and Chairman 2. Mr Praveen Paliwal 3. Mr. A.K Rathore, Member 4. Mr Anil Gupta, Member	Yes Yes Yes Yes	Mr. G.D. Gupta

**APPOINTMENT & REMUNERATION POLICY:**

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

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

**1. Appointment Criteria and Qualifications**

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**2. Term/Tenure**

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

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

**b) Independent Director**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**3. Evaluation**

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

**4. Removal**

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

**5. Retirement**

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

**Details of Remuneration/Sitting fees paid to directors during the year 2017-18:-:**

Sl. No.	Name of the Director	Description of Transaction	Salary (Rs. in lacs)	Perquisites (Rs. in lacs)	Sitting Fee (Rs. in lacs)	Retirement Benefits(in lacs)	Total (Rs. in lacs)
1	Mr. Ramesh Kumar Jain Chairman & Mg. Director	Perquisites	Nil	2.85	Nil	Nil	2.85
2	Mr. Vedit Jain Whole Time Director	Remuneration & perquisites	7.20	3.01	Nil	0.86	11.08
3	Mr. Jitender Malik Whole Time Director(resigned w.e.f 01.10.2017)	Remuneration & perquisites	4.56	1.60	Nil	Nil	6.16
4	Mr. CM Sharma Whole Time Director(appointed w.e.f 20.12.2017)	Remuneration & perquisites	1.45	0.11	Nil	Nil	1.55
5	Mr. Praveen Paliwal Non-Executive Director	Sitting Fees	Nil	Nil	0.20	Nil	0.20
6	Mr. G. D. Gupta Non-Executive Director	Sitting Fees	Nil	Nil	0.35	Nil	0.35
7	Mr. Ashwani Kumar Rathore Non-Executive Director	Sitting Fees	Nil	Nil	0.15	Nil	0.15
8	Mr. Anil Gupta Non-Executive Director	Sitting Fees	Nil	Nil	0.20	Nil	0.20

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

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

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

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

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

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

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

## **5 STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Committee is vested with the requisite power and authority to specifically look into the Redressal of the shareholders'/Debtenture holders/ Investors' Grievance. The Committee consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

**a) Composition**

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

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

Ms. Rekha Sharma, Company Secretary (Resigned w.e.f 25.03.2018) of the Company acted as the Compliance Officer of the Company.

- Mr. Abhinav Tyagi, has been appointed as Company Secretary & Compliance officer of the the Company w.e.f. 29.05.2018.



**c) Investors Complaints received and resolved during the year 2017-18**

<b>Complaints Received</b>	<b>Complaints Resolved</b>	<b>Complaints Pending</b>
Nil	Nil	NIL

**d) Meetings:-**

During the year ending 31.03.2018, 36 (Thirty Six) Meetings of Stakeholder Relationship Committee were held. The Details of attendance of Members are as under:

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

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

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

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

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

**7 CODE OF CONDUCT:**

The Board of Directors of the Company have adopted Code of Business Conduct & Ethics. This Code is based on three fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary conduct and is applicable to all the Directors and senior management personnel. In terms of the requirements of SEBI Listing Regulations, 2015 the Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the company, [www.pasupatitextiles.com](http://www.pasupatitextiles.com). All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended 31<sup>st</sup> March, 2018 and a declaration to that effect signed by the Chairman & Managing Director is attached and forms part of this report.

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

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

for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code. Web link for Modal Code of Insider trading of the company is :

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

## **9 PERFORMANCE EVALUATION:**

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

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

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

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

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

During the financial year 2017-2018 one (1) meeting was held on 13<sup>th</sup> February, 2018 which was attended by all the independent directors.

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

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

## **12 RELATED PARTY TRANSACTIONS**

Company has entered Related Party Transactions during the financial year 2017-18. All Related Party Transactions entered into during the year are on an arm's length basis and are in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with promoters, directors, Key Managerial Personnel or other designated persons which may have potential conflict with the interests of the Company at large. On the recommendation of the Audit Committee, the Board of Directors has adopted a policy on Related Party Transactions, which is also uploaded on the website of the Company [www.pasupatitextiles.com](http://www.pasupatitextiles.com) under the head 'Investor Relations'. The Policy envisages the procedure governing related party transactions required to be followed to ensure compliance with the applicable laws and regulations as well as to ensure that the Related Party Transactions are managed and disclosed in accordance with the strict legal and accounting requirements. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms & conditions of the transactions. The statement is supported by a certificate from the CMD and CFO. The particulars of related party transactions are given in form AOC-2 and is annexed as Annexure-E to Directors report. Web link where policy on dealing with related party transactions is:- [http://www.pasupatitextiles.com/pdf/related\\_party\\_transaction\\_policy.pdf](http://www.pasupatitextiles.com/pdf/related_party_transaction_policy.pdf)

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

- The Quarterly & Annual Results were generally published in the newspaper i.e. Pioneer (English edition) and in the Hari Bhumi (Hindi edition). The Quarterly results are also displayed on the website of the Company, i.e., [www.pasupatitextiles.com](http://www.pasupatitextiles.com)
- In line with the existing provisions of SEBI LODR 2015, the Company has created a separate e-mail address viz. [abhinav.tyagi@pasupatitextiles.com](mailto:abhinav.tyagi@pasupatitextiles.com) to receive complaints and grievances of the investors.

### **14 GENERAL BODY MEETINGS**

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

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

<b>Year</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>
2015	29-9-2015	Village Kapriwas, Dharuhera(Dist- Rewari) Haryana	10.00 A.M
2016	29 -9-2016	-do-	10.00 A.M
2017	29-9-2017	-do-	10.00 A.M

#### **Special Resolutions**

No Special Resolutions were passed at the 37th Annual General Meeting for F.Y 2016-17, Three (3) Special Resolutions were passed at the 36<sup>th</sup> Annual General meeting for F.Y 2015-16, and Three (3) Special Resolutions were passed at the 35<sup>th</sup> Annual General Meeting F.Y 2014-15.

#### **Postal Ballot:**

For the year ended March 31, 2018 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

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

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

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

The 38th Annual General Meeting of the members of the company will be held at the registered office & works of the company at village Kapriwas (Dharuhera), Distt. Rewari, Haryana on Friday 28<sup>th</sup> September, 2018 at 10.00 A.M.

<b><u>Annual General Meeting</u></b>	
Date & Time	28-09-2018 at 10 A.M
Venue	Registered Office of the Company at Village Kapriwas (Dharuhera) Distt. Rewari, Haryana

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

Financial Year :	1st April – 31st March
Unaudited Results for the quarter ending 30th June, 2017	Mid of August, 2017
Unaudited Results for the quarter ending 30th September, 2017	Mid of November, 2017
Unaudited Results for the quarter ending 31st December, 2017	Mid of February, 2018
Audited Results for the year ending 31st March, 2018	end of May, 2018
Date of Book Closure	22 <sup>nd</sup> September ,2018 to 29 <sup>th</sup> September, 2018 ( Both days are Inclusive)
Demat ISIN in CDSL/NSDL	INE909B01020

#Company has not declared any dividend during the year 2017-18.

**Listing at Stock Exchanges:**

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

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

**Market Price data : High/Low during the year 2017-18**

Month	High (Rs)	Low (Rs)	B S E SENSEX	
			High	Low
April, 2017	19.95	15.25	30,184.22	29,241.48
May, 2017	19.90	15.65	31,255.28	29,804.12
June, 2017	20.10	15.50	31,522.87	30,680.66
July, 2017	20.90	15.70	32,672.66	31,017.11
August, 2017	20.90	16.00	32,686.48	31,128.02
September, 2017	22.25	19.00	32,524.11	31,081.83
October, 2017	19.50	16.15	33,340.17	31,440.48
November, 2017	22.05	16.80	33,865.95	32,683.59
December, 2017	24.35	16.30	34,137.97	32,565.16
January, 2018	34.90	24.95	36,443.98	33,703.37
February, 2018	29.40	27.35	36,256.83	33,482.81
March, 2018	27.95	23.20	34,278.63	32,483.84

**Registrars and Share Transfer Agents for Shares:****Address & Contact No. of Registrar & Share Transfer Agent are as follows:**

M/s. Skyline Financial Services Pvt. Ltd D-153 ,

1st Floor , Okhala Industrial Area Phase -1 ,

New Delhi 110020 .

Tel.: 011 -26812682,83 , 011-64732681-88

Fax: +91 11 26812682 |

Web:www.skylinerta.com

**Share Transfer System:**

Shareholders seeking demat/remat of their shares must approach the Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to the Registrar and Share transfer Agent (“the Registrar”) of the Company. Upon receipt of the request and share certificate, the Registrar will verify the same. Upon verification, the Registrar will request the National Securities Depository Ltd. (NSDL)/Central Depository Services Ltd. (CDSL) to confirm the Demat request. The Demat account of the concerned shareholder will be credited with an equivalent

number of shares. In case of a rejection of the request, it will be communicated to the shareholder. In the case of remat, upon receipt of a request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests the NSDL and CDSL to confirm the request. The approval of the company is sought and an equivalent number of shares are issued in the physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of shares.

**Distribution of Shareholding as on 31.03.2018:**

No. of Equity Shares Held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
Up to 500	6193	96.86	443974	4.75
501 - 1000	110	1.72	79810	0.85
1001 - 2000	43	0.67	60954	0.65
2001 – 3000	14	0.22	34566	0.37
3001 - 4000	6	0.09	20228	0.22
4001 - 5000	7	0.11	32309	0.35
5001 - 10000	5	0.08	34925	0.37
10001 and above	16	0.25	8630302	92.343
<b>TOTAL</b>	<b>6394</b>	<b>100</b>	<b>9337068</b>	<b>100</b>

**Dematerialisation of Shares:**

As on 31st March, 2018, 96.26% of the Company's equity shares were held in dematerialized form and balance are held in physical form. Trading in Company's shares is permitted only in demat form w.e.f. 06.09.2000 as per notification issued by the Securities & Exchange Board of India.

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

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

**Subsidiary Company**

Company does not have any subsidiary company.

**Plant Location:**

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

**Address for correspondence:-**

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

**Secretarial Department**

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

## **16 DISCLOSURES**

### **a. Related Party Transactions**

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

### **b. Compliance with Regulations**

a. The Company has complied with all the requirements of the SEBI LODR 2015 with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against your Company by SEBI, Stock Exchanges or any other statutory authority in any matter relating to capital markets.

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

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

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

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

e. Web Link of policy on related party transactions-  
[http://www.pasupatitextiles.com/pdf/related\\_party\\_transaction\\_policy.pdf](http://www.pasupatitextiles.com/pdf/related_party_transaction_policy.pdf)

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

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

## **CEO / CFO Certification**

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

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

**Place :** **New Delhi**  
**Dated:** **13-08-2018**

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

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

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

I confirm that the Company has in respect of the financial year ended 31st March, 2018, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

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

**Ramesh Kumar Jain**

**Chairman & Managing Director**

**New Delhi**  
**Date-13-08-2018**



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

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

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

1. We have reviewed financial statements and the cash flow statement of Pasupati Spg & Wvg Mills Ltd for the year ended 31st March, 2018 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s Code of Conduct.
3. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company’s internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
5. We have indicated, based on our most recent evaluation, whenever applicable to the Auditors and the Audit Committee:
  - (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year; and
  - (iii) that there are no instances of significant fraud of which we have become aware.

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

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

**Place: New Delhi**  
**Date: 13-08-2018**

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

To  
The Members,  
Pasupati Spinning & Weaving Mills Limited

We have examined the compliance of conditions of Corporate Governance by Pasupati Spinning & Weaving Mills Limited ("the Company"), for the financial year ended on 31st March, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

### **Managements' Responsibility**

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

### **Auditor's Responsibility**

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanation given to us, we report as under:-

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

Subject to the above, we certify that the Company has complied with the conditions of Corporate Governance for the year ended 31<sup>st</sup> March, 2018 as stipulated in the above mentioned Listing Regulations, as applicable.

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

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

Dated : 13.08.2018  
Place : New Delhi

## **Independent Auditors' Report**

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

### **1. Report on the Standalone 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<sup>st</sup> March, 2018, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **3. Auditor's responsibility**

Our responsibility is to express an opinion on these standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act and the rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 the disclosures in the standalone Ind AS 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS Financial Statements.

#### **4. Basis of Qualified Opinion**

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

#### **5. Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of matter described in the basis for qualified opinion paragraph above* the aforesaid standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its loss (including other comprehensive income), its cash flows and the changes in equity for the period ended on that date.

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

- I) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II) As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS Financial Statements-Refer note no. 28 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Rashi Goel  
Partner  
Membership Number: 522561

Place: New Delhi  
Date : May 29, 2018

**Annexure A referred to in Paragraph 6(I) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Pasupati Spinning & Weaving Mills Limited on the standalone financial statements for the year ended 31<sup>st</sup> March 2018.**

<p>(i) (a)</p> <p>(b)</p> <p>(c)</p>	<p>The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>All the fixed assets have been physically verified by the management according to a regular program, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account.</p> <p>The title deeds of immovable properties are held in the name of the company.</p>
<p>(ii)</p>	<p>Physical verification of inventory (except material lying with third party and material in transit) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. No material discrepancies with respect to book records were noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account.</p>
<p>(iii)</p>	<p>The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and as such clauses (iii) (a), (b) and (c) of the order are not applicable to the company.</p>
<p>(iv)</p>	<p>In our opinion and according to the information and explanations given to us no loans, investments, guarantees and security covered under section 185 and 186 of the Companies Act, 2013 has been given by the company.</p>
<p>(v)</p>	<p>According to the information and explanation given to us, the company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of the order are not applicable to the company.</p>
<p>(vi)</p>	<p>We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such accounts and records.</p>

(vii) (a)	<p>The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect thereof were outstanding as at 31st March 2018 for a period of more than six months from the date they became payable.</p>																				
(b)	<p>According to the records of the company, dues of income-tax or Sales tax or service tax or duty of custom or duty of excise or value added tax which have not been deposited on account of any dispute are as under:-</p>																				
<table border="1"> <thead> <tr> <th data-bbox="236 703 603 775">Name of the statute</th> <th data-bbox="603 703 807 775">Nature of dues</th> <th data-bbox="807 703 1011 775">Amount (Rs. in lacs)</th> <th data-bbox="1011 703 1445 775">Forum where pending</th> </tr> </thead> <tbody> <tr> <td data-bbox="236 775 603 880"><i>Central Excise Act</i></td> <td data-bbox="603 775 807 880"><i>Excise Duty</i></td> <td data-bbox="807 775 1011 880">94.19</td> <td data-bbox="1011 775 1445 880"><i>Hon'ble High Court of Punjab &amp; Haryana</i></td> </tr> <tr> <td data-bbox="236 880 603 952"><i>Haryana Value Added Tax Act</i></td> <td data-bbox="603 880 807 952">VAT</td> <td data-bbox="807 880 1011 952">42.23</td> <td data-bbox="1011 880 1445 952"><i>Punjab &amp; Haryana High Court</i></td> </tr> <tr> <td data-bbox="236 952 603 1023"><i>Service Tax Act</i></td> <td data-bbox="603 952 807 1023"><i>Service Tax</i></td> <td data-bbox="807 952 1011 1023">2.29</td> <td data-bbox="1011 952 1445 1023"><i>Central Excise &amp; Service Tax Tribunal</i></td> </tr> <tr> <td data-bbox="236 1023 603 1093"><i>Himachal Pradesh Value added Tax Act</i></td> <td data-bbox="603 1023 807 1093">VAT</td> <td data-bbox="807 1023 1011 1093">3.48</td> <td data-bbox="1011 1023 1445 1093"><i>Commissioner (Appeals)</i></td> </tr> </tbody> </table>		Name of the statute	Nature of dues	Amount (Rs. in lacs)	Forum where pending	<i>Central Excise Act</i>	<i>Excise Duty</i>	94.19	<i>Hon'ble High Court of Punjab &amp; Haryana</i>	<i>Haryana Value Added Tax Act</i>	VAT	42.23	<i>Punjab &amp; Haryana High Court</i>	<i>Service Tax Act</i>	<i>Service Tax</i>	2.29	<i>Central Excise &amp; Service Tax Tribunal</i>	<i>Himachal Pradesh Value added Tax Act</i>	VAT	3.48	<i>Commissioner (Appeals)</i>
Name of the statute	Nature of dues	Amount (Rs. in lacs)	Forum where pending																		
<i>Central Excise Act</i>	<i>Excise Duty</i>	94.19	<i>Hon'ble High Court of Punjab &amp; Haryana</i>																		
<i>Haryana Value Added Tax Act</i>	VAT	42.23	<i>Punjab &amp; Haryana High Court</i>																		
<i>Service Tax Act</i>	<i>Service Tax</i>	2.29	<i>Central Excise &amp; Service Tax Tribunal</i>																		
<i>Himachal Pradesh Value added Tax Act</i>	VAT	3.48	<i>Commissioner (Appeals)</i>																		
(viii)	<p><i>In our opinion and according to the information and explanations given to us, the delay in repayment of dues to a financial institution or bank holders are as under :</i></p>																				
<table border="1"> <thead> <tr> <th data-bbox="236 1267 395 1406"><i>Nature of Limit</i></th> <th data-bbox="395 1267 612 1406"><i>Name of the Bank</i></th> <th data-bbox="612 1267 817 1406"><i>Limit (Rs. in lacs)</i></th> <th data-bbox="817 1267 1043 1406"><i>Balance as per Bank (Rs. in lacs)</i></th> <th data-bbox="1043 1267 1193 1406"><i>Excess (Rs. in lacs)</i></th> <th data-bbox="1193 1267 1445 1406"><i>Remarks</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="236 1406 395 1592"><i>Cash Credit</i></td> <td data-bbox="395 1406 612 1592"><i>Canara Bank State Bank of India</i></td> <td data-bbox="612 1406 817 1592">734.50 1062.00</td> <td data-bbox="817 1406 1043 1592">744.06 1089.20</td> <td data-bbox="1043 1406 1193 1592">9.56 27.20</td> <td data-bbox="1193 1406 1445 1592"><i>Due to interest charged by bank on 31.3.2018 and paid subsequently</i></td> </tr> </tbody> </table>		<i>Nature of Limit</i>	<i>Name of the Bank</i>	<i>Limit (Rs. in lacs)</i>	<i>Balance as per Bank (Rs. in lacs)</i>	<i>Excess (Rs. in lacs)</i>	<i>Remarks</i>	<i>Cash Credit</i>	<i>Canara Bank State Bank of India</i>	734.50 1062.00	744.06 1089.20	9.56 27.20	<i>Due to interest charged by bank on 31.3.2018 and paid subsequently</i>								
<i>Nature of Limit</i>	<i>Name of the Bank</i>	<i>Limit (Rs. in lacs)</i>	<i>Balance as per Bank (Rs. in lacs)</i>	<i>Excess (Rs. in lacs)</i>	<i>Remarks</i>																
<i>Cash Credit</i>	<i>Canara Bank State Bank of India</i>	734.50 1062.00	744.06 1089.20	9.56 27.20	<i>Due to interest charged by bank on 31.3.2018 and paid subsequently</i>																
(ix)	<p>In our opinion, moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.</p>																				
(x)	<p>According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.</p>																				
(xi)	<p>In our opinion, and according to the information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.</p>																				
(xii)	<p>The company is not a nidhi company and hence provisions of clause (xii) of the order are not applicable to the company.</p>																				
(xiii)	<p>In our opinion all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial</p>																				

	statements etc. as required by the applicable accounting standards.
(xiv)	During the year under review the company has not made any preferential allotment on private placement of shares or fully or partly convertible debentures.
(xv)	The company has not entered into any non cash transactions with directors or persons connected with him.
(xvi)	The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934

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

**Rashi Goel**  
Partner  
Membership Number: 522561

Place : New Delhi  
Date : May 29, 2018



**Annexure “B” to the Independent Auditor’s Report Referred to in paragraph 6(ii)(f) to the Independent Auditor’s Report of even date on the Standalone Ind AS Financial Statements of Pasupati Spinning & Weaving Mills Limited for the year ended 31st March 2018.**

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

We have audited the internal financial controls over financial reporting of **Pasupati Spinning & Weaving Mills Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

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

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

**Auditors’ Responsibility**

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

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

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI".

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

Rashi Goel  
Partner  
Membership Number: 522561

Place: New Delhi  
Date: May 29, 2018

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 2018**

Particulars	Note No	Rs in Lacs		
		As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
1 Property, Plant and Equipments	4	3,891.03	4,129.61	4,036.23
2 Capital Work in Progress		-	-	4.51
3 Financial Assets				
(i) Investments	5	4.71	7.26	4.45
(ii) Others	6	1.66	1.66	1.66
4 Other Non Current Assets	7	113.24	121.67	151.67
<b>CURRENT ASSETS</b>				
1 Inventories	8	3,014.32	3,141.86	3,413.89
2 Financial Assets				
(i) Investments	9	-	-	-
(ii) Trade receivables	10	2,985.99	2,894.88	2,502.26
(iii) Cash and cash equivalents	11	110.56	108.16	180.37
(iv) Bank Balances other than (iii) above	12	202.03	202.66	251.06
3 Current Tax Assets (net)	13	62.49	43.27	25.07
4 Other Current Assets	14	603.50	399.17	406.80
5 Assets held for sale	15	23.57	-	-
		<b>11,013.10</b>	<b>11,050.20</b>	<b>10,977.97</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
1 Equity Share Capital	16	933.71	933.71	933.71
2 Other Equity		2,199.51	2,132.03	2,047.66
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
1 Financial Liabilities				
(i) Borrowings	17	86.98	241.15	357.98
(ii) Other Financial Liabilities	18	552.31	567.39	383.76
2 Provisions	19	91.34	90.03	89.64
3 Deferred Tax Liabilities (net)	20	173.58	193.17	209.38
4 Other Non Current Liabilities	21	0.20	0.20	0.20
<b>CURRENT LIABILITIES</b>				
1 Financial liabilities				
(i) Borrowings	22	3,922.41	3,547.91	3,578.93
(ii) Trade Payables	23	1,619.48	1,999.70	2,193.35
(iii) Other Financial Liabilities	24	250.28	299.41	324.72
2 Other current liabilities	25	1,105.06	985.16	821.56
3 Provisions	26	61.85	48.80	32.83
4 Current tax liabilities	27	16.39	11.54	4.25
Contingent Liabilities & Commitments	28			
Significant Accounting Policies	2			

See Accompanying Notes to the Financial Statements

As per our report of even date annexed

For Suresh Kumar Mittal & Co.,

Chartered Accountants

Reg. No. 500063N

Ramesh Kumar Jain

Chairman & Managing Director

DIN No. 00575142

Vidit Jain

Joint Managing Director

DIN No.01347588

Rashi Goel

Partner

Membership No. 522561

Place: New Delhi

Date : May 29, 2018

Abhinav Tyagi

Company Secretary

A K Monga

Chief Financial Officer

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**  
**STATEMENT OF PROFIT & LOSS**  
**FOR THE PERIOD ENDED 31ST MARCH 2018**

Particulars	Note	Rs in Lacs	
		For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
<b>REVENUE</b>			
I Revenue from Operations	30	12,280.29	14,972.50
II Other Income	31	248.80	205.30
<b>III Total Income (I+II)</b>		<b>12,529.09</b>	<b>15,177.80</b>
<b>IV EXPENSES</b>			
Cost of Material Consumed	32	4,188.28	6,555.86
Purchases of Stock-in-Trade		6.40	-
Changes in Inventories of Finished Goods, stock-in-trade and Work in Progress	33	107.34	146.26
Share of Joint Venture Partner	34	(1.55)	27.44
Employee Benefits Expense	35	2,090.13	1,938.83
Finance Costs	36	688.31	677.47
Depreciation & Amortization Expenses	37	363.36	417.85
Other Expenses	38	5,048.38	5,348.51
<b>Total expenses (IV)</b>		<b>12,490.65</b>	<b>15,112.22</b>
<b>V Profit/(loss) before exceptional items and tax (III- IV)</b>		<b>38.44</b>	<b>65.58</b>
VI Exceptional Items		-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>38.44</b>	<b>65.58</b>
<b>VIII Tax expense:</b>			
Current Tax		16.39	11.54
Earlier Year Tax		0.25	1.11
Deferred Tax		(22.80)	(17.43)
Mat Credit Entitlement		(16.39)	(11.54)
<b>IX Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>60.99</b>	<b>81.90</b>
<b>X Profit/(loss) from discontinued operations</b>		-	-
<b>XI Tax expense of discontinued operations</b>		-	-
<b>XII Profit/(loss) from Discontinued operations (after tax) (X-XI)</b>		-	-
<b>XIII Profit/(loss) for the period (IX+XII)</b>		<b>60.99</b>	<b>81.90</b>
<b>XIV Other Comprehensive Income</b>			
Items that will not be reclassified to profit & loss		9.70	3.69
Income tax relating to above		(3.21)	(1.22)
Items that will be reclassified to profit & loss		-	-
Income tax relating to above		-	-
		<b>6.49</b>	<b>2.47</b>
<b>XV Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit/ (Loss) and Other Comprehensive Income for the period)</b>		<b>67.48</b>	<b>84.37</b>
<b>XVI Earnings per equity share (for continuing operation):</b>			
Basic and Diluted	39	0.65	0.88
<b>XVII Earnings per equity share (for discontinued operation):</b>			
Basic and Diluted		-	-
<b>XVIII Earnings per equity share (for discontinued &amp; continuing operations)</b>			
Basic and Diluted		0.65	0.88
Significant Accounting Policies	2		

See Accompanying Notes to the Financial Statements

As per our report of even date annexed  
For Suresh Kumar Mittal & Co.,  
Chartered Accountants  
Reg. No. 500063N

Ramesh Kumar Jain  
Chairman & Managing Director  
DIN No. 00575142

Vidit Jain  
Joint Managing Director  
DIN No.01347588

Rashi Goel  
Partner  
Membership No. 522561  
Place: New Delhi  
Date : May 29, 2018

Abhinav Tyagi  
Company Secretary

A K Monga  
Chief Financial Officer

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018**

Particulars	Rs in Lacs	
	For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit/(Loss) after Tax and OCI</b>	67.48	84.37
Adjustments for:		
Depreciation	363.36	417.85
Interest Income	(13.77)	(17.14)
(Profit)/Loss on Fixed Assets sold/discarded	(0.86)	-
Interest Charged	558.12	566.08
Tax Impact	(19.34)	(15.10)
<b>Operating Profit before Working Capital Charges</b>	954.99	1,036.06
Adjustments for:		
Trade & Other Receivables	(286.36)	(306.61)
Inventories	127.53	272.03
Trade Payables & Other Liabilities	(295.08)	(39.01)
<b>Cash Generated from Operations</b>	501.08	962.47
Interest Paid	(558.12)	(566.08)
Taxes Paid	(14.62)	(12.01)
<b>Net Cash from Operating Activities</b>	(71.66)	384.38
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(159.42)	(506.71)
Sale of Fixed Assets	11.92	-
Interest Received	13.77	17.14
Purchase of Investment	2.55	(2.82)
<b>Net Cash used in Investing Activities</b>	(131.18)	(492.39)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from /Repayment of Borrowings		
- Short Term	374.49	(31.01)
- Long Term	(154.17)	(116.83)
Proceeds from/Repayment of Unsecured Loans	(15.08)	183.64
<b>Net Cash used in Financing Activities</b>	205.24	35.80
Net (Decrease)/Increase in Cash & Cash equivalents	2.40	(72.21)
Cash & Cash equivalents at start of the year	108.16	180.37
Cash & Cash equivalents at close of the year	110.56	108.16
Note: Brackets represent cash outflows		

See accompanying notes to the financial statements

As per our report of even date annexed

For Suresh Kumar Mittal & Co.,

Chartered Accountants

Reg. No. 500063N

Ramesh Kumar Jain

Chairman & Managing Director

DIN No. 00575142

Vidit Jain

Joint Managing Director

DIN No.01347588

Rashi Goel

Partner

Membership No. 522561

Place: New Delhi

Date : May 29, 2018

Abhinav Tyagi

Company Secretary

A K Monga

Chief Financial Officer

<b>PASUPATI SPINNING AND WEAVING MILLS LIMITED</b>					
<b>STATEMENT OF CHANGES IN EQUITY</b>					
Particulars	Rs in Lacs				
	Reserves and surplus			Other comprehensiv e income	Total Other Equity
	Share Premium Account	Retained Earnings	Capital Reserve		
Balance as of 01.04.2016	866.10	778.04	403.52	-	2,047.66
Profit/Loss for the period	-	81.90	-	-	81.90
Other comprehensive income	-	-	-	2.47	2.47
<b>Balance as of 31.03.2017</b>	<b>866.10</b>	<b>859.94</b>	<b>403.52</b>	<b>2.47</b>	<b>2,132.03</b>
Balance as of 01.04.2017	866.10	859.94	403.52	2.47	2,132.03
Profit/Loss for the period	-	60.99	-	-	60.99
Other comprehensive income	-	-	-	6.49	6.49
<b>Balance as of 31.03.2018</b>	<b>866.10</b>	<b>920.93</b>	<b>403.52</b>	<b>8.96</b>	<b>2,199.51</b>

See Accompanying Notes to the Financial Statements

As per our report of even date annexed  
For Suresh Kumar Mittal & Co.,  
Chartered Accountants  
Reg. No. 500063N

Ramesh Kumar Jain  
Chairman & Managing Director  
DIN No. 00575142

Vidit Jain  
Joint Managing Director  
DIN No.01347588

Rashi Goel  
Partner  
Membership No. 522561  
Place: New Delhi  
Date : May 29, 2018

Abhinav Tyagi  
Company Secretary

A K Monga  
Chief Financial Officer

# PASUPATI SPINNING AND WEAVING MILLS LIMITED

## Notes to financial statements

### 1 Company Overview

Pasupati Spinning & Weavings Mills Ltd is a public limited company incorporated in India and has its registered office in Haryana, India. The company has interests in Fabrics, Bed Sheets, Acrylic Fiber, Cotton and Polyester Blended Yarns as well as Commodity Trading. Within 25 years of its inception, the company has evolved into one of the most updated, professionally managed and growth oriented textile companies in India.

### 2 Significant Accounting Policies

#### 2.1 Basis of Preparation of financial statements

##### Compliance with Ind AS

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016.

For all periods up to and including the year ended 31 March 2017, the Company prepared its Standalone financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS Standalone Financial Statements of the Company. The date of transition to Ind AS is 01 April, 2016.

##### Basis of preparation and presentation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Standalone Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "financial statements").

The Standalone Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

##### Reporting Presentation Currency

All amounts in the standalone financial statements and notes thereon have been presented in Indian Rupees (INR) (reporting and primary functional currency of the company) and rounded off to the nearest rupees, unless otherwise stated.

#### 2.2 Classification of Assets and Liabilities

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

#### 2.3 Revenue Recognition

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

(i) Revenue from sale of products is recognized on accrual basis.

(ii) Interest income from deposits and others is recognized on accrual basis. Dividend income is recognized when the right to receive the dividend is unconditionally established. Profit/loss on sale/redemption of investments is recognized on the date of transaction of sale/redemption and is computed with reference to the original cost of the investment sold.

(iii) Insurance claims are recognized in the books only after certainty of its realization.

#### 2.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### 2.5 Foreign currency transactions and translation

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

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

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

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit & loss statement.

The company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

relating to certain firm commitments and forecasted transactions. Derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Mark to market losses on such measurement are recognized in the profit & loss statement.



## PASUPATI SPINNING AND WEAVING MILLS LIMITED

### 2.6 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Transaction cost in respect of long-term borrowings are amortised over the tenure of respective loans using effective interest method. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

### 2.7 Employee Benefits

#### (i) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages etc. and the expected cost of bonus, exgratia, incentives are recognized in the period during which the employee renders the related service.

#### (ii) Post-Employment Benefits

##### (a) Defined Contribution Plans

##### (b) Defined Benefit Plans

(c) Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

### 2.8 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

#### Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Company operates and generates taxable income.

#### Deferred tax

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

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

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

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

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

#### Current and deferred tax for the period

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

### 2.9 Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised if the activities undertaken improves the economic benefits expected to arise from the asset. Cost includes financing cost till the commencement of commercial production, inward freight, duties & taxes, incidental expenses related to acquisition and is net of MODVAT / CENVAT. In respect of major projects involving construction, related pre-operational expenses form part of the value of the assets capitalized.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

## PASUPATI SPINNING AND WEAVING MILLS LIMITED

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

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

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

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

Depreciation on Assets acquired /capitalised/ disposed off during the year is provided on pro-rata basis with reference to the date of addition/capitalization/ disposal. Lease hold land is amortized over the period of lease.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### 2.10 Intangible Assets

Intangible Assets are stated at cost less accumulated amortization.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible assets.

### 2.11 Impairment of Property, plant and equipment and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

### 2.12 Inventories

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

### 2.13 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions in the nature of long term are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### 2.14 Investment in subsidiaries, associates and joint ventures

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

### 2.15 Borrowings.

Borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

**2.16 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits and highly liquid investments with an original maturity of three months or less which are readily convertible in cash and subject to insignificant risk of change in value.

## PASUPATI SPINNING AND WEAVING MILLS LIMITED

### 2.17 Earnings Per Share

Earnings per share is calculated by dividing the Profit after tax by the weighted average number of equity shares outstanding during the year.

### 2.18 Contingent Liability and Contingent Assets

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

### 2.19 Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected to be collected within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets.

### 2.20 Investments and other financial assets

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

#### (a) Classification

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

#### (b) Measurement

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

#### b.1 Debt Instruments

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

##### Amortised Cost:

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

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

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

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

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

#### b.2 Equity instruments

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

#### (c) Impairment of financial assets

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

#### (d) Derecognition of financial assets

A financial asset is derecognised only when

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

—

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**(e) Offsetting financial instruments**

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

**(f) Income recognition**

**Interest Income**

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

## PASUPATI SPINNING AND WEAVING MILLS LIMITED

### 2.21 First time adoption – optional exemptions

#### Overall principle

The Company has prepared the opening Standalone Balance Sheet as per Ind AS as of 1 April,2016 (the transition date) by,

- recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and
- applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below. Since, the financial statements are the first financial statements, the first time adoption – mandatory exceptions and optional exemptions have been explained in detail.

**Deemed cost for property, plant and equipment and intangible assets including capital work in progress and intangible assets under development:** The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets including capital work in progress and intangible assets under development recognised as of 1 April,2016 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

**Deemed cost for investments in subsidiaries, associates and joint ventures:** The Company has elected to continue with the carrying value of all of its investments in subsidiaries, joint ventures and associates recognised as of 1 April,2016 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

### 3 Use of Estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

#### 3.1 Property, Plant and Equipments

Property, Plant and Equipments represent a significant proportion of the asset base of the company. The management of the Company makes assumptions about the estimated useful lives, depreciation methods or residual values of items of property, plant and equipment, based on past experience and information currently available. In addition, the management assesses annually whether any indications of impairment of intangible assets and tangible assets. The management of the Company believe that on balance sheet date no impairment indications were existing.

#### 3.2 Trade Receivables

Furthermore, the management believe that the net carrying amount of trade receivables is recoverable based on their past experience in the market and their assessment of the credit worthiness of debtors at at Balance Sheet date. Such estimates are inherently imprecise and there may be additional information about one or more debtors that the management are not aware of, which could significantly affect their estimations.

#### 3.3 Defined Benefit Plans

The provisions for defined benefit plans have been calculated by a actuarial expert. The basic assumptions are related to the mortality, discount rate and expected developments with regards to the salaries. The discount rate have been determined by reference to market yields at the end of the reporting period based on the expected duration of the obligation. The future salary increases have been estimated by using the expected inflation plus an additional mark-up based on historical experience and management expectations.

#### 3.4 Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

#### 3.5 Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

#### 3.6 Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

4. PROPERTY, PLANT and EQUIPMENTS	Rs in Lacs							
	Land - Freehold	Land - Leasehold	Buildings	Plant & Machinery	Furniture & Fixtures	Factory & Office Equipments	Vehicles	Total
<b>Gross Carrying Value as on 01.04.2016</b>	<b>47.93</b>	<b>18.03</b>	<b>2,562.41</b>	<b>17,444.31</b>	<b>67.77</b>	<b>186.09</b>	<b>200.14</b>	<b>20,526.68</b>
Addition	-	-	-	434.05	1.80	13.73	61.64	<b>511.22</b>
Deletions	-	-	-	-	-	-	-	-
<b>Gross Carrying Value as on 31.03.2017</b>	<b>47.93</b>	<b>18.03</b>	<b>2,562.41</b>	<b>17,878.36</b>	<b>69.57</b>	<b>199.82</b>	<b>261.78</b>	<b>21,037.90</b>
<b>Accumulated Depreciation as on 01.04.2016</b>		1.35	1,697.42	14,467.57	63.06	161.19	99.86	16,490.45
Depreciation for the period	-	0.45	73.51	312.43	0.42	9.91	21.12	417.84
Deductions/Adjustments	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation as on 31.03.2017</b>	<b>-</b>	<b>1.80</b>	<b>1,770.93</b>	<b>14,780.00</b>	<b>63.48</b>	<b>171.10</b>	<b>120.98</b>	<b>16,908.29</b>
<b>Carrying Value as on 31.03.2017</b>	<b>47.93</b>	<b>16.23</b>	<b>791.48</b>	<b>3,098.36</b>	<b>6.09</b>	<b>28.72</b>	<b>140.80</b>	<b>4,129.61</b>
<b>Gross Carrying Value as on 01.04.2017</b>	<b>47.93</b>	<b>18.03</b>	<b>2,562.41</b>	<b>17,878.36</b>	<b>69.57</b>	<b>199.82</b>	<b>261.78</b>	<b>21,037.90</b>
Addition	-	-	-	148.18	0.13	4.08	7.03	159.42
Deletions	-	-	-	790.07	-	-	14.39	804.46
<b>Gross Carrying Value as on 31.03.2018</b>	<b>47.93</b>	<b>18.03</b>	<b>2,562.41</b>	<b>17,236.47</b>	<b>69.70</b>	<b>203.90</b>	<b>254.42</b>	<b>20,392.86</b>
<b>Accumulated Depreciation as on 01.04.2017</b>	<b>-</b>	<b>1.80</b>	<b>1,770.93</b>	<b>14,780.00</b>	<b>63.48</b>	<b>171.10</b>	<b>120.98</b>	<b>16,908.29</b>
Depreciation for the period	-	0.45	73.51	257.88	0.46	9.22	21.84	363.36
Deductions/Adjustments	-	-	-	756.15	-	-	13.67	769.82
<b>Accumulated Depreciation as on 31.03.2018</b>	<b>-</b>	<b>2.25</b>	<b>1,844.44</b>	<b>14,281.73</b>	<b>63.94</b>	<b>180.32</b>	<b>129.15</b>	<b>16,501.83</b>
<b>Carrying Value as on 31.03.2018</b>	<b>47.93</b>	<b>15.78</b>	<b>717.97</b>	<b>2,954.74</b>	<b>5.76</b>	<b>23.58</b>	<b>125.27</b>	<b>3,891.03</b>



**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**5 NON CURRENT INVESTMENTS**

Particulars	No. of Shares			Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Investments carried at fair value through profit and loss</b>						
<b>Quoted - Trade (Equity Shares of Rs. 10 each)</b>						
Amit Spinning Industries Limited	100	100	100	0.02	0.02	0.02
Global Syntex (Bhilwara) Limited	9,900	9,900	9,900	1.09	1.09	1.09
G.T.N. Industries Limited	100	100	100	0.18	0.18	0.18
Malwa Cotton Spinning Mills Limited	50	50	50	0.16	0.16	0.16
Sanghi Polyesters Limited	200	200	200	0.07	0.07	0.07
<b>Quoted - Non Trade (Equity Shares of Rs. 10 each)</b>						
Pasupati Fincap Limited	70,000	70,000	70,000	7.00	7.00	7.00
<b>Unquoted - Non Trade (Equity Shares of Rs. 10 each)</b>						
India Comm Directories Limited	50	50	50	0.01	0.01	0.01
Shivalik Solid Waste Management Ltd.	20,000	20,000	20,000	2.00	2.00	2.00
				10.53	10.53	10.53
Less: Provision for Diminution in value of investments				5.82	3.27	6.08
<b>Total</b>				4.71	7.26	4.45
Aggregate value of quoted investments				8.52	8.52	8.52
Aggregate value of unquoted investments				2.01	2.01	2.01
Total				10.53	10.53	10.53
Market value fo quoted investments				2.85	5.40	2.80

**6 OTHER NON-CURRENT FINANCIAL ASSETS**

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Post office Balance due after one year of Balance Sheet date (Held as margin/security)	1.66	1.66	1.66
<b>Total</b>	<b>1.66</b>	<b>1.66</b>	<b>1.66</b>

**7 OTHER NON CURRENT ASSETS**

(Unsecured-considered good)

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Security Deposits	102.24	105.28	105.60
Capital Advances	11.00	16.39	46.07
<b>Total</b>	<b>113.24</b>	<b>121.67</b>	<b>151.67</b>

**8 INVENTORIES**

(As taken, valued and certified by the management)

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Raw Materials	58.98	52.37	234.11
Work in progress	1,004.65	1,002.43	1,209.81
Finished Goods	1,694.61	1,803.64	1,735.43
Waste	6.68	7.21	14.30
Stores & Spares	249.40	276.21	220.24
<b>Total</b>	<b>3,014.32</b>	<b>3,141.86</b>	<b>3,413.89</b>

\*including in transit Rs. 192.91 Lacs as on 31.03.2018 (Rs. 104.81 Lacs as on 31.03.2017, Rs. 49.89 Lacs as on 01.04.2016)

**9 CURRENT INVESTMENTS**

Particulars	No. of Shares			Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Quoted - Non Trade (Equity Shares of Rs. 10 each)</b>						
Srishti Video Corp. Limited	240,000	240,000	240,000	20.08	20.08	20.08
				20.08	20.08	20.08
Less: Provision for Diminution in value of investments				20.08	20.08	20.08

PASUPATI SPINNING AND WEAVING MILLS LIMITED

Total	-	-	-
-------	---	---	---

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**10 TRADE RECEIVABLES**

(Unsecured-considered good except to the extent provided)

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Exceeding Six Months	481.15	467.96	412.21
Others	2,527.15	2,452.14	2,117.85
<b>Total</b>	<b>3,008.30</b>	<b>2,920.10</b>	<b>2,530.06</b>
Less: Provision for Doubtful Debts	22.31	25.22	27.80
	2,985.99	2,894.88	2,502.26

**11 CASH & CASH EQUIVALENTS**

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Balances with banks in current accounts	25.71	27.41	44.33
Cheques/drafts in hand	72.50	61.27	54.50
Cash in hand	12.35	19.48	81.54
<b>Total</b>	<b>110.56</b>	<b>108.16</b>	<b>180.37</b>

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

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Fixed deposits with banks due within one year of Balance Sheet date (Held as margin/security)	182.54	184.40	237.75
Interest accrued on above	19.49	18.26	13.31
<b>Total</b>	<b>202.03</b>	<b>202.66</b>	<b>251.06</b>

**13 CURRENT TAX ASSETS**

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advance Income Tax (including Tax Deducted at Source)	26.95	24.11	17.45
MAT Credit Entitlement	35.54	19.16	7.62
<b>Total</b>	<b>62.49</b>	<b>43.27</b>	<b>25.07</b>

**14 OTHER CURRENT ASSETS**

(Unsecured-considered good except to the extent provided)

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advances recoverable in cash or in kind or for value to be	345.78	352.34	379.98
Export Incentive Receivable	109.43	87.00	64.70
GST/Sales Tax/VAT/Excise Recoverable	211.45	28.58	31.65
Others Recoverable	66.44	60.85	60.07
<b>Total</b>	<b>733.10</b>	<b>528.77</b>	<b>536.40</b>
Less: Provision for Doubtful advances	129.60	129.60	129.60
	<b>603.50</b>	<b>399.17</b>	<b>406.80</b>

**15 ASSETS HELD FOR SALE**

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Gross carrying value as on the first day of the period	-	-	-
Additions	790.06	-	-
Deletions	241.04	-	-
Gross carrying value as on the last day of the period	549.02	-	-
Accumulated depreciation as on the first day of the period	-	-	-
Additions	756.15	-	-
Deletions	230.70	-	-
Accumulated depreciation as on the last day of the period	525.45	-	-
Net Carrying value	23.57	-	-

The DG Set which was not viable to run was contracted to be sold off during the year. Part of the machine has been lifted by the buyer in the current year and the balance is to be lifted in subsequent year.

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**16 SHARE CAPITAL**

a) Authorised

Particulars	No. of Shares			Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Equity Shares of Rs. 10 each</b>						
At the beginning of the year	12,100,000	12,100,000	12,100,000	1,210.00	1,210.00	1,210.00
Add: Additions during the year	-	-	-	-	-	-
Less: Reduction during the year	-	-	-	-	-	-
At the end of the year	<b>12,100,000</b>	<b>12,100,000</b>	<b>12,100,000</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>

b) Issued, Subscribed and Paid up

Particulars	No. of Shares			Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Equity Shares of Rs. 10 each fully paid up</b>						
At the beginning of the year	9,337,068	9,337,068	9,337,068	933.71	933.71	933.71
Add: Additions during the year	-	-	-	-	-	-
Less: Reduction during the year	-	-	-	-	-	-
At the end of the year	<b>9,337,068</b>	<b>9,337,068</b>	<b>9,337,068</b>	<b>933.71</b>	<b>933.71</b>	<b>933.71</b>

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

Name of the Shareholder	No. of Shares			% of Holding		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Pasupati Olefin Limited	4,068,428	4,068,428	4,068,428	43.57%	43.57%	43.57%
Sulabh Impex Limited	1,777,354	1,777,354	1,777,354	19.04%	19.04%	19.04%
J M Financial Asset Reconstruction Co. Pvt. Ltd	1,000,000	1,000,000	1,000,000	10.71%	10.71%	10.71%
Mrs. Vrinda Jain	714,052	714,052	714,052	7.65%	7.65%	7.65%

**17 LONG TERM BORROWINGS**

(Secured)

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
From Banks			
Term Loan	38.12	172.79	305.70
Vehicle Loans	48.86	68.36	52.28
<b>Total</b>	<b>86.98</b>	<b>241.15</b>	<b>357.98</b>

Notes: -

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

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

iii) The above loans are repayable as follows:

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Payable after 1 year	50.11	158.27	259.48
Payable after 2 years	17.88	50.58	87.89
Payable after 3 years	9.13	16.63	11.35
Payable after 4 years	10.03	7.51	1.77
Payable after 5 years	0.72	8.04	-
Payable after 6 years	-	2.85	-
Unamortised Upfront fees	(0.89)	(2.73)	(2.51)
<b>Total</b>	<b>86.98</b>	<b>241.15</b>	<b>357.98</b>

**18 OTHER NON-CURRENT FINANCIAL LIABILITIES**

Particulars	Rs in Lacs
-------------	------------

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Unsecured Loans from Companies	552.31	567.39	383.76
<b>Total</b>	<b>552.31</b>	<b>567.39</b>	<b>383.76</b>

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

The above loans are repayable as follows:

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Payable after 1 year	167.28	84.41	-
Payable after 2 years	167.28	167.28	46.27
Payable after 3 years	167.28	167.28	129.14
Payable after 4 years	167.28	167.28	129.14
Payable after 5 years	82.87	167.28	129.14
Payable after 6 years	-	82.87	129.14
Payable after 7 years	-	-	82.87
Amortisation adjsutment as per Ind AS	(199.68)	(269.01)	(261.94)
<b>Total</b>	<b>552.31</b>	<b>567.39</b>	<b>383.76</b>

**19 NON CURRENT PROVISIONS**

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provisions for Employee Benefits	91.34	90.03	89.64
<b>Total</b>	<b>91.34</b>	<b>90.03</b>	<b>89.64</b>

**20 DEFERRED TAX LIABILITIES (NET)**

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>A) Deferred Tax liability</b>			
Fixed Assets	549.09	675.52	711.99
Other	55.80	89.85	87.44
<b>Total (A)</b>	<b>604.89</b>	<b>765.37</b>	<b>799.43</b>
<b>B) Deferred Tax Assets</b>			
Carry forward loss	358.85	494.34	518.69
43B items	18.28	21.32	19.66
Provisions not allwable under I.T.Act	54.18	56.54	51.70
<b>Total (B)</b>	<b>431.31</b>	<b>572.20</b>	<b>590.05</b>
<b>Net Deferred Tax Liability (A-B)</b>	<b>173.58</b>	<b>193.17</b>	<b>209.38</b>

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

**21 OTHER NON CURRENT LIABILITIES**

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Security Deposits	0.20	0.20	0.20
<b>Total</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>

**22 SHORT TERM BORROWINGS**

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Secured</b>			
Loans repayable on Demand			
-From Banks	3,886.08	3,535.37	3,566.39
<b>Unsecured</b>			
Inter Corporate loan	36.33	12.54	12.54
<b>Total (A+B)</b>	<b>3,922.41</b>	<b>3,547.91</b>	<b>3,578.93</b>

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

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

the company held by promoters/associates.

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**23 TRADE PAYABLES**

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Total outstanding dues of Micro, Small and Medium Others	-	-	-
	1,619.48	1,999.70	2,193.35
<b>Total</b>	<b>1,619.48</b>	<b>1,999.70</b>	<b>2,193.35</b>

The company is in the process of identifying suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, information thereto has been provided to the extent available.

**24 OTHER CURRENT FINANCIAL LIABILITIES**

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Current Maturities of Long Term Debts	250.28	299.41	324.72
<b>Total</b>	<b>250.28</b>	<b>299.41</b>	<b>324.72</b>

**25 OTHER CURRENT LIABILITIES**

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advance from Customers	262.11	109.40	44.97
Interest accrued on loans	-	5.25	30.88
Other Payables	842.95	870.51	745.71
<b>Total</b>	<b>1,105.06</b>	<b>985.16</b>	<b>821.56</b>

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

**26 CURRENT PROVISIONS**

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provisions for Employee Benefits	61.85	48.80	32.83
<b>Total</b>	<b>61.85</b>	<b>48.80</b>	<b>32.83</b>

**27 CURRENT TAX LIABILITIES**

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for Income Tax	16.39	11.54	4.25
<b>Total</b>	<b>16.39</b>	<b>11.54</b>	<b>4.25</b>

**28 CONTINGENT LIABILITIES AND COMMITMENTS**

(to the extent not provided for)

Particulars	Rs in Lacs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Contingent Liabilities & Commitments			
A. Contingent Liabilities			
Letters of Credit outstanding	-	-	134.66
Bank Guarantees	61.96	76.54	76.54
Claims not acknowledged as debts	144.97	209.13	209.13
Excise Duty demands disputed by the Company	94.19	120.03	120.03
Sales Tax demands disputed by the company	45.71	45.71	45.71
Service Tax demands disputed by the company	2.29	2.29	2.29
Income tax demands disputed by the company	-	-	4.65
B. Commitments			
Estimated amount of contracts remaining to be executed on capital account and not	745.46	756.25	178.99

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



**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**30 REVENUE FROM OPERATIONS**

Particulars	Rs in Lacs	
	For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
Gross Sales of Products*		
Sewing Thread	9,860.15	9,782.95
Cotton Yarn	-	2,828.14
Fabrics	51.42	191.44
Garments	1,452.58	1,843.14
Others	40.78	117.12
	11,404.93	14,762.79
Less: Rebate & Discount	48.06	173.40
	11,356.87	14,589.39
Job Work Income	923.42	383.11
<b>Total</b>	<b>12,280.29</b>	<b>14,972.50</b>

\*Sales include Export Incentives

**31 OTHER INCOME**

Particulars	Rs in Lacs	
	For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
Interest	13.77	17.14
Claims Received	17.07	-
Miscellaneous Receipts & Income	180.86	166.51
Excess Provisions/Sundry balances written back	36.24	13.11
Profit on sale of fixed assets (Net)	0.86	-
Profit on accretion in value of investments	-	2.82
Exchange Rate Difference (Net)	-	5.72
<b>Total</b>	<b>248.80</b>	<b>205.30</b>

**32 COST OF MATERIALS CONSUMED**

Particulars	Rs in Lacs	
	For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
At the beginning of the period	52.37	219.94
Add: Purchases during the period	4,194.90	6,388.29
Less: Consumption during the period	4,188.28	6,555.86
At the end of the period	58.98	52.37

**33 CHANGES IN INVENTORIES**

Particulars	Rs in Lacs	
	For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
Closing Stock		
Finished Goods	1,694.61	1,803.64
Work in Progress	1,004.65	1,002.43
Waste	6.68	7.21
	2,705.94	2,813.28
Opening Stock		
Finished Goods	1,803.64	1,735.43
Work in Progress	1,002.43	1,209.81
Waste	7.21	14.30
	2,813.28	2,959.54
(Increase)/Decrease in stocks	<b>107.34</b>	<b>146.26</b>

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

34 The company(Pasupati) has w.e.f. 1.4.2013 entered into joint venture with Star Cotspin Limited(Star) for the purpose of getting cotton yarn manufactured on job work basis from any outside party for sale. As per terms of joint venture agreement dated 1.4.2013, the profit sharing ratio between Star and Pasupati is 75:25 respectively. All the income, expenses, assets and liabilities of joint venture operations are included in the accounts of Pasupati as per the terms of joint venture agreement and amount of share of loss of Star Rs. 1.55 Lacs (previous year profit Rs.27.44 Lacs) for the year has been adjusted in the accounts of Pasupati, the details of which are as under: -

Particulars	Rs in Lacs	
	For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
Sales(net of excise)	-	1,448.41
Other Income	-	-
Total Income	-	1,448.41
Cost of material consumed	-	1,051.39
Changes in Inventories	-	(87.84)
Job work charges	-	375.95
Other Expenses	2.06	72.33
Total Expenses	2.06	1,411.83
Profit for the year	(2.06)	36.58
Share of profit of Star @ 75%	(1.55)	27.44

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

Particulars	Rs in Lacs					
	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
PASUPATI'S CONTRIBUTION		254.36		229.89		(97.46)
CURRENT LIABILITIES						
Short-Term Borrowings	12.45		12.54		12.54	
Trade Payables	37.18		74.82		436.60	
Other Current Liabilities	0.57	50.20	0.57	87.93	5.49	454.63
		304.56		317.82		357.17
CURRENT ASSETS						
Inventories	172.16		172.16		159.91	
Trade Receivables	2.15		16.68		39.25	
Cash & Cash Equivalent	-		-		0.17	
Short Term Loans & Advances	130.25	304.56	128.98	317.82	157.84	357.17
		304.56		317.82		357.17

\* Includes Rs. 128.01 Lacs (Rs 126.46 Lacs as at 31.03.2017, Rs 153.90 Lacs as at 01.04.2016) due from Star

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

35 **EMPLOYEE BENEFITS EXPENSE**

Particulars	Rs in Lacs	
	For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
Salaries & Wages	1,974.34	1,827.55
Gratuity	26.28	18.25
Contribution to Provident & Other Funds	57.43	63.96
Staff Welfare Expenses	32.08	29.07
<b>Total</b>	<b>2,090.13</b>	<b>1,938.83</b>

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**EMPLOYEE POST RETIREMENT BENEFITS**

Particulars	Rs in Lacs	
	For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
a) State Plans		
Contribution made by the company to various state plans which have been recognized as an expense in the profit & loss statement are: -		
Employer's contribution to Employees State Insurance Scheme	15.94	17.08
Employer's contribution to Employees Provident Fund	41.48	46.88
b) Defined Benefit Plan		
The present value of obligation on account of gratuity (unfunded) is determined based on actuarial valuation		
<b>I. Assumptions</b>		
Discount Rate	7.75%	6.95%
Rate of increase in Compensation	5.00%	7.00%
<b>II. Table showing Changes in Present Value of Obligations during the period</b>		
Present Value of Obligation as at the beginning of the period	138.83	122.47
Interest cost	9.64	9.55
Current Service Cost	26.11	18.25
Past Service Cost	0.17	-
Benefit paid	(11.85)	(7.75)
Actuarial (gain) / loss on obligations	(9.70)	(3.69)
Present Value of Obligation as at the end of the period	153.20	138.83
<b>III. Table showing Fair Value of Plan Assets</b>		
Funded Status	(153.20)	(138.83)
<b>IV. Actuarial gain / loss recognized for the period</b>		
Actuarial gain / (loss) for the period – Obligation	9.70	3.69
Total (gain) / loss for the period	(9.70)	(3.69)
Actuarial (gain) / loss recognized in the period	(9.70)	(3.69)
<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	153.20	138.83
Funded Status	(153.20)	(138.83)
Net Liability Recognized in Balance sheet	153.20	138.83
<b>VI. Expense recognized in the statement of profit and loss for the period</b>		
Current Service Cost	26.11	18.25
Past Service Cost	0.17	-
Interest cost	9.64	9.55
Net actuarial (gain) / loss recognized in the period	(9.70)	(3.69)
Expenses Recognized in the statement of Profit & Loss	26.22	24.11

Notes: -

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

**36 FINANCE COSTS**

Particulars	Rs in Lacs	
	For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
Interest Expense	558.12	566.08
Bank and Finance Charges	130.19	111.39
<b>Total</b>	<b>688.31</b>	<b>677.47</b>

**37 DEPRECIATION & AMORTISATION EXPENSE**

Particulars	Rs in Lacs	
	For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
Depreciation	363.36	417.85
<b>Total</b>	<b>363.36</b>	<b>417.85</b>

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**38 OTHER EXPENSES**

Particulars	Rs in Lacs	
	For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
Consumption of Stores, Spare and Packing Materials	1,365.30	1,416.94
Power & Fuel	2,000.72	1,884.17
Job Work expenses	518.29	830.63
Exise Duty	-	1.77
Rent	78.19	85.88
Repairs to Buildings	10.67	19.18
Repairs to Machinery	7.77	12.49
Insurance	16.67	18.48
Rates & Taxes	20.97	25.78
Travelling & Conveyance	129.87	143.30
Professional & Consultancy Charges	14.95	16.14
Freight & Forwarding	380.30	384.95
Other Selling Expenses	253.43	277.95
Charity & Donation	0.70	0.61
Exchange Rate Difference (Net)	3.73	-
Claims Paid/Written of	0.91	0.01
Bad debts/Advances provided/written off	21.10	10.12
Loss on Dimunition in value of investments	2.55	-
Miscellaneous Expenses*	218.69	219.95
Prior period Expenses	3.57	0.16
<b>Total</b>	<b>5,048.38</b>	<b>5,348.51</b>

\* Includes Auditors' Remuneration

Particulars	Rs in Lacs	
	For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
As Audit Fees	4.88	4.88
As Quarterly Review Fees	3.66	3.66
As Tax Audit Fees	1.22	1.22
In Other Capacity	0.16	0.99

**39 EARNING PER SHARE (EPS)**

Particulars	Rs in Lacs	
	For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
<b>Basic and Diluted Earnings Per Share</b>		
Profit/(Loss) after tax as per profit & loss account (A)	60.99	81.90
No. of equity shares (B)	9,337,068	9,337,068
Basic and Diluted Earning Per Share (Rs.) (A/B)	0.65	0.88

**40** In earlier years, the company had received compensation of Rs.61.61 Lacs 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. 614.64 Lacs demanded in the representation will be accounted for as and when received.

**41 Related Party Disclosure:**

Names of related parties and description of relationship

i) Key Management Personnel and their relatives

Shri Ramesh Kumar Jain - CMD

Shri Vedit Jain - JMD

Shri Jitender Malik, WTD (ceased to be a director from 1.10.2017)

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

Smt. Vrinda Jain , Director

Shri Praveen Paliwal, Director

Shri Ghanshyam Das Gupta, Director

Shri Ashwani Kumar Rathore, Director

Shri Anil Gupta, Director

Shri A.K. Monga, CFO

Smt. Rekha Sharma, Company Secretary

ii) Associate

Shivani Textiles Limited

Pasupati Olefin Limited

Sulabh Impex Limited

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

Particulars	Rs in Lacs		
	Key Management Personnel and Relatives	Associate	Total
Remuneration paid	21.64 (27.98)	- (-)	21.64 (27.98)
Sitting Fee paid	0.90 (0.90)	- (-)	0.90 (0.90)
Rent paid	5.52 (10.34)	7.92 (10.34)	13.44 (20.68)
Purchases	- (-)	0.90 (8.82)	0.90 (8.82)
Sales	- (-)	40.47 (82.70)	40.47 (82.70)
Job Work Charges paid	- (-)	275.38 (240.78)	275.38 (240.78)
Loans received	- (-)	23.78 (190.70)	23.78 (190.70)
Balance outstanding at the end of year			
Loans Outstanding	- (-)	445.85 (422.07)	445.85 (422.07)
Amount Receivable	- (-)	198.95 (116.49)	198.95 (116.49)

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

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

**43 MANAGERIAL REMUNERATION**

Particulars	Rs in Lacs	
	For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
Salary	13.21	19.20
Contribution to Provident and Other Funds	0.86	0.86
Other Benefits	7.57	7.92

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

- 44 In view of the accumulated losses incurred by the company exceeding its net worth, the company made a reference under Section 15(1) of Sick Industrial Companies (Special provisions) Act, 1985 to the Board for Industrial and Financial Reconstruction (BIFR). The company was declared a sick industrial company within the meaning of section 3(1)(o) of the said Act by BIFR on 14.7.2005 and Bank of Baroda was appointed as the operating agency (OA) to examine viability of the company and formulate rehabilitation scheme. The OA filed a draft rehabilitation scheme with BIFR which was approved by BIFR vide its order dated 17.2.2012. The company has substantially implemented the scheme sanctioned by BIFR and taken credit for relief and concessions granted by BIFR in the accounts resulting in positive net worth. Application for de-registration has been made to BIFR/NCLT.

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

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

- 47 Paise have been rounded off to the nearest rupee

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

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

Class of Goods	For the period 01.04.2017 to 31.03.2018		For the period 01.04.2016 to 31.03.2017	
	%	Rs in Lacs	%	Rs in Lacs
Raw Materials				
Imported	0.53%	22.12	0.18%	11.55
Indigenous	99.47%	4,166.16	99.82%	6,544.31
Total	100.00%	4,188.28	100.00%	6,555.86
Stores, Dyes & Packing materials				
Imported	11.93%	162.94	11.22%	159.04
Indigenous	88.07%	1,202.36	88.78%	1,257.90
Total	100.00%	1,365.30	100.00%	1,416.94

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**49 OTHER INFORMATION**

Particulars	Rs in Lacs	
	For the period 01.04.2017 to 31.03.2018	For the period 01.04.2016 to 31.03.2017
C.I.F. value of Imports		
Capital Goods	5.49	-
Raw Materials	16.76	8.07
Stores & Spares	169.08	89.59
Expenditure in foreign currency		
Travelling (does not include cost of air tickets)	3.25	16.84
Commission & Brokerage	48.24	58.08
Earnings in Foreign currency		
FOB Value of Exports (Does not include export through merchant exporters)	3,515.44	2,705.10

**PASUPATI SPINNING AND WEAVING MILLS LIMITED**

**50 First Time Adoption of Ind AS**

**50.1 Transition to Ind AS**

The Company has adopted The Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act' 2013 from 1 April 2017 and accordingly financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS, prescribed under Section 133 of the Companies Act 2013 read with the relevant rules issued thereunder. These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet as at 1 April 2016 (the transition date).

In preparing the opening Ind AS balance sheet as at 1 April 2016, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The impact of transition has been made in the Reserves as at 1 April 2016 in accordance with the Ind AS 101 and the figures of the previous year ended 1 April 2016 and 31 Mar 2017 have been presented/restated after incorporating the applicable Ind AS adjustments.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**50.2 Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows, from as reported in accordance with previous GAAP. The following tables represent the reconciliations from previous GAAP to Ind AS.

**50.2.1 Reconciliations of Balance Sheet as per previous GAAP and Ind AS \***

Particulars	Refer Note	Rs in Lacs					
		As at 31st March 2017			As at 1st April 2016		
		Previous GAAP	Adjustment	Ind AS	Previous GAAP	Adjustment	Ind AS
<b>Assets</b>							
<b>NON CURRENT ASSETS</b>							
1 Property, Plant and Equipments		4,129.61	-	4,129.61	4,036.23	-	4,036.23
2 Capital Work in Progress		-	-	-	4.51	-	4.51
3 Financial Assets							
(i) Investments		10.53	(3.27)	7.26	10.53	(6.08)	4.45
(ii) Others		1.66	-	1.66	1.66	-	1.66
4 Other Non Current Assets		121.67	-	121.67	151.67	-	151.67
<b>CURRENT ASSETS</b>							
1 Inventories		3,141.86	-	3,141.86	3,413.89	-	3,413.89
2 Financial Assets							
(i) Investments	b	-	-	-	-	-	-
(ii) Trade receivables		2,920.10	(25.22)	2,894.88	2,530.06	(27.80)	2,502.26
(iii) Cash and cash equivalents		108.16	-	108.16	180.37	-	180.37
(iv) Bank Balances other than (iii) above		202.66	-	202.66	251.06	-	251.06
3 Current Tax Assets (net)		43.27	-	43.27	25.07	-	25.07
4 Other Current Assets		399.17	-	399.17	406.80	-	406.80
<b>Total Assets</b>		<b>11,078.69</b>	<b>(28.49)</b>	<b>11,050.20</b>	<b>11,011.85</b>	<b>(33.88)</b>	<b>10,977.97</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
1 Equity Share Capital		933.71	-	933.71	933.71	-	933.71
2 Other Equity	a to f	1,967.98	164.05	2,132.03	1,893.31	154.35	2,047.66
<b>NON-CURRENT LIABILITIES</b>							
1 Financial Liabilities							
Borrowings	c	243.87	(2.72)	241.15	360.48	(2.50)	357.98
Other Financial Liabilities	c	836.42	(269.03)	567.39	645.72	(261.96)	383.76
2 Provisions		90.03	-	90.03	89.64	-	89.64
3 Deferred Tax Liabilities (net)	d	113.96	79.21	193.17	133.15	76.23	209.38
4 Other Non Current Liabilities		0.20	-	0.20	0.20	-	0.20
<b>CURRENT LIABILITIES</b>							
1 Financial liabilities							
(i) Borrowings		3,547.91	-	3,547.91	3,578.93	-	3,578.93
(ii) Trade Payables		1,999.70	-	1,999.70	2,193.35	-	2,193.35
(iii) Other Financial Liabilities		299.41	-	299.41	324.72	-	324.72
2 Other current liabilities		985.16	-	985.16	821.56	-	821.56
3 Provisions		48.80	-	48.80	32.83	-	32.83
4 Current tax liabilities		11.54	-	11.54	4.25	-	4.25



<b>Total Equity and liabilities</b>		<b>11,078.69</b>	<b>(28.49)</b>	<b>11,050.20</b>	<b>11,011.85</b>	<b>(33.88)</b>	<b>10,977.97</b>
-------------------------------------	--	------------------	----------------	------------------	------------------	----------------	------------------

\* For the purpose of above disclosure, figures for the previous GAAP have been reclassified to conform presentation requirements under Ind AS and the requirements laid down in Division II to the Schedule II of the Companies Act 2013.

50.2.2 Reconciliation of total comprehensive income for the year ended 31 March 2017 \*

Particulars	Refer Note	Rs in Lacs		
		For the year ended 31st March 2017		
		Previous GAAP	Adjustment	Ind AS
<b>I REVENUE REVENUE</b>				
Revenue from Operations		14,972.50	-	14,972.50
Other Income	a,c	148.52	56.78	205.30
		<b>15,121.02</b>	<b>56.78</b>	<b>15,177.80</b>
<b>II EXPENSES</b>				
Cost of Material Consumed		6,555.86	-	6,555.86
Changes in Inventory of Finished Goods and Work in Progress		146.26	-	146.26
Share of Joint Venture Partner		27.44	-	27.44
Employee Benefits Expense	e,f	1,944.69	(5.86)	1,938.83
Finance Costs	c,e,f	621.25	56.22	677.47
Depreciation & Amortization Expenses		417.85	-	417.85
Other Expenses	b	5,351.09	(2.58)	5,348.51
<b>TOTAL EXPENSES</b>		<b>15,064.44</b>	<b>47.78</b>	<b>15,112.22</b>
<b>III PROFIT BEFORE TAX</b>		<b>56.58</b>	<b>9.00</b>	<b>65.58</b>
<b>IV TAX EXPENSE</b>				
Current Tax		11.54	-	11.54
Earlier Year Tax		1.11	-	1.11
Deferred Tax		(19.19)	1.76	(17.43)
Mat Credit Entitlement		(11.54)	-	(11.54)
<b>V PROFIT AFTER TAX</b>		<b>74.66</b>	<b>7.24</b>	<b>81.90</b>
<b>VI OTHER COMPREHENSIVE INCOME</b>				
Items that will not be reclassified to profit & loss	e,f	-	3.69	3.69
Income tax relating to above	e,f	-	(1.22)	(1.22)
Items that will be reclassified to profit & loss		-	-	-
Income tax relating to above		-	-	-
		-	<b>2.47</b>	<b>2.47</b>
<b>VII TOTAL COMPREHENSIVE INCOME</b>		<b>74.66</b>	<b>9.71</b>	<b>84.37</b>

\* For the purpose of above disclosure, figures for the previous GAAP have been reclassified to conform presentation requirements under Ind AS and the requirements laid down in Division II to the Schedule II of the Companies Act 2013.

50.2.3 Reconciliation of Total Equity as at 31 March 2017 and 1 April 2016

Particulars	Rs in Lacs	
	As at 31st March 2017	As at 1st April 2016
Other equity as per previous GAAP	1,967.98	1,893.31
Transaction Cost/ Processing Fees Adjustment to Carry Long Term Borrowings at	2.72	2.50
Amortisation of Other Financial Liabilities	269.03	261.96
Expected Credit Loss Allowance	(25.22)	(27.80)
Fair value of Investments	(3.27)	(6.08)
Tax Impact	(79.21)	(76.23)
Other Equity as per Ind AS	2,132.03	2,047.66

The Equity Share Capital Component of Total Equity has no change from previous GAAP, hence not considered above.

Explanatory Notes to First Time Adoption are as follows:

(a) Fair valuation of Investments

Investments have been measured at fair value through profit or loss as against cost less diminution of other than temporary nature, if any, under the previous GAAP.

(b) Expected credit loss allowance

In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is

adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

**(c) (i) Borrowings at Amortised Cost**

Borrowings and other financial liabilities which were recognized at historical cost under previous GAAP have been recognized at amortised cost using the effective interest rate method under IND AS with the difference been adjusted to opening retained earnings.

Under previous GAAP, transaction costs were charged to profit or loss as and when incurred. Under IND AS, transaction costs are deducted from the initial recognition amount of the financial liability and charged over the tenure of borrowing using the effective interest method.

**(d) Tax Implications**

Tax impact includes deferred tax impact, wherever applicable as per provisions of Ind AS 12 (Income Taxes), on account of difference between previous GAAP and Ind AS.

**(e) Defined benefit liabilities:**

Under IND AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognized in other comprehensive income instead of profit or loss in previous GAAP.

**(f) Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

As per our report of even date annexed

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

Ramesh Kumar Jain  
Chairman & Managing Director  
DIN No. 00575142

Vidit Jain  
Joint Managing Director  
DIN No.01347588

Rashi Goel  
Partner  
Membership No. 522561

Abhinav Tyagi  
Company Secretary

A K Monga  
Chief Financial Officer

Place: New Delhi  
Date : May 29, 2018

**PASUPATI SPINNING & WEAVING MILLS LTD.**

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

**PROXY FORM**

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

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

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

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

1. Name: .....

Address: .....

E-mail Id: .....

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

2. Name: .....

Address: .....

E-mail Id: .....

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

3 Name: .....

Address: .....

E-mail Id: .....

Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual general meeting of the company, to be held on Friday, the 28<sup>th</sup> September, 2018, At 10 a.m. at Village Kapriwas (Dharuhera) Rewari, Haryana, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	For	Against
1.	Consideration and adoption of Annual Audited Account & Reports for the Financial Year ended 31st March,2018 Reports of the Board of Directors and the Auditors.		
2.	To re-appoint Mr. Vidit Jain (DIN-001347588) as Director who retires by rotation.		

3.	To ratify the re-appointment of M/s Suresh Kumar & Mittal Chartered Accountants ( Firm Registration No.: 500063N)-		
4.	To approve the remuneration of the cost auditors.		
5.	To approve the related party transactions.		
6	To approve the change in designation of Mr. Vidit Jain from Whole Time Director to Joint Managing Director.		
7.	To approve the appointment and remuneration of Mr. C.M. Sharma (Din-8047336).		

Signed this ----- day of ----- 2018

Signature of shareholder----- Signature of

Proxy Holder(s) -----

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

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

**Notes:**

- \* 1. Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 2. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
- 3. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

**ATTENDENCE SLIP**

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

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

**Head Office: 127-128 , Tribhuvan Complex, Ishwar Nagar , Mathura Road, New Delhi-110065 Tel: 011-**

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

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

I hereby record my presence at the 38<sup>th</sup> Annual General Meeting being held on Friday, the 28<sup>th</sup> September, 2018 at 10.00 AM at Village Kapriwas (Dharuhera), Distt. Rewari, Haryana.

Name of the Shareholder-----

(In block letters)

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

No. of shares held -----

-----

(Signature of the shareholder/ Proxy)

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

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

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