



**PASUPATI  
SPINNING  
& WEAVING  
MILLS LTD.**

HEAD OFF. : 1501, NIRMAL TOWER, 26, BARAKHAMBA ROAD, NEW DELHI-110001  
PHONE : 91-11-47632200 FAX : 91-11-23316441, 23325582  
E-mail : ho@pasupatitextiles.com ; admin@pasupatitextiles.com  
Website : <http://www.pasupatitextiles.com>

**8-9-2015**

**To,  
Bombay Stock Exchange Limited  
The Corporate Relationship Department  
P.J. Towers, 1<sup>st</sup> Floor,  
Dalal Street,  
Mumbai – 400 001**

**Sub: Submission of Annual Report 2014-15**

**Ref: Script Code : 503092  
Scrip ID : PASUSPG**

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Dear Sir,

Enclosed please find Annual Report of the company for the F.Y 2014-15 .The above information may be treated as compliance of requirement of the Listing Agreement.

Kindly take the information on records and oblige.

Thanking you

Yours faithfully,

For Pasupati Spinning & Weaving Mills Limited

Rekha Sharma

Company Secretary

Regd. Office : VILLAGE KAPRIVAS, DHARUHERA (DISTT. REWARI) HARYANA PH. : 01274-267256, 267251-53 FAX : 267257  
Works : VILLAGE KHERI, TRILOKPUR ROAD, KALA-AMB. NAHAN. DISTT. SIRMOUR (H. P.) PIN CODE - 173030  
PH. : 01702-238943, 238591 (3 LINES) TELEFAX : 238590 • E-mail : pswml@sril.net ; purchasehp@pasupatitextiles.com

**35th  
Annual Report  
2014-15**



**PASUPATI SPINNING & WEAVING MILLS LIMITED**

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**Board of Directors**

Mr. Ramesh Kumar Jain	—	Chairman & Managing Director
Mrs. Vrinda Jain	—	Non Executive Non Independent Director (W.e.f. 01.07.2014)
Mr. S. K. Chhajer	—	Whole-time Director
Mr. Vedit Jain	—	Executive Director
Mr. Ram Karan Bhardwaj	—	Whole Time Director (W.e.f 01.08.2014)
Mr. Praveen Paliwal	—	Independent Director
Mr. Ghanshyam Das Gupta	—	Independent Director
Mr. Ashwani Kumar Rathore	—	Independent Director
Mr. Anil Gupta	—	Independent Director (W.e.f 01.07.2014)

**Company Secretary**

Ms. Rekha Sharma

**Chief Finance Officer**

Mr. A. K. Monga

**Auditors**

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

**Bankers**

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

**Registered Office & Works**

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

**Sewing Thread Unit :**

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

**Head Office**

1501, Nirmal Tower,  
26, Barakhamba Road,  
New Delhi-110001.  
Phone : +91-11-47632200,  
Fax : 011-23316441  
E'mail : ho@pasupatitextiles.com

**Registrar & Shares / Debentures Transfer Agent**

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

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Dear Shareholder

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

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

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

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

- 1 [rekhasharma@pasupatitextiles.com](mailto:rekhasharma@pasupatitextiles.com)
- 2 [ho@pasupatitextiles.com](mailto:ho@pasupatitextiles.com)
- 3 [admin@skylinerta.com](mailto:admin@skylinerta.com)

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

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

Thanking You,

Yours faithfully

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

Sd/-

**Ms. Rekha Sharma**

Company Secretary and Compliance Officer

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**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 35th 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 TUESDAY 29TH SEPTEMBER, 2015 AT 10.00 A.M TO TRANSACT THE FOLLOWING BUSINESS:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditor thereon.
2. To appoint directors in place of Mrs. Vrinda Jain, who retires by rotation and being eligible, offers herself for reappointment.
3. Ratification of Appointment of Statutory Auditors: To consider and if thought fit, to pass with or without modifications, the following resolution as 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 B.K. Shroff & Co, Chartered Accountants (Firm Registration No. 302166E) as the statutory auditors of the company to hold office from



## PASUPATI SPINING & WEAVING MILLS LIMITED

the conclusion of this Annual General Meeting (AGM) till the conclusion of next AGM of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS

#### ITEM-4

**To approve the remuneration of the cost auditors for the financial year ending March 31, 2016 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:**

“**RESOLVED THAT** pursuant to the Provisions of Section 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 service tax and actual out-of-pocket expenses payable to M/s. Avtar Singh & Co., Cost Accountants, who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2015-16.”

#### ITEM-5

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

“**RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions and rules of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of Listing agreement, the consent of the company, be and is hereby accorded to the related party contracts/transactions proposed to be entered between the company and M/s Shivani Textiles Ltd, a Public 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:-

**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 Clause 49 of Listing agreement, the consent of the company, be and is hereby accorded to the lease agreement(s) up to the value of Rs. 12,00,000/- per year, which may be entered by the company with any Director(s) or relatives of directors of the company or with any other Related Party / Parties”

#### ITEM-6

**Creation of charges:- To consider and, if thought fit, to pass with or without modification, the following resolution as a**

Nature of Contract	Amount (Lacs) Per Year	Name of Party in which Directors are interested
Purchase of died fabric	Rs. 200 Lacs	Shivani Textiles Ltd
Sales of grey fabric	Rs. 200 Lacs	Shivani Textiles Ltd
Job Work charges	Rs. 500 Lacs	Shivani Textiles Ltd
Vehicle Hire Charges being paid to Shivani Textiles Ltd.	Rs. 10 Lacs	Shivani Textiles Ltd

#### Special Resolution:-

“**RESOLVED** that in supersession of earlier Resolutions passed at the previous Annual General Meeting of the Company in terms of Section 293 1(a) of the Companies Act, 1956 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with the power to take over the management and concern of the Company in certain events, to or in favour of all or any of the financial institutions/banks/insurance companies/other investing agencies/trustees for holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any of the financial institutions/banks/insurance companies/other investing agencies or any other person(s)/bodies corporate by way of private placement or otherwise to secure Rupee/foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon at the respective agreed rates, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the aforesaid parties or any of them under the Agreements/Arrangements entered into/ to be entered into by the Company in respect of the said Loans, shall not at any time exceed the limit of 200 crore (Rupees Two Hundred crore).



**RESOLVED FURTHER** that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

**ITEM-7**

**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. Vinod Katyal as Whole Time Director of the Company for a period of five years w.e.f. 14th August , 2015 up to 13th August , 2020 (both days inclusive) liable to retire by rotation on the terms and conditions and remuneration set out hereunder:

**Remuneration**

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

**RESOLVED FURTHER THAT** in the event of there being loss or inadequacy of profits for any financial year, the aforesaid remuneration payable to Mr. Vinod Katyal 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. Vinod Katyal 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, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Avtar Singh & Co., Cost Accountants as Cost Auditor(s) of the Company for the year 2015-16. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2015, the remuneration payable to the Cost Auditor(s) has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

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

**ITEM 5**

The Special 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 clause 49 of the listing agreement. As per clause 49 of listing agreement related party transaction said to be material if such transaction(s) to be entered into individually or taken together 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 expecting that in coming years transactions with Shivani Textiles Ltd (In which Mr. Ramesh Kumar Jain , Mrs. Vrinda Jain and Mr. Vedit Jain, Directors of the company, along with their relatives are holding more than 2% paid up share capital) , Mrs. Vrinda Jain (Director) , Mrs. Vandita Jain (Relative of Mr. Vedit Jain, Mrs. Vrinda Jain and Mr. Ramesh Kumar Jain) and with other Related Parties , may exceed ten percent of the annual turnover of the previous audited financial statements of the company. Hence, Board of Directors recommends the passing of the resolution at Item No- 5 of the Notice as special resolution.

Save and except Mr. Vedit 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 Members of the Company, at the Annual General Meeting held on 30th September , 1996, had accorded their approval by



## PASUPATI SPINING & WEAVING MILLS LIMITED

way of an Ordinary Resolution in terms of Sec 293 1(a) of the companies act 1956 to create charge/mortgage/hypothecation on the Company's assets, both present and future, in favour of the lenders/banks/trustees for the holders of debentures/bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business) up to a limit of Rs. 200 Crores. Under the provisions of Section 180(1)(a) of the Companies Act 2013, the above powers now can be exercised by the Board only with the consent of the Members obtained by a Special Resolution .

Hence, Board of Directors recommends the passing of the resolution at Item No- 6 of the Notice as special resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

### ITEM-7

The Board of Directors of the Company (the 'Board'), at its meeting held on 14-8-2015, appointed Mr. Vinod Katyal as Additional Director w.e.f. 14-8-2015. In terms of the provisions of Section 161(1) of the Act, Mr. Vinod Katyal 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. Vinod Katyal as Executive Director of the company for a period of 5 (five) years i.e. w.e.f. 14-8-2015 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. A notice u/s 160 of the Companies Act, 2013 has been received from a member proposing Mr. Vinod Katyal as a candidate for the office of Whole Time Director of the Company.

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

Mr. Vinod Katyal 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. 7 of the Notice for approval by the shareholder

### REGISTERED OFFICE

Village Kapriwas  
(Dharuhera), Distt. Rewari,  
HARYANA

DATED: 14-8-2015

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

**REKHA SHARMA  
COMPANY SECRETARY  
(Membership No:-14021)**

### NOTES :

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 4 ,5 , 6 and 7 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors are also annexed.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorised representative(s) to attend the Annual General Meeting are requested to send certified copy of the Board Resolution authorising such representative (s) to attend and vote on their behalf.
4. The Register of Members and Transfer Books of the Company will be closed from 22nd September, 2015 to 29th September, 2015, both days inclusive.
5. Copies of relevant documents can be inspected at the Registered Office of the Company on all working days from Monday to Friday during business hours up to date of meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.



7. In terms of Section 72 of the Companies Act, 2013, the shareholders of the company may nominate a person on whom the shares held by him/her/them, shall vest in the event of his/her/their death. Shareholders desirous of availing this facility may submit nomination in Form SH-13.
8. Members are requested to update their valid email id with company's RTA or same can be done by sending a email at the company's investors email id:-rekhasharma@pasupatitextiles.com.
9. Members who hold shares in de-materialised form are requested to bring their client ID and DP ID numbers for facilitating identification for attendance at the meeting.
10. Members and Proxies are requested to produce the Attendance slip duly signed, at the entrance of the meeting venue.
11. The Ministry of Corporate Affairs (MCA) has vide its circular dated 29-4-2011 stated that service of notice/documents including Annual Report to the members can be made e-mail. To support this green initiative of MCA, members who have not yet registered their e-mail addresses are requested to do so (i) in respect of the electronic holdings through their concerned depository participants and (ii) in respect of physical holdings to Skyline Financial Services Pvt. Ltd ( RTA).
12. Members may also note that the Notice of the 35th Annual General Meeting and Annual Report, for the year 2014-15 will also be available on the Company's website www.pasupatitextiles.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered office and New Delhi office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send request to the Company's investor email id: rekhasharma@pasupatitextiles.com.
13. In compliance of BIFR order dated 13.02.2012, the company has sent cheques to all the debenture holders towards full and final settlement of their dues. In case non-receipt of cheques by any debenture holder(s), they may please contact the company at the following address:

Pasupati Spinning & Weaving Mills Ltd

1501, Nirmal Tower 26, Barakhamba Road, New Delhi-110001

Phone : 011-47632200

e-mail : ajay.monga@pasupatitextiles.com; rekhasharma@pasupatitextiles.com

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

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

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/ Depositories):
  1. Open the e-mail and also open PDF file namely "SPG e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
  2. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
  3. Click on Shareholder – Login.
  4. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
  5. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
  6. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
  7. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
  8. Select "EVEN" (E-Voting Event Number) of Pasupati Spg. & Wvg. Mills Ltd. Now you are ready for e-voting as Cast Vote page opens.
  9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  10. Upon confirmation, the message "Vote cast successfully" will be displayed.
  11. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
  12. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to shreyanshpjain@gmail.com with a copy marked to evoting@nsdl.co.in.
  13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).





## PASUPATI SPINING & WEAVING MILLS LIMITED

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

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

### **C. Other Instructions:**

1. The e-voting period commences on 26th September, 2015 (9.00 a.m. IST) and ends on 28th September, 2015 (5 P.M). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18-9-2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
2. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 18-9-2015.
3. Mr. Shreyansh Pratap Jain Practicing Company Secretary (C.P. No 9515, Membership No.25359) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
4. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
5. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Shreyansh Pratap Jain, Practicing Company Secretary, at the Registered Office of the Company not later than 28th September, 2015 (5.00 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to rekha-sharma@pasupatitextiles.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than 28th September, 2015 (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid.
6. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
7. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.pasupatitextiles.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the AGM of the Company on 29th September, 2015 and communicated to the BSE Limited and DSE, where the shares of the Company are listed.

## **ANNEXURE**

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

<b>NAME OF THE DIRECTOR</b>	<b>MRS. VRINDA JAIN</b>	<b>MR. VINOD KATYAL</b>
Date of Birth	19.06.1959	8-12-1955
Date of Appointment	1-7-2014	14-08-2015
Qualification	Graduate	B.Tech ( Textiles Technology)
Expertise in specific functional areas	Experience of 20 Years in Textiles Designing.	34 years in Textile Industry
Remuneration	Nil	As set out in the Resolution
Name of the other Companies in which he/she holds Directorship	Shailja Investments Ltd. Pasupati Olefin Ltd. Sulabh Impex Ltd. Sunsung Marketing Pvt. Ltd.	Nil
Memberships/ Chairmanships of committees of other companies	Nil	Nil
Number of shares held in the Company	714052	Nil



## DIRECTORS REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting their Report together with the Audited Accounts for the year ended 31st March, 2015.

### FINANCIAL RESULTS

Particulars	2014-15 Rs./Lacs	2013-14 Rs./Lacs
Sales and other Income	<b>20658.50</b>	21093.31
Profit before Finance Costs and Depreciation	<b>1080.88</b>	1122.92
Financial Charges	<b>660.66</b>	729.74
Depreciation	<b>402.51</b>	335.50
Profit before Taxes	<b>17.71</b>	57.68
Payment/Provision for Taxation	<b>(1.09)</b>	4.75
Profit after Taxation but before extra-ordinary items	<b>18.80</b>	52.93
Extra-ordinary items	---	(99.41)
Net Profit after extra-ordinary items	<b>18.80</b>	(46.48)

### COMPANY'S PERFORMANCE

During the year under review, although the turnover of the company marginally declined by 2.06%, the profit before taxes declined to Rs.17.71 lacs from Rs. 57.68 lacs. The marginal decline in turnover is mainly attributable to sudden decline in exports. During the year under review, the company made exports to the tune of Rs. 3666.24 Lacs as against exports of Rs. 4502.40 Lacs made during previous financial year showing a decline of 18.57%. The profit before taxes declined because the company's spinning unit, which was restarted from August 2013 incurred losses during the year. The said unit has started generating cash profit only from the last quarter of the year under review.

### THE MANAGEMENT DISCUSSION & ANALYSIS

#### Spinning Unit at Dharuhera, Haryana

The production activities in this unit were re-started from 31.8.2013. However, due to initial teething troubles, the production activities could be streamlined in March 2014 but the unit started generating cash profit only from the last quarter of FY 2014-15. In order to meet the growing competition in cotton yarn market, the company had decided to go for value addition by producing doubled yarn, for which the company decided to procure eight new TFOs and two Cheese Winding machines and also made advance payment to the supplier. State Bank of Travancore (SBOT) had also sanctioned a Term Loan of Rs.180 Lacs for purchase of these machines. However due to delay in obtaining NOC from some of the consortium member banks, the said loan could not be disbursed. As a result the machinery supplier diverted the machine to some other supplier. Since the next delivery period of the machines was very long, the company decided to procure/import state-of-the-art Circular Knitting Machine to manufacture fine quality fabric out of cotton yarn (i.e. forward integration), which will result in better value addition. SBOT has also approved the change of machine and advance to the machinery supplier has been made through partial disbursement of loan. The machines are expected to be ready for delivery by October 2015. With the addition of the machine, the profitability of the spinning unit is expected to improve.

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

The production activities of the Fabric/Garment Division at Dharuhera are going on smoothly. The company is achieving average monthly turnover of Rs.2 Crore from this unit. The company is supplying garments for well known brands i.e. Future Group, Reliance Trend, Pantaloon Retail, Spencer and Bharti Wallmart etc. Besides, the company is also exporting garments.

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

During the year under review, the capacity utilisation remained a cause of concern due to labour shortage problem. Although the company was able to largely overcome the labour shortage problem from January 2015 but after Holi festival, the situation has again deteriorated. The situation is gradually improving and it is expected that the situation will be back to normal by next month. The company has been exporting significant percentage of its production and more than 90% of the same was being exported to Turkey. However, due to some internal problem in Turkey, our exports have virtually stopped during last quarter of the year under review. Therefore, the company has increased domestic sales during the same period. However, the realisation period in domestic sales ranges from 90 days to 120 days, which has created stress on working capital. The situation is expected to improve gradually once the realisation cycle is complete. It is not out of place to mention here that margins in domestic market are better than export market.



**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.

**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.
- vi) 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.

**STATUTORY AUDITORS**

During the year under review, the auditors need no rotation as they can continue as auditors for a period of two more years i.e. up the year 2017. M/s. B.K. Shroff & Co. Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. B.K. Shroff & Co. as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the thirty seventh AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

**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 2014-15 and their reports for the year were submitted to the Audit Committee and to the Board.

**COST AUDIT**

The Central Govt has approved the appointment of M/s Avtar Singh & Co. as cost auditors for conducting Cost Audit for the Financial Year 2014-15 The report of Cost Auditors in respect of audit of the cost records of the Company for the year ended 31st March 2015 will be submitted to the Central Government in due course.

**SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Suchita Gupta & Co., a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as Annexure-A.

**AUDITORS' OBSERVATIONS**

Auditors' observations relating to Note no. 12 as contained in the Main Report under the para 'Basis of Qualified Opinion' are explained hereunder: -

Although, the company has made representation to the competent authority for payment of compensation at market rate in respect of part of company's factory land acquired by Government of Haryana, the company feels that final decision in this regard may take



a very long time and moreover there is uncertainty about the success of company's representation. Hence, it has been decided that its affect would be given in company's books as and when actual compensation is received from Government of Haryana.

#### **DEPOSITS**

During the year, the Company did not accept any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

#### **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.

#### **SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary

#### **BUSINESS RISK MANAGEMENT**

Pursuant to the requirement of Clause 49 of the Listing Agreement, 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.

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

There are no significant and material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

#### **DIRECTORS**

##### **(i) Retirement by rotation**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Vrinda Jain retires by rotation and is eligible for reappointment. The brief resume(s) of the all Directors proposed to be appointed or reappointed at the ensuing AGM, as required in terms of Clause 49 of the Listing Agreement with the stock exchanges is provided in the annexure(s) to the notice of Annual General Meeting.

**(ii) Resignation of Director:-** During the year , Mr. S.K.Chaajer , whole Time Director of the company resigned from the Board on 30-6-2014.

##### **(iii) Declarations by 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 Clause 49 of the Listing Agreement.

##### **(iv) Board Evaluation**

In compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 Nomination & Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

##### **(v) 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.

##### **(vi) Board Meetings**

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



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

The information relating to conservation of energy, technology absorption and foreign exchange earnings & outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is Annexed herewith as Annexure-B.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure-C

**PARTICULARS OF EMPLOYEES**

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 2014-15.

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.

**CORPORATE GOVERNANCE**

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

**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.

**ACKNOWLEDGEMENT**

Your Directors convey their sincere thanks to the various agencies of the Central Government, State Governments, Banks and other concerned agencies for all the help and cooperation extended to the Company. The Directors also deeply acknowledge the trust and confidence the shareholders and investors have placed in the Company. Your Directors also record their appreciation for the dedicated services rendered by the workers, staff and officers of the Company

**For And on Behalf of Board of Directors**

**Sd/-  
Ramesh Kumar Jain  
Chairman & Managing Director**

**Place : New Delhi**

**Dated : 14-8-2015**



**SECRETARIAL AUDIT REPORT**  
**FORM NO. MR.3**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**  
**[Pursuant to section 204(1) of the Companies Act 2013, and Rule 9 of the Companies**  
**(Appointment and Remuneration 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 2015 ('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 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the Company during the Audit Period)**;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period)**;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not applicable to the Company during the Audit Period);
  - (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 have also examined compliance with the applicable clauses of the following:



## PASUPATI SPINING & WEAVING MILLS LIMITED

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (**Not notified hence not applicable to the Company during the audit period**).
- (ii) 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 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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.

**For Sucheta Gupta & Associates  
(Company Secretaries)**

**Place: New Delhi**

**Date: 14-8-2014**

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

**Annexure-B**

### **STATEMENT CONTAINING PARTICULARS PURSUANT TO SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

#### **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>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b>1 Electricity</b>		
a) Purchased Units	30330270	25293839
Total amount paid (Rs)	186205225	160192439
Rate/unit (Rs)	6.14	6.33
b) Own generated through Diesel generators (units)	140324	159127
Rate of diesel/HFO (Rs/Ltr)	51.71	47.27
Cost/Unit (Rs)	14.79	13.68
<b>2 Coal used in boiler</b>		
Quantity (MT)	2029	2322
Total Cost (Rs.)	15760455	17481722
Avg. Cost per MT (Rs)	7768.70	7527.67
<b>B) CONSUMPTION PER UNIT OF PRODUCTION:</b>		
Production of Yarn (MT)	5513.996	4815.129
Electricity (KWH/Ton)	5526.05	5286.04
Coal (Kg/Ton)	367.92	482.30
Others (Diesel/HFO Ltr/Ton)	7.28	9.56

**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**

Total Foreign Exchange earned (on FOB basis)	Rs. 2,75,489,714/-
Total Foreign Exchange used	Rs 7,11,9,097/-





**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
as on financial year ended on 31.03.2015  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration ) Rules, 2014.

**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 & BLENDED YARN	55095100	0.08
2	COTTON YARN	52051201	39.31
3	SEWING THREAD	55081000	48.88
4	KNITTED FABRIC	60062100	3.41
5	GARMENTS	61044200	6.73
6	POLYESTER WASTE	550510	0.19
7	COTTON WASTE	52051110	1.40
	TOTAL		100

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

SI 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	-	-	-	-	-	-	-	-	-

**PASUPATI SPINING & WEAVING MILLS LIMITED**



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	-	-	-	-	-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>

**PASUPATI SPINING & WEAVING MILLS LIMITED****(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	1.8	-	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	43.37	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)**

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	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	Varsha Merani	11167	0.12	11167	0.12
	Total	1633303	17.49	1633303	17.49



## (v) Shareholding of Directors &amp; KMP

Sl. 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
1	<b>RAMESH KUMAR JAIN</b> (Managing 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	-	-	-	-
2	<b>RAM KARAN BHARDWAJ</b> Whole-time 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	-	-	-	-
3	<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
4	<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	-	-	-	-
5	<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	-	-	-	-
6	<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	-	-	-	-


**PASUPATI SPINING & WEAVING MILLS LIMITED**

SI. 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>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
8	<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	-	-	-	-
9	<b>S.K.CHHAJER (Resigned w.e.f 30-6-14)</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	-	-	-	-
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	-	-	-	-
11	<b>REKHA SHARMA</b> (Company Secretary) 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

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	429,543,775.00	71,425,865.00	-	500,969,640.00
ii) Interest due but not paid	-	97,200.00	-	97,200.00
iii) Interest accrued but not due	4,563,960.00	-	-	4,563,960.00
<b>Total (i+ii+iii)</b>	<b>434,107,735.00</b>	<b>71,523,065.00</b>	<b>-</b>	<b>505,630,800.00</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	31,880,596.00	-	-	31,880,596.00
Reduction	24,040,000.00	4,150,000.00	-	28,190,000.00
Net Change	7,840,596.00	4,150,000.00	-	11,990,596.00
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	437,616,841.00	67,275,865.00	-	504,892,706.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,107,564.00	-	-	4,107,564.00
<b>Total (i+ii+iii)</b>	<b>441,724,405.00</b>	<b>67,275,865.00</b>	<b>-</b>	<b>509,000,270.00</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
		MD	WTD			
	Name of the MD/WTD/Manager	Mr. RAMESH KUMAR JAIN	Mr. S. K. CHHAJER	Mr. RAM KARAN BHARDWAJ	Mr. VIDIT JAIN	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	150,000.00	720,000.00	720,000.00	1,590,000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	287,617.00	31,600.00	17,600.00	287,617.00	624,434.00
	(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>	<b>287,617.00</b>	<b>181,600.00</b>	<b>737,600.00</b>	<b>1,007,617.00</b>	<b>2,214,434.00</b>
	<b>Ceiling as per the Act</b>			<b>42,00,000</b>		


**PASUPATI SPINING & WEAVING MILLS LIMITED**
**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	
1	<b>Name of Independent Directors</b>					
	(a) Fee for attending board committee meetings	20,000.00	35,000.00	20,000.00	10,000.00	85,000.00
	(b) Commission					
	(c) Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	20,000.00	35,000.00	20,000.00	10,000.00	85,000.00
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>			85,000		
	<b>Total Managerial Remuneration</b>			22,14,434		
	<b>Overall Ceiling as per the Act.</b>			42,00,000		

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	TOTAL
1	<b>Gross Salary</b>			
	<b>NAME OF KMP</b>	<b>REKHA SHARMA</b>	<b>AJAY KUMAR MONGA</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	672,000.00	1,320,600.00	1,992,600.00
	(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</b>	672,000.00	1,320,600.00	1,992,600.00



**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)
	A. COMPANY					
	Penalty	None				
	Punishment					
	Compounding					
	B. DIRECTORS					
	Penalty	None				
	Punishment					
	Compounding					
	C. OTHER OFFICERS IN DEFAULT					
	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 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 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 2014-15	Remuneration of Director/KMP for financial year 2013-14	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees
Mr. Ramesh Kumar Jain	Managing director	2,87,617	2,20,244	30.59%	1.33
Mr. Ram Karan Bhardwaj*	Executive Director	7,37,600	–	–	3.41
Mr. Vedit Jain	Executive Director	10,07,617	9,07,244	11.063%	4.66
Mr. S.K Chajjer**	Executive Director	1,81,600	7,13,400	–	.840
Mr. Praveen Paliwal	Independent Director	20,000	20,000	–	.092
Mr. Ghanshyam Dass Gupta	Independent Director	35,000	40,000	(12.5)	.162
Mr. Ashwani Kumar Rathore	Independent Director	20,000	20,000	–	.092
Ms. Vrinda Jain***	Non- Executive Director	NIL	NIL	–	–
Mr. Anil Gupta#	Independent Director	10,000	–	–	.046
Mr. Ajay Kumar Monga##	CFO	13,20,600	13,20,600	–	6.11
Ms. Rekha Sharma	Company Secretary	6,72,000	6,72,000	–	3.11

\* Appointed Executive Director w.e.f. 01/08/2014

\*\* Resigned on 30/6/2014

\*\*\* Appointed Non Executive Director w.e.f. 01/07/2014

# Appointed Director w.e.f 01/07/2014





## Appointed CFO w.e.f. 15/06/2014

- ii) The median remuneration of employees of the Company during the financial year was 2.16 lakh p.a..
- iii) In the financial year, there was an increase of 7% in the median remuneration of employees;
- iv) There were 1097 permanent employees on the rolls of Company as on March 31, 2015;
- v) Relationship between average increase in remuneration and company performance:- During the year under review, the profit before taxes declined to Rs.17.71 lacs from Rs. 57.68 lacs. The average increase in median remuneration was in line with the performance of the Company.
- vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:-  
The total remuneration of Key Managerial Personnel increased by 9.7442(%)from Rs. 38,33,488 lacs in 2013-14 to 42,07,034 lacs in 2014-15 whereas during the year under review, the profit before taxes declined to Rs.17.71 lacs from Rs. 57.68 lacs.
- vii) 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.)
31-3-2014	9337068	17.50	.57	30.70	16,33,98,690
31-3-2015	9337068	17.10	.20	85.5	15,96,63,863
Increase/(Decrease)	–	(.40)	(.37)	54.8	(37,34,827)
% of Increase/ (Decrease)	–	(2.28)	(64.9)	178.5	(2.28)

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, 2015, the market quotation of the Company's share price (closing price) was Rs. 17.10 i.e. increase/ decrease of (2.28)%.

- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 7 %
- ix) 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 the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- x) 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
- xi) 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
a)	Name (s) of the related party & nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	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.	Particulars	Details
<b>1.</b>	<b>Name (s) of the related party &amp; nature of relationship</b>	
	Mrs. Sangeeta chhajer Mrs. Vandita jain  Mrs. Vrinda jain M/s Shivani textiles Ltd  Mr. Aditya Bhardwaj Ms. Anubhava Bhardwaj Mrs. Vimal Bhardwaj	Relative of Mr. Surender Kumar Chhajer ( Resigned as Director w.e.f 30-6-2014) Relative of Mr. Ramesh Kumar jain, Mr. Vdit jain and Mrs. Vrinda Jain, Directors of the company. Director of the Company. Mr. Ramesh Kumar Jain, Mrs. Vrinda jain & Mr. Vedit Jain directors of the company are holding more than 2% of equity shares of M/s Shivani Textiles Ltd. Relative of Mr. Ramkaran Bhardwaj, Director of the company Relative of Mr. Ramkaran Bhardwaj, Director of the company Relative of Mr. Ramkaran Bhardwaj, Director of the company.
<b>2.</b>	<b>Nature of contracts/ arrangements/transaction</b> Mrs. Sangeeta chhajer Mrs. Vandita jain Mrs. Vrinda jain M/s Shivani Textiles Ltd M/s Shivani Textiles Ltd M/s Shivani Textiles Ltd M/s Shivani Textiles Ltd Mr. Aditya Bhardwaj Ms. Anubhava Bhardwaj Mrs. Vimal Bhardwaj	Rent Paid during the year:-Rs. 55,650/- Rent paid during the year:- Rs. 2,11,200/- Rent paid during the year:- Rs. 2,16,600/- Sale of fabric during the year :-Rs. 5,50,45,623/- Job work charges paid during the year: - Rs. 1,36,31,220 /- Purchases of fabrics during the year:- Rs. 1,60,59,237. Vehicle hire charges paid during the year :- Rs. 6,12,000 /- Salary Paid during the year :- Rs. 2,03,226 /- Salary Paid during the year :- Rs. 2,03,226 /- Salary Paid during the year :- Rs. 4,87,742/-
3.	Duration of the contracts/ arrangements/transaction	1 year
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	N/A
5.	Date of approval by the Board, If any	27-5-2014
6.	Amount paid as advances, if any	N/A

**REPORT ON CORPORATE GOVERNANCE****INTRODUCTION**

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

**1 Company's Philosophy on Corporate Governance :**

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

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

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

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

**2 Board of Directors :**

- a) Presently, the Board comprises of 8 Directors out of which three are executive directors and five are non-executive directors. Out of five Non Executive Directors there are four Independent Directors on the board. The Company is headed by CMD.
- b) During the year ended 31.03.2015, 4 (Four) Board Meetings were held with at least one meeting in every quarter on 27-5-2014, 12-08-2014, 14-11-2014, & 14-02-2015 .Statement of Attendance of each Director at the Board Meetings held during the Year and Last AGM and EGMs:

<b>Name of the Directors</b>	<b>Executive/Independent/Non executive/Nominee</b>	<b>No. of meetings held</b>	<b>No. of meetings Attended</b>	<b>Attendance at last AGM on 29/09/2014</b>
1. Mr. Ramesh Kumar Jain	Chairman & Mg Director	4	4	Yes
2. Mrs. Vrinda Jain	Non Executive-non Independent Director	4	3	Yes
3. Mr. Vidit Jain	Executive Director	4	4	Yes
4. Mr. Anil Gupta	Independent Director	4	2	No
5. Mr. G.D. Gupta	Independent Director	4	4	Yes
6. Mr. Praveen Paliwal	Independent Director	4	4	No
7. Mr. Ashwani Rathore	Independent Director	4	4	Yes
8. Mr. Ram Karan Bhardwaj	Executive Director	4	2	No
9. Mr. S.K.Chhajer	Executive Director (Resigned on 30-6-2014)	4	1	No



Details of Board Meetings held during the year:

S.No.	Date	Board Strength	No. of Directors present
1	27/05/2014	6	6
2	12/08/2014	8	6
3	14/11/2014	8	8
4	14/02/2015	8	6

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

S.No.	Name of Director	No. of director Ship in other Boards	Membership of Committees of Other Boards	Chairmanship of Committees of other Boards
1.	Mr. Ramesh Kumar Jain	2	NIL	NIL
2.	Mr. Vidit Jain	4	2	2
3.	Mr. Praveen Paliwal	NIL	NIL	NIL
4.	Mr. Anil Gupta	5	NIL	NIL
5.	Mr. G.D. Gupta	NIL	NIL	NIL
6.	Mr. Ashwani Kumar Rathore	3	NIL	NIL
7.	Mrs. Vrinda Jain	4	NII	NIL
8.	Mr. Ram Karan Bhardwaj	NIL	NII	NIL
9	Mr. S.K.Chhajjer	NII	NII	NII

### 3 Audit Committee :-

#### a) Composition:-

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and the provisions of Clause 49 of the listing Agreement, Audit Committee has been constituted by the Board of Directors. The strength of the Audit Committee as on 01.04.2014 was three members i.e. Mr. G. D. Gupta, Chairman, Mr. Praveen Paliwal and Mr. Ashwani Rathore as Members. Mr Anil Gupta was co opted as member of the committee w.e.f.1-7-2014 .Presently all the members of the Committee including its Chairman are independent Directors.

The Company Secretary acted as the Secretary of the Committee.

#### b) Terms of Reference

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

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



- i. Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate.

The terms of reference stipulated by the Board to the Audit Committee are as per Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. The Audit Committee had reviewed the Annual Financial Statements, before their submission to the Board, as prescribed in Section 177 of the Companies Act 2013. In the past, the meetings of the Audit Committee were attended by the Members of the Committee, Chief Financial Officer of the Company and the Auditors. The minutes of the Committee were placed before the Board of Directors for information.

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

**4 Nomination and Remuneration Committee**

**a) Composition:**

The strength of the Nomination and Remuneration Committee as on 01.04.2014 was three members i.e. Mr. G. D. Gupta, as Chairman, Mr. Praveen Paliwal and Mr. Ashwani Rathore as members of the committee . Mr Anil Gupta was co opted as member of the committee w.e.f.1-7-2014. The Company Secretary is the Secretary of the Committee.

Date of the Meetings	Composition	Attendance (Yes/ No)	Chairman
27/05/2014	1. Mr. G.D. Gupta Member and Chairman	Yes	Mr. G.D.Gupta
	2. Mr. Praveen Paliwal, Member	Yes	
	3. Mr. Ashwani Rathore, Member	Yes	
12/08/2014	1. Mr. G.D. Gupta Member and Chairman	Yes	Mr. G.D.Gupta
	2. Mr. Praveen Paliwal, Member	Yes	
	3. Mr. Ashwani Rathore, Member	Yes	
	4. Mr. Anil Gupta	No	
14/11/2014	1. Mr. G.D. Gupta Member and Chairman	Yes	Mr. G.D.Gupta
	2. Mr. Praveen Paliwal, Member	Yes	
	3. Mr. Ashwani Rathore, Member	Yes	
	4. Mr. Anil Gupta	Yes	
14/02/2015	1. Mr. G.D. Gupta Member and Chairman	Yes	Mr. G.D.Gupta
	2. Mr. Praveen Paliwal, Member	Yes	
	3. Mr. Ashwani Rathore, Member	Yes	
	4. Mr. Anil Gupta	Yes	

**b) Terms of Reference:**

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

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

**Appointment & Remuneration Policy:**

Policy For Appointment And Removal Of Director, KMP And Senior Management

**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.

Date of the Meetings	Composition	Attendance (Yes/ No)	Chairman
27/05/2014	1. Mr. G.D Gupta, Member and Chairman	Yes	Mr. G.D. Gupta
	2. Mr. Praveen Paliwal, Member	Yes	
	3. Mr. A.K Rathore, Member	Yes	



- 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.

### **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.

### **Details of remuneration/sitting fees paid to directors during the year 2014-15:-**

#### **5 Stakeholders Relationship Committee – (Earlier known as Share/ Debenture Transfer-cum-Shareholders'/ Investors' Grievance Committee:**

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



Amount (Rs.)

Sl. No.	Name of the Director	Description of Transaction	Salary	Perquisites	Sitting Fee	Total
1	Mr. Ramesh Kumar Jain Chairman & Mg. Director	Perquisites	NIL	287617	NIL	287617
2	Mr. S.K.Chhajjer	Remuneration & perquisites	150000	31600	NIL	181600
3	Mr. Ram Karan Bhardwaj Whole Time Director	Remuneration & perquisites	720000	17600	NIL	737600
4	Mr. Vedit Jain Whole Time Director	Remuneration & perquisites	720000	287617	NIL	1007617
5	Mr. Praveen Paliwal	Sitting Fees	NIL	NIL	20000	20000
6	Mr. G. D. Gupta	Sitting Fees	NIL	NIL	35000	35000
7	Mr. Ashwani Kumar Rathore	Sitting Fees	NIL	NIL	20000	20000
8	Mrs. Vrinda Jain	perquisites	NIL	NIL	NIL	NIL
9	Mr. Anil Gupta	Sitting Fees	NIL	NIL	10,000	10,000

**a) Composition**

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

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

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

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

During the financial Year 2014-15, no Complaint was received and no complaint was pending as on 31.03.2015.

**d) Meetings:-**

During the year ending 31.03.2015, 36 ( Thirty Six) Meetings of Share/ Debenture Transfer-cum Shareholders'/ Investors' Grievance Committee were held. The Details of attendance of Members are as under:

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

**6 The company has formed a business risk evaluation/ management committee consisting of the following members.**

Name of The Member	Designation	No of Meetings held during the year
Mr. Ramesh Kumar Jain	Chairman	Nil
Mrs. Vrinda Jain	Member	Nil
Mr. Vedit 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 Clause 49 of the Listing Agreement, 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 31st March, 2015 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 a 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.

## **9 Performance Evaluation:**

In compliance with the provisions of the Companies Act, 2013 ('the Act') and Clause 49 of the Listing Agreement, 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:**

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and Clause 49 (II)(B)(6) of the listing agreement with the stock exchange, the Independent Directors met on 14-02-2015, inter alia, to discuss:

- (a) Evaluation of the performance of non- Independent Directors and the Board as a whole;
- (b) Evaluation of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Evaluation of 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. All the Independent Directors were present at the meeting.

## **12 Vigil Mechanism / Whistle Blower Policy**

Pursuant to Section 177(9) of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Company has formulated a Whistle Blower Policy to establish a vigil mechanism for directors and employees of the Company. This Policy covers malpractices and events which have taken place, suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers. This Policy is intended to encourage and enable employees to raise serious concerns within the Company prior to seeking resolution outside the company. The purpose and objective of this Policy is to provide a framework to promote responsible and secure whistle blowing. It protects the employees wishing to raise a concern about serious irregularities within the Company. The Company encourages its directors and employees who have genuine concern about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A vigil (Whistle Blower) mechanism provides a channel to the employees and directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and directors to avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee or MD/ED / Company Secretary . The Whistle Blower Policy of the Company has been uploaded and can be viewed on the Company's website.



**13 Related Party Transactions**

Company has entered Related Party Transactions during the financial year 2014-15. 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.

**14 Compliance By the Company:**

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

**15 Shareholders Information :**

a (i) Means of Communication & Website :

The Quarterly & Annual Results were generally published in the newspaper i.e. Financial Express (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)

ii) In line with the existing provisions of the Listing Agreement, the Company has created a separate e-mail address viz. [rekha-sharma@pasupatitextiles.com](mailto:rekha-sharma@pasupatitextiles.com) to receive complaints and grievances of the investors.

**b) Share Transfer System & Registrar & Share Transfer Agent:-**

Annual General Meeting	
Date & Time	29-9-2015 AT 10 A.M
Venue	Registered Office of the Company at Village Kapriwas (Dharuhera) Distt. Rewari, Haryana
Book Closure	
Date	22nd September , 2015 to 29th September, 2015 (Both Days are Inclusive)

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

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

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

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

**c) Procedure for dematerialization/ Rematerialisation of shares and Liquidity**

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

The share certificates are dispatched within one month from the date of issue of shares.



As on 31st March, 2015, 96.02% 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.

**d) Annual General Meetings:**

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

Year	Date	Venue	Time
2012	29.09.2012	Village Kapriwas (Dharuhera) Distt. Rewari, Haryana	10.00 A.M.
2013	30.09.2013	-do-	10.00 A.M
2014	29.09.2014	-do-	10.00 A.M

**e) Postal Ballot:**

For the year ended March 31, 2015 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

**Additional Shareholders Informations:-**

**a) Financial Year**

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

**b) Distribution of Shareholding as on 31.03.2015:**

PARTICULARS	SHAREHOLDING (No of Shares)	%
Promoters' holding including their relatives & Associate Companies.	69,93,970	74.91
<b>Non Promoters Holding:-</b>		
<b>A-</b> Institution Investors - Financial Institutions Banks, and Mutual Funds etc.	10282	0.11
<b>B -</b> Private Corporate Bodies	1621680	17.37
<b>C - Public</b>	711136	7.61
<b>TOTAL</b>	<b>9337068</b>	<b>100.00</b>

**c) Registered office and address for correspondence:-**

**Registered Office:**

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

**Company Secretary & Compliance Officer:-**

Name:- Ms. Rekha Sharma.

Address:- Pasupati Spinning & Weaving Mills Limited. 1501, Nirmal Tower Barakhamba Road,  
New Delhi -110001.

Mail Id:- rekhasharma@pasupatitextiles.com

**d) 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.

**e) Listing at Stock Exchanges:**

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

S. No.	Name of Stock Exchanges	Listing Fee Paid up to	Stock Code No
1.	Delhi Stock Exchange Association Ltd.	2004-05	A-2
2.	The Stock Exchange, Mumbai	2014-15	A-1



**f) Market Price data : High/Low during the year 2014-15**

<b>Month</b>	<b>High (Rs)</b>	<b>Low (Rs)</b>
April, 2014	20.20	17.40
May, 2014	24	17.60
June, 2014	22.85	18.55
July, 2014	20	14.75
August, 2014	19	14
September, 2014	20.90	18
October, 2014	21.40	18
November, 2014	20.90	17.20
December, 2014	23.65	19.50
January, 2015	21.85	14.25
February, 2015	16.26	13.60
March, 2015	18.90	14.25

**16 Disclosures**

- (i) There were no transactions of material nature with the directors or the management or their subsidiaries or relatives etc. during the year that had potential conflict with the interests of the Company at large. The details of related party transactions have been reported in the Notes to Accounts.
- (ii) The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and in conformity, in all material respects, with the generally accepted accounting principles are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company.
- (iii) The Company has formulated Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company and the details are provided in corporate governance report.
- (iv) The Company has well-defined Risk Management Policies for each of the businesses, duly approved by the Board, which are periodically reviewed to ensure that the executive management controls risk by means of a properly defined framework.
- (v) The Company has not raised any funds from the capital market (public/rights/preferential issues etc.) during the financial year under review.

**17 Segment-Wise Performance:**

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

**18 Financial Performance :**

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

**19 CEO/CFO Certificate**

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

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

**Place : New Delhi  
Dated : 14-8-2015**

**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, 2015, 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.

New Delhi,  
May 28, 2015

**Ramesh Kumar Jain**  
Chairman & Managing Director

**CHAIRMAN AND MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION UNDER CLAUSE 49 (IX)**

To,  
The Board of Directors,  
Pasupati Spinning & Weaving Mills Limited

1. We have reviewed financial statements and the cash flow statement of Reliance Industries Limited for the year ended 31st March, 2015 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 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.
4. 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

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

Place: New Delhi  
Date : May 28, 2015



**PASUPATI SPINING & WEAVING MILLS LIMITED**

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

We have examined the compliance of conditions of corporate governance by **PASUPATI SPINNING & WEAVING MILLS LIMITED** for the year ended on 31st March, 2015, as stipulated in clause 49 of the listing agreement of the said company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

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

- i) Annual listing fees payable to Delhi Stock Exchange Association Limited has not been paid from the financial year 2005-06 to 2014-15.

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

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

Place : New Delhi

For B.K. SHROFF & CO.

Date : 14-8-2015

Chartered Accountants  
Firm Registration No.302166E

PARTNER  
MEMBERSHIP NO. 6329



## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**PASUPATI SPINNING & WEAVING MILLS LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of Pasupati Spinning Weaving Mills Limited ("the Company") which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the Financial Statements

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, 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 there under.

We conducted our audit 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 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 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 financial statements.

### Basis of Qualified Opinion

*The company has claimed additional compensation in respect of part of factory land acquired. The additional compensation demand is Rs.61464287 (including amount upto previous year Rs. 61464287), which according to the management shall be accounted for as and when received. Had the additional compensation been accounted for the profit for the year and other current assets would have been higher by the said amount. (Refer Note no. 12 of the accompanying notes to the financial statements).*

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph above, the aforesaid 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 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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



## PASUPATI SPINING & WEAVING MILLS LIMITED

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- 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, and the Cash Flow Statement 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) *As per information and explanations given to us, we report that as on 31.3.2015 none of the directors of the company are disqualified from being appointed as a director of the company under Section 164((2) of the Companies Act, 2013 As the company had not redeemed its debentures on due dates and as the default continued for more than a year, directors of the company were not qualified for being appointed as directors of any other public company in terms of provision of Section 164(2) of the Companies Act, 2013 as amended by the companies Amendment Act, 2000. Board for Industrial and Financial Reconstruction (BIFR) has sanctioned rehabilitation scheme for the company vide its order dated 17.2.2012. The said scheme has approved payments of the settled amount to debenture-holders in instalments. The payment as approved by BIFR has been made and there is no default in such payment. Besides, four of the directors have been appointed after the scheme has been sanctioned. They have certified that they are not disqualified from being appointed as a director in any other company.*
- f) In our opinion, the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls are adequate.
- 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21 to the financial statements;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For B.K.Shroff & Co.  
Chartered Accountants  
Firm Reg. No. : 302166E

O.P.Shroff  
Partner  
Membership No. 06329

Place: New Delhi  
Date : May 28, 2015

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### **Annexure referred to in paragraph (1) under the heading of “Report on Other Legal and Regulatory requirements” of our report of even date**

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) 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.
- (ii) (a) Physical verification of inventory (except material in transit and lying with third party) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material.



- (iii) The company has not granted any loans, secured or unsecured to companies firms or other parties covered in the register maintained under section 189 of the Act and as such clauses (iii) (a) and (b), of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) 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.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Act, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such accounts and records.
- (vii) (a) *The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth 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, undisputed amounts payable in respect thereof outstanding as at 31st March,2015 for a period of more than six months from the date they became payable are as under:-*

Name of the statute	Nature of dues	Amount (Rs.)	Period to which amount relates
<i>Income Tax Act</i>	<i>Tax deducted at source</i>	<i>555089</i>	<i>31.03.2014</i>

- (b) According to the records of the company, dues of income-tax or Sales tax or wealth-tax or service tax or duty of custom or duty of excise or value added tax or cess which have not been deposited on account of any dispute are as under:-

Name of the statute	Nature of dues	Amount (Rs.)	Forum where pending
<i>Central Excise Act</i>	<i>Excise Duty</i>	<i>2670382</i>	<i>Hon'ble Supreme Court</i>
<i>Central Excise Act</i>	<i>Excise Duty</i>	<i>2583953</i>	<i>Central Excise &amp; Service Tax Tribunal</i>
<i>Haryana Value Added Tax Act</i>	<i>VAT</i>	<i>4222661</i>	<i>Sales Tax Tribunal</i>
<i>Service Tax Act</i>	<i>Service Tax</i>	<i>229316</i>	<i>Central Excise &amp; Service Tax Tribunal</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax</i>	<i>465270</i>	<i>Income Tax Tribunal</i>

- (c) No amount was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.
- (viii) There were no accumulated losses at the end of the financial year. The company has not incurred any cash losses during the financial year and in the immediately preceding financial year.
- (ix) 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 or debenture holders are as under :

Nature of Limit	Name of the Bank	Limit (Rs. in lacs)	Balance as per Bank (Rs. in lacs)	Excess (Rs. in lacs)	Remarks
<i>Cash Credit</i>	<i>Canara Bank</i>	<i>457.50</i>	<i>462.40</i>	<i>4.90</i>	<i>Due to interest charged by bank on 31.03.2015 and paid subsequently</i>
	<i>State Bank of Patiala</i>	<i>104.00</i>	<i>104.93</i>	<i>0.93</i>	
	<i>ING Vysya Bank Ltd</i>	<i>187.25</i>	<i>191.31</i>	<i>4.06</i>	
<i>Packing Credit</i>	<i>State Bank of Patiala</i>	<i>317.00</i>	<i>319.54</i>	<i>2.54</i>	

Nature of Limit	Name of the Bank	Amount overdue (Rs.)	Due Date	Remarks
<i>Bill discounted/purchased</i>	<i>Bank of Baroda</i>	<i>2261158</i>	<i>13.03.2015</i>	<i>Realized on 06.04.2015</i>
	<i>State Bank of Patiala</i>	<i>5201022</i>	<i>30.03.2015</i>	<i>Realized on 08.04.2015</i>





**PASUPATI SPINING & WEAVING MILLS LIMITED**

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- (x) In our opinion, the company has not given guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion, the term loans have been applied for the purposes for which they were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For B.K.Shroff & Co.  
Chartered Accountants  
Reg. No. : 302166E

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

Place: New Delhi  
Date : May 28, 2015

**BALANCE SHEET**

As at 31st March, 2015

Particulars	Note No.	As at 31.03.2015		As at 31.03.2014
		Rs.		Rs.
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital	2	93,370,680	93,370,680	
Reserves & Surplus	3	188,118,029	281,488,709	279,608,777
<b>NON-CURRENT LIABILITIES</b>				
Long-Term Borrowings	4	124,686,808	143,544,518	
Deferred Tax Liability	5	12,545,237	13,138,252	
Other Long Term Liabilities	6	3,100,802	8,006,628	
Long Term Provisions	7	8,429,310	148,762,157	172,782,916
<b>CURRENT LIABILITIES</b>				
Short-Term Borrowings	8	354,800,027	333,458,140	
Trade Payables	9	243,048,321	231,040,069	
Other Current Liabilities	10	112,431,011	112,106,333	
Short Term Provisions	11	2,081,720	712,361,079	678,334,113
			<b>1,142,611,945</b>	<b>1,130,725,806</b>
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
<b>Fixed Assets</b>				
Tangible Assets	12	432,352,792	459,594,051	
Capital Work-in-Progress		-	1,729,148	
Non-Current Investments	13	1,052,792	1,052,792	
Long-Term Loans & Advances	14	10,352,282	443,757,866	472,235,005
<b>CURRENT ASSETS</b>				
Current Investments	15	-	-	
Inventories	16	363,311,062	336,111,868	
Trade Receivables	17	244,275,126	233,450,731	
Cash & Cash Equivalents	18	35,859,346	30,261,793	
Short Term Loans & Advances	19	31,636,876	34,479,661	
Other Current Assets	20	23,771,669	698,854,079	658,490,801
			<b>1,142,611,945</b>	<b>1,130,725,806</b>

See accompanying notes to the financial statements

As per our report of even date annexed  
For B.K. SHROFF & CO.  
Chartered Accountants  
Firm Registration No. 302166E  
O.P.Shroff  
Partner  
Membership No.06329

Ramesh Kumar Jain  
Chairman & Managing Director  
DIN No. 00575142  
  
Rekha Sharma  
Company Secretary

Vidit Jain  
Executive Director  
DIN No.01347588  
  
A.K.Monga  
Chief Financial Officer

Place : New Delhi  
Dated : May 28, 2015

**PASUPATI SPINING & WEAVING MILLS LIMITED****PROFIT & LOSS STATEMENT**

For the year ended 31st March, 2015

Particulars	Note No.	Year ended 31.03.2015 Rs.	Year ended 31.03.2014 Rs.
Revenue from Operations	23	<b>2,040,944,448</b>	2,078,233,572
Other Income	24	<b>24,905,238</b>	31,097,655
Total Revenue		<b>2,065,849,686</b>	2,109,331,227
Expenses			
Cost of Materials Consumed	25	<b>1,095,089,462</b>	1,243,871,902
Purchases of Stock in Trade	26	<b>3,458,746</b>	852,589
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	27	<b>(3,808,045)</b>	(47,810,570)
Share of Profit of Joint Venture partner	28	<b>(1,480,680)</b>	16,876,733
Employee Benefits Expense	29	<b>159,386,437</b>	130,193,526
Finance Costs	30	<b>66,066,061</b>	72,974,222
Depreciation and Amortisation Expense	31	<b>40,251,595</b>	33,550,061
Other Expenses	32	<b>705,115,389</b>	653,055,083
Total Expenses		<b>2,064,078,965</b>	2,103,563,546
Profit/(Loss) before extraordinary items and tax		<b>1,770,721</b>	5,767,681
Extra ordinary Items	33	-	9,941,574
Profit/(Loss) before tax		<b>1,770,721</b>	(4,173,893)
Tax Expense			
Income Tax		<b>337,411</b>	-
Wealth Tax		<b>1,750</b>	-
Deferred Tax		<b>(593,015)</b>	474,592
Earlier Year's Tax		<b>482,054</b>	(15)
MAT Credit Entitlement		<b>(337,411)</b>	-
Profit/(Loss) for the year		<b>1,879,932</b>	(4,648,470)
Earnings per Equity Share	34		
Before extraordinary items			
Basic & Diluted		<b>0.20</b>	0.57
After extraordinary items			
Basic & Diluted		<b>0.20</b>	(0.50)

See accompanying notes to the financial statements

As per our report of even date annexed  
For B.K. SHROFF & CO.  
Chartered Accountants  
Firm Registration No. 302166E  
O.P.Shroff  
Partner  
Membership No.06329

Ramesh Kumar Jain  
Chairman & Managing Director  
DIN No. 00575142  
  
Rekha Sharma  
Company Secretary

Vidit Jain  
Executive Director  
DIN No.01347588  
  
A.K.Monga  
Chief Financial Officer

Place : New Delhi  
Dated : May 28, 2015



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

	Year ended 31.03.2015 Rs.	Year ended 31.03.2014 Rs.
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit/(Loss) before Tax and extraordinary item</b>	<b>1,770,721</b>	<b>5,767,681</b>
Adjustments for:		
Depreciation	40,251,595	33,550,061
Interest Income	(2,079,999)	(1,679,988)
(Profit)/Loss on Fixed Assets sold/discarded	(915,835)	(6,100,455)
Dividend Income	-	(600)
Interest Charged	55,269,450	59,138,345
<b>Operating Profit before Working Capital Changes</b>	<b>94,295,932</b>	<b>90,675,044</b>
Adjustments for:		
Trade & Other Receivables	(8,295,955)	(8,444,718)
Inventories	(27,199,194)	(56,596,197)
Trade Payables & Other Liabilities	7,123,061	103,836,307
<b>Cash Generated from Operations</b>	<b>65,923,844</b>	<b>129,470,436</b>
Interest Paid	(55,823,046)	(70,595,098)
Taxes Paid	262,687	(422,801)
<b>Net Cash from Operating Activities</b>	<b>10,363,485</b>	<b>58,452,537</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(12,161,653)	(74,874,330)
Sale of Fixed Assets	1,796,300	7,512,501
Interest Received	1,908,825	1,623,255
Dividend Received	-	600
<b>Net Cash used in Investing Activities</b>	<b>(8,456,528)</b>	<b>(65,737,974)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Borrowings		
- Short Term	21,341,887	23,978,417
- Long Term	(24,040,000)	113,576,500
Repayment of Loans		
- Short Term	-	(17,705,060)
- Long Term	6,388,709	(114,521,848)
<b>Net Cash used in Financing Activities</b>	<b>3,690,596</b>	<b>5,328,009</b>
Net (Decrease)/Increase in Cash & Cash equivalents	5,597,553	(1,957,428)
Cash & Cash equivalents at start of the year	30,261,793	32,219,221
Cash & Cash equivalents at close of the year	35,859,346	30,261,793

Note: Brackets represent cash outflows

See accompanying notes to the financial statements

As per our report of even date annexed

For B.K. SHROFF & CO.

Chartered Accountants

Firm Registration No. 302166E

O.P.Shroff

Partner

Place : New Delhi

Dated : May 28, 2015

Membership No.06329

Ramesh Kumar Jain

Chairman & Managing Director

DIN No. 00575142

Rekha Sharma

Company Secretary

Vidit Jain

Executive Director

DIN No.01347588

A.K.Monga

Chief Financial Officer



**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS**

**1 SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Preparation of Financial Statements**

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

**B. Fixed Assets**

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

**C. Depreciation**

Depreciation is calculated on fixed assets on 'Straight Line Method' in accordance with Schedule II of the Companies Act, 2013.

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

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- b) Items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of the contract.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit or loss statement.
- d) The company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Mark to market losses on such measurement are recognized in the profit & loss statement.

**E. Investments**

- a) Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management
- b) Current investments are valued at cost or market value whichever is lower. The decline in the value of current investments is provided in the accounts each year

**F. Inventories**

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

**G. Sales**

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

**H. Taxes, Duties etc.**

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

**I. Employee Retirement Benefits**

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

**J. Borrowing Cost**

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition /



construction of qualifying fixed assets are capitalized upto the date when such assets are ready for its intended use and other borrowing cost are charged to profit & loss statement.

**K. Earning per Share**

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

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

**L. Deferred Taxation**

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

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

**M. Impairment of Assets**

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

**N. Operating Lease**

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

**O. Contingent Liabilities**

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

**P. Events occurring after Balance Sheet date**

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

**2 SHARE CAPITAL**

**a) Authorised**

Particulars	No. of Shares		Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
<b>Equity Shares of Rs. 10 each</b>				
At the beginning of the year	12,100,000	12,100,000	121,000,000	121,000,000
Add: Additions during the year	-	-	-	-
Less: Reduction during the year	-	-	-	-
At the end of the year	12,100,000	12,100,000	121,000,000	121,000,000
Total			121,000,000	121,000,000

**b) Issued, Subscribed and Paid up**

Particulars	No. of Shares		Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
<b>Equity Shares of Rs. 10 each fully paid up</b>				
At the beginning of the year	9,337,068	9,337,068	93,370,680	93,370,680
Add: Additions during the year	-	-	-	-
Less: Reduction during the year	-	-	-	-
At the end of the year	9,337,068	9,337,068	93,370,680	93,370,680
Total			93,370,680	93,370,680

**PASUPATI SPINING & WEAVING MILLS LIMITED****c) Details of shares in the company held by each shareholder holding more than 5% of shares is as under:**

Name of Shareholder	No. of Shares		% of Holding	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Pasupati Olefin Limited	4,068,428	4,068,428	43.57%	43.57%
Sulabh Impex Limited	1,777,354	1,777,354	19.04%	19.04%
J M Financial Asset Reconstruction Co. Pvt. Ltd	1,000,000	1,000,000	10.71%	10.71%
Mrs. Vrinda Jain	714,052	714,052	7.65%	7.65%

**3 RESERVE & SURPLUS**

Particulars	Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014
Capital Reserve		
At the beginning of the year	40,352,040	40,352,040
Add: Additions during the year	-	-
Less: Reduction during the year	-	-
At the end of the year	40,352,040	40,352,040
Share Premium Account		
At the beginning of the year	86,610,090	86,610,090
Add: Additions during the year	-	-
Less: Reduction during the year	-	-
At the end of the year	86,610,090	86,610,090
Debenture Redemption Reserve		
At the beginning of the year	-	4,382,421
Add: Additions during the year	-	-
Less: Transferred to Surplus	-	4,382,421
At the end of the year	-	-
Surplus		
At the beginning of the year	59,275,967	59,542,016
Add: Additions during the year	1,879,932	-
Add: Transferred from Debenture Redemption Reserve	-	4,382,421
Less: Reduction during the year	-	4,648,470
At the end of the year	61,155,899	59,275,967
Total	188,118,029	186,238,097

**4 LONG TERM BORROWINGS**

Particulars	Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014
Secured		
Term Loan - From Bank	54,860,000	78,900,000
Vehicle Loans	5,255,308	73,018
Sub Total	60,115,308	78,973,018
Unsecured		
From Companies - Free of interest	64,571,500	64,571,500
Total	124,686,808	143,544,518



Notes: -

- i) Term loan are secured on pari-passu basis by way of joint equitable mortgage of fixed assets of the company alongwith personal guarantee of the chairman & managing director (CMD).
- ii) Vehicle loans are secured against hypothecation of vehicle financed out of the loan amount.
- iii) The above loans are repayable as follows:

Particulars	Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014
Payable after 1 year	25,536,720	25,592,839
Payable after 2 years	34,719,280	33,264,500
Payable after 3 years	17,498,575	33,264,500
Payable after 4 years	10,034,233	16,004,500
Payable after 5 years	9,224,500	9,224,500
Payable after 6 years	9,224,500	9,224,500
Payable after 7 years	9,224,500	9,224,500
Payable after 8 years	9,224,500	7,744,679
<b>Total</b>	<b>124,686,808</b>	<b>143,544,518</b>

#### 5 DEFERRED TAX LIABILITIES (NET)

Particulars	Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014
Deferred Tax (Liability)		
Fixed Assets	(75,265,062)	(76,632,733)
Sub Total	(75,265,062)	(76,632,733)
Deferred Tax (Assets)		
Carry forward losses	55,685,443	54,914,879
Section 43B items	1,835,812	1,320,365
Provision for Gratuity	3,363,125	3,187,101
Others	1,835,445	4,072,136
Sub Total	62,719,825	63,494,481
<b>Net deferred tax asset / (liability)</b>	<b>(12,545,237)</b>	<b>(13,138,252)</b>

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

#### 6 OTHER LONG TERM LIABILITIES

Particulars	Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014
Security Deposits	19,700	19,700
Interest accrued but not due	3,081,102	7,986,928
<b>Total</b>	<b>3,100,802</b>	<b>8,006,628</b>

#### 7 LONG TERM PROVISIONS

Particulars	Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014
Provisions for employees benefits	8,429,310	8,093,518
<b>Total</b>	<b>8,429,310</b>	<b>8,093,518</b>



**8 SHORT TERM BORROWINGS**

Particulars	Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014
Secured		
Loans repayable on demand		
From Banks		
Working capital Loans	<b>352,095,662</b>	326,603,775
Sub Total	<b>352,095,662</b>	326,603,775
Unsecured		
Loans repayable on demand		
From Companies		
- Bearing interest	-	1,350,000
- Free of Interest	<b>2,704,365</b>	5,504,365
Sub Total	<b>2,704,365</b>	6,854,365
Total	<b>354,800,027</b>	333,458,140

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. The loans are further secured against pledge of 699115 equity shares of the company held by promoters/associates.

**9 TRADE PAYABLES**

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

**10 OTHER CURRENT LIABILITIES**

Particulars	Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014
Current maturity of long term debts	<b>25,405,871</b>	24,199,452
Interest accrued on borrowings	<b>4,107,564</b>	4,661,160
Advance from customers	<b>5,892,363</b>	6,253,940
Other liabilities	<b>77,025,213</b>	76,991,781
Total	<b>112,431,011</b>	112,106,333

Note: No unclaimed amounts were outstanding to be credited to investor education & protection fund as on 31.03.2015

**11 SHORT TERM PROVISIONS**

Particulars	Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014
Provision for Income Tax	<b>337,411</b>	-
Provision for Wealth Tax	<b>1,750</b>	-
Provision for employees Benefits	<b>1,742,559</b>	1,729,571
Total	<b>2,081,720</b>	1,729,571



**12 TANGIBLE FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.2014	Additions	Sales/ Adjustments	Total	Upto 31.3.2014	For the Year	Adjustments	Total	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land - Freehold*	4,793,031	-	-	4,793,031	-	-	-	-	4,793,031	4,793,031
Land - Leasehold	1,802,615	-	-	1,802,615	45,065	45,065	-	90,130	1,712,485	1,757,550
Buildings	256,240,918	-	-	256,240,918	155,040,348	7,351,020	-	162,391,368	93,849,550	101,200,570
Plant & Machinery	1,747,547,021	4,562,004	15,666,987	1,736,442,038	1,401,390,931	30,051,731	14,837,186	1,416,605,476	319,836,562	346,156,090
Furniture & Fixtures	6,737,052	10,304	-	6,747,356	6,032,633	137,619	-	6,170,252	577,104	704,419
Factory & Office Equipments	16,889,549	825,648	-	17,715,197	13,835,710	1,240,732	-	15,076,442	2,638,755	3,053,839
Vehicles	10,028,305	8,492,845	916,030	17,605,120	8,099,753	1,425,428	865,366	8,659,815	8,945,305	1,928,552
<b>Total</b>	<b>2,044,038,491</b>	<b>13,890,801</b>	<b>16,583,017</b>	<b>2,041,346,275</b>	<b>1,584,444,440</b>	<b>40,251,595</b>	<b>15,702,552</b>	<b>1,608,993,483</b>	<b>432,352,792</b>	<b>459,594,051</b>
Previous Year	1,992,489,215	78,747,193	27,197,917	2,044,038,491	1,576,680,250	33,550,061	25,785,871	1,584,444,440	459,594,051	

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

**13 NON CURRENT INVESTMENTS (At Cost)**

Particulars	No. of Shares		Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
<b>Equity Shares of Rs. 10 each</b>				
<b>Quoted - Trade</b>				
Amit Spinning Industries Limited	100	100	2,329	2,329
Global Syntex (Bhilwara) Limited	9,900	9,900	108,900	108,900
G.T.N. Industries Limited	100	100	17,597	17,597
Malwa Cotton Spinning Mills Limited	50	50	16,325	16,325
Sanghi Polyesters Limited	200	200	7,141	7,141
<b>Quoted - Not-Trade</b>				
Pasupati Fincap Limited	70,000	70,000	700,000	700,000
<b>Unquoted - Non Trade</b>				
India Comm Directories Limited	50	50	500	500
Shivalik Solid Waste Management Ltd.	20,000	20,000	200,000	200,000
<b>Total</b>			<b>1,052,792</b>	<b>1,052,792</b>
Aggregate value of quoted investments			852,292	852,292
Aggregate value of unquoted investments			200,500	200,500
<b>Total</b>			<b>1,052,792</b>	<b>1,052,792</b>
Market value of quoted investments			180,353	256,683

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

**14 LONG TERM LOANS & ADVANCES**

(Unsecured - considered good)

Particulars	Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014
Security Deposits	10,352,282	9,859,014
<b>Total</b>	<b>10,352,282</b>	<b>9,859,014</b>

**15 CURRENT INVESTMENTS (At Cost)**

Particulars	No. of Shares		Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
<b>Equity Shares of Rs. 10 each</b>				
<b>Quoted - Not-Trade</b>				
Srishti Video Corp. Limited	240,000	240,000	2,008,050	2,008,050
Less: Provision for diminution in value of investments			2,008,050	2,008,050
<b>Total</b>			<b>-</b>	<b>-</b>
Market value of quoted investments			-	-


**16 INVENTORIES**

(As taken, valued and certified by the management)

Particulars	Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014
Stores & Spares	24,079,459	22,329,737
Raw Materials	20,118,813	30,699,730
Raw Materials in Transit	32,222,344	-
Finished goods		
Own Manufactured *	179,344,848	185,570,140
Trading	-	793,985
Semi-finished goods	105,779,093	94,375,695
Waste	1,766,505	2,342,581
<b>Total</b>	<b>363,311,062</b>	<b>336,111,868</b>

\*including in transit Rs.8951870 (previous year Rs. 12799872)

**17 TRADE RECEIVABLES**

(Unsecured - considered good)

Particulars	Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014
Exceeding six months	33,355,154	32,791,341
Others	210,919,972	200,659,390
<b>Total</b>	<b>244,275,126</b>	<b>233,450,731</b>

**18 CASH & CASH EQUIVALENTS**

Particulars	Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014
Cash in hand	6,209,783	2,789,854
Cheques/drafts in hand	3,388,412	1,274,103
Balances with Scheduled Banks		
Held as Margin/Security	23,389,405	20,369,328
Others	2,705,646	5,662,408
Balance in Post Office Savings Bank Account		
Held as Margin/Security	166,100	166,100
<b>Total</b>	<b>35,859,346</b>	<b>30,261,793</b>

There are no bank deposits with more than 12 months maturity.

**19 SHORT TERM LOANS & ADVANCES**

(Unsecured - Considered good unless stated otherwise)

Particulars	Amount (Rs.)		
	As at 31.03.2015		As at 31.03.2014
Loans		567,925	1,131,775
- Staff			
Advances			
(recoverable in cash or in kind or for value to be received)			
- considered good	29,408,824		27,442,830
- considered doubtful	12,960,000		12,960,000
	42,368,824		40,402,830
Less : Provision for doubtful advances	12,960,000	29,408,824	27,442,830
Advance Payment of Taxes (including tax deducted at source)		1,660,127	2,067,457
Balance with Central Excise		-	3,837,599
<b>Total</b>		<b>31,636,876</b>	<b>34,479,661</b>

**20 OTHER CURRENT ASSETS**

(Unsecured - considered good)

Particulars	Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014
Interest receivable	1,218,723	1,047,549
Other receivables	22,215,535	23,139,199
MAT Credit Entitlement	337,411	-
<b>Total</b>	<b>23,771,669</b>	<b>24,186,748</b>

**21 CONTINGENT LIABILITIES AND COMMITMENTS**

(to the extent not provided for)

Particulars	Amount (Rs.)	
	As at 31.03.2015	As at 31.03.2014
Contingent Liabilities & Commitments		
Bank Guarantees	7,653,500	6,295,500
Claims not acknowledged as debts	20,913,128	15,191,524
Excise Duty demands disputed by the Company	15,957,610	18,627,992
Sales Tax demands disputed by the company	4,222,661	4,222,661
Service Tax demands disputed by the company	229,316	229,316
Income tax demands disputed by the company	465,270	465,270

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

**23 REVENUE FROM OPERATIONS**

Particulars	Amount (Rs.)	
	Year ended 31.03.2015	Year ended 31.03.2014
Gross Sales of Products*		
Sewing Thread	997,534,298	1,013,071,807
Polyester/Synthetic/Blended Yarn	1,588,339	2,076,371
Cotton Yarn	802,245,206	763,043,952
Fabrics	69,528,701	139,842,917
Garments	137,386,174	121,413,541
Others	32,661,730	38,848,073
	<b>2,040,944,448</b>	<b>2,078,296,661</b>
Less: Excise Duty	-	63,089
<b>Net Sales of Products</b>	<b>2,040,944,448</b>	<b>2,078,233,572</b>

\*Sales include Export Incentives

**24 OTHER INCOME**

Particulars	Amount (Rs.)	
	Year ended 31.03.2015	Year ended 31.03.2014
Rent	<b>1,080,115</b>	2,032,257
Dividend on Trade Investments	-	600
Interest from Banks & Others	<b>2,079,999</b>	1,679,988
Miscellaneous Receipts	<b>937,990</b>	1,110,958
Claims, Rebates & Discounts	<b>2,152,952</b>	11,246
Liabilities no longer required written back	<b>11,548,343</b>	2,852,524
Advances provided in earlier years now recovered	-	17,225,070
Profit on Sale of Fixed Assets (Net)	<b>915,835</b>	6,100,455
Profit on cancellation of cotton contract	<b>5,149,670</b>	-
Royalty Income	<b>1,039,125</b>	-
Sundry Balances written off	<b>1,209</b>	6,576
Income relating to earlier years	-	77,981
<b>Total</b>	<b>24,905,238</b>	31,097,655

**25 RAW MATERIALS CONSUMED**

Particulars	Amount (Rs.)	
	Year ended 31.03.2015	Year ended 31.03.2014
<b>Polyester/Synthetic Fibre</b>		
At the beginning of the year	<b>7,699,691</b>	876,518
Add: Purchases during the year	<b>364,969,818</b>	417,194,642
Less: Consumption during the year	<b>370,094,930</b>	410,371,469
At the end of the year	<b>2,574,579</b>	7,699,691
<b>Cotton</b>		
At the beginning of the year	<b>17,153,300</b>	20,236,567
Add: Purchases during the year	<b>603,988,860</b>	593,105,766
Less: Consumption during the year	<b>611,529,279</b>	596,189,033
At the end of the year	<b>9,612,881</b>	17,153,300
<b>Yarn</b>		
At the beginning of the year	<b>5,846,739</b>	7,246,843
Add: Purchases during the year	<b>99,490,630</b>	146,358,774
Less: Consumption during the year	<b>97,406,016</b>	147,758,878
At the end of the year	<b>7,931,353</b>	5,846,739
<b>Fabric</b>		
At the beginning of the year	-	-
Add: Purchases during the year	<b>16,059,237</b>	89,552,522
Less: Consumption during the year	<b>16,059,237</b>	89,552,522
At the end of the year	-	-
<b>Total</b>		
At the beginning of the year	<b>30,699,730</b>	28,359,928
Add: Purchases during the year	<b>1,084,508,545</b>	1,246,211,704
Less: Consumption during the year	<b>1,095,089,462</b>	1,243,871,902
At the end of the year	<b>20,118,813</b>	30,699,730

**26 PURCHASES OF STOCK IN TRADE**

Particulars	Amount (Rs.)	
	Year ended 31.03.2015	Year ended 31.03.2014
Yarn	3,458,746	852,589
Total	3,458,746	852,589

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

Particulars	Amount (Rs.)	
	Year ended 31.03.2015	Year ended 31.03.2014
Closing Stocks		
Finished Goods		
Own Manufactured	179,344,848	185,570,140
Trading	-	793,985
Semi-finished Goods	105,779,093	94,375,695
Waste	1,766,505	2,342,581
	286,890,446	283,082,401
Opening Stocks		
Finished Goods		
Own Manufactured	185,570,140	175,904,836
Trading	793,985	793,985
Semi-finished Goods	94,375,695	57,692,095
Waste	2,342,581	880,915
	283,082,401	235,271,831
Change in Inventories of Finished Goods, Work in Progress and Stock in Trade	(3,808,045)	(47,810,570)

- 28** The company(Pasupati) has w.e.f. 1.4.2013 entered into joint venture with Star Cotspin Limited(Star) for the purpose of getting cotton yarn manufactured on job work basis from any outside party for sale. As per terms of joint venture agreement dated 1.4.2013, the profit sharing ratio between Star and Pasupati is 75:25 respectively. All the income, expenses, assets and liabilities of joint venture operations are included in the accounts of Pasupati as per the terms of joint venture agreement and amount of share of profit of Star Rs.(-)1480680 (previous year Rs.16876733) for the year has been adjusted in the accounts of Pasupati, the details of which are as under: -

Particulars	Amount (Rs.)	
	Year ended 31.03.2015	Year ended 31.03.2014
Sales(net of excise)	530,309,065	673,463,356
Other Income	893,447	-
Total Income	531,202,512	673,463,356
Cost of material consumed	372,684,464	486,782,122
Purchase of Stock in trade	-	852,589
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	7,316,133	(4,041,429)
Job work charges	126,447,531	133,960,061
Other Expenses	26,728,624	33,407,703
	533,176,752	650,961,046
Profit for the year	(1,974,240)	22,502,310
Share of profit of Star @ 75%	(1,480,680)	16,876,733

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


**PASUPATI SPINING & WEAVING MILLS LIMITED**

Particulars	Amount (Rs.)			
	As at 31.03.2015		As at 31.03.2014	
<b>EQUITY AND LIABILITIES</b>				
SHAREHOLDERS' FUNDS				
Pasupati's Contribution		<b>9,538,766</b>		17,140,415
CURRENT LIABILITIES				
Short-Term Borrowings	2,704,365		5,504,365	
Trade Payables	41,966,341		42,972,974	
Other Current Liabilities	1,890,868	<b>46,561,574</b>	323,249	48,800,588
		<b>56,100,340</b>		65,941,003
<b>ASSETS</b>				
CURRENT ASSETS				
Inventories	34,425,910		30,343,241	
Trade Receivables	1,370,690		17,955,650	
Cash & Cash Equivalents	1,527,793		16,323	
Short Term Loans & Advances*	18,775,947	<b>56,100,340</b>	17,625,789	65,941,003
		<b>56,100,340</b>		65,941,003

\* Includes Rs.18137016 (previous year Rs. 16656335) due from Star

**29 EMPLOYEE BENEFITS EXPENSE**

Particulars	Amount (Rs.)	
	Year ended 31.03.2015	Year ended 31.03.2014
Salaries, Wages, Bonus & Other benefits	<b>147,422,612</b>	119,959,244
Gratuity	<b>1,184,414</b>	851,133
Contribution to Provident Fund, Employees' State Insurance etc.	<b>7,964,605</b>	6,874,054
Workmen & Staff Welfare expenses	<b>2,609,582</b>	2,447,367
Staff Recruitment & Training expenses	<b>205,224</b>	61,728
Total	<b>159,386,437</b>	130,193,526



## EMPLOYEE POST RETIREMENT BENEFITS

Particulars	Amount (Rs.)	
	Year ended 31.03.2015	Year ended 31.03.2014
<b>a) State Plans</b>		
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	2,233,179	2,102,637
Employer's contribution to Employees Provident Fund	5,731,426	4,771,417
<b>b) Defined Benefit Plan</b>		
The present value of obligation on account of gratuity (unfunded) is determined based on actuarial valuation		
<b>I. Assumptions</b>		
Discount Rate	8.00%	9.10%
Rate of increase in Compensation	7.00%	8.00%
<b>II. Table showing Changes in Present Value of Obligations during the period</b>		
Present Value of Obligation as at the beginning of the period	9,823,089	9,858,762
Interest cost	893,901	798,560
Current Service Cost	2,121,036	1,635,216
Benefit paid	(835,634)	(886,806)
Actuarial (gain) / loss on obligations	(1,830,523)	(1,582,643)
Present Value of Obligation as at the end of the period	10,171,869	9,823,089
<b>III. Table showing Fair Value of Plan Assets</b>		
Funded Status	(10,171,869)	(9,823,089)
<b>IV. Actuarial gain / loss recognized for the period</b>		
Actuarial gain / (loss) for the period – Obligation	1,830,523	1,582,643
Total (gain) / loss for the period	(1,830,523)	(1,582,643)
Actuarial (gain) / loss recognized in the period	(1,830,523)	(1,582,643)
<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	10,171,869	9,823,089
Funded Status	(10,171,869)	(9,823,089)
Net Liability Recognized in Balance sheet	10,171,869	9,823,089
<b>VI. Expense recognized in the statement of profit and loss for the period</b>		
Current Service Cost	2,121,036	1,635,216
Interest cost	893,901	798,560
Net actuarial (gain) / loss recognized in the period	(1,830,523)	(1,582,643)
Expenses Recognized in the statement of Profit & Loss	1,184,414	851,133

Notes: -

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

## 30 FINANCE COSTS

Particulars	Amount (Rs.)	
	Year ended 31.03.2015	Year ended 31.03.2014
Interest	55,269,450	59,138,345
Bank & Finance procurement expenses	10,796,611	13,835,877
Total	66,066,061	72,974,222



**31 DEPRECIATION & AMORTISATION EXPENSE**

Particulars	Amount (Rs.)	
	Year ended 31.03.2015	Year ended 31.03.2014
Depreciation	40,251,595	33,550,061
Total	40,251,595	33,550,061

Effective 1st April 2014, the company has revised its estimated useful life of fixed assets wherever appropriate, on the basis of useful life specified in Schedule II of the Companies Act, 2013. The carrying amount as on 1st April 2014 is depreciated over the revised remaining life. As a result, the depreciation charged for the period ended 31st March 2015 is higher by Rs.4407110.

**32 OTHER EXPENSES**

Particulars	Amount (Rs.)	
	Year ended 31.03.2015	Year ended 31.03.2014
Consumption of Stores, Spare, Dyes, Chemicals and Packing Materials	160,889,183	124,599,604
Job Work expenses	188,271,024	164,624,369
Power & Fuel	204,040,783	179,850,899
Rent	7,264,255	7,936,893
Repairs to Buildings	778,086	1,815,639
Repairs to Machinery	971,517	1,465,108
Insurance	1,898,102	2,097,026
Rates & Taxes	2,252,975	1,593,760
Travelling & Conveyance	13,407,747	13,650,897
Directors' sitting fees	85,000	80,000
Difference in Exchange (Net)	776,320	11,568,087
Irrecoverable claims written off	4,368,888	1,088,887
Charity & Donation	107,984	85,169
Bad Debts/Advances written off	4,060,151	1,738,956
Freight & Forwarding Charges	41,825,468	43,273,708
Packing Expenses	13,208,292	26,440,012
Claims, Rebate & Discount	23,565,457	31,345,661
Other Selling Expenses	9,832,145	13,723,099
Miscellaneous Expenses	26,360,104	24,925,942
Previous Year Expenses	27,408	74,367
Auditors' Remuneration		
As Audit Fees	488,000	488,000
As Quarterly Review Fees	366,000	366,000
As Tax Audit Fees	122,000	122,000
In Other Capacity	148,500	101,000
Total	705,115,389	653,055,083

**33 EXTRA ORDINARY ITEMS REPRESENT**

Particulars	Amount (Rs.)	
	Year ended 31.03.2015	Year ended 31.03.2014
Interest of earlier years on dues of JMFARC	-	9,941,574
Total	-	9,941,574

**34 EARNING PER SHARE (EPS)**

Particulars	Amount (Rs.)	
	Year ended 31.03.2015	Year ended 31.03.2014
<b>Basic and Diluted</b>		
Net Profit after tax but before extra ordinary Items (A)	<b>1,879,932</b>	5,293,104
Net Profit after tax and extra ordinary Items (B)	<b>1,879,932</b>	(4,648,470)
Total No. of Equity Shares (C)	<b>9,337,068</b>	9,337,068
Earning per share before extra ordinary Items (A/C)	<b>0.20</b>	0.57
Earning per share after extra ordinary Items (B/C)	<b>0.20</b>	(0.50)

**35 Related Party Disclosure:**

Names of related parties and description of relationship

## i) Key Management Personnel and their relatives

- Mr. Ramesh Kumar Jain - CMD
- Mr. Vidit Jain - ED
- Mr. Ram Karan Bhardwaj, WTD
- Mr. S.K.Chhajer, WTD (ceased to be a director from 1.7.2014)
- Mrs. Vrinda Jain, Director
- Mr. Praveen Paliwal, Director
- Mr. Ghanshyam Das Gupta, Director
- Mr. Ashwani Kumar Rathore
- Mr. Anil Gupta, Director
- Mrs. Sangeeta Chhajer, Relative of Director
- Mrs. Vimal Bhardwaj, Relative of Director
- Mrs. Anubha Bhardwaj, Relative of Director
- Mr. Aditya Bhardwaj, Relative of Director

## ii) Associate

- Shivani Textiles Limited
- Pasupati Olefin Limited
- Sulabh Impex Limited

Particulars	Amount (Rs.)		
	Key Management Personnel and Relatives	Associate	Total
Remuneration paid	<b>3,213,028</b> (1,840,888)	- (-)	<b>3,213,028</b> (1,840,888)
Sitting Fee paid	<b>85,000</b> (80,000)	- (-)	<b>85,000</b> (80,000)
Rent paid	<b>483,750</b> (653,400)	- (-)	<b>483,750</b> (653,400)
Purchases	- (-)	<b>16,059,237</b> (89,552,522)	<b>16,059,237</b> (89,552,522)
Sales	- (-)	<b>55,045,623</b> (137,176,065)	<b>55,045,623</b> (137,176,065)
Job Work Charges paid	- (-)	<b>13,631,220</b> (1,907)	<b>13,631,220</b> (1,907)
Vehicle hire charges paid	- (-)	<b>612,000</b> (612,000)	<b>612,000</b> (612,000)
Loans received	- (-)	- (20,556,500)	- (20,556,500)
Loans repaid	- (-)	- (9,920,000)	- (9,920,000)
Balance outstanding at the end of year			
Loans Outstanding	- (-)	<b>23,136,500</b> (23,136,500)	<b>23,136,500</b> (23,136,500)
Amount Payable	<b>453,950</b> (256,650)	- (-)	<b>453,950</b> (256,650)
Amount Receivable	- (-)	<b>15,405,986</b> (6,468,736)	<b>15,405,986</b> (6,468,736)

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



## PASUPATI SPINING & WEAVING MILLS LIMITED

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

### 37 MANAGERIAL REMUNERATION

Particulars	Amount (Rs.)	
	Year ended	Year ended
	31.03.2015	31.03.2014
Salary	1,590,000	1,200,000
Contribution to Provident and Other Funds	104,400	144,000
Other Benefits	624,434	496,888

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

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

39 In pursuance of Accounting Standard on Impairment of Assets (AS28) issued by The Institute of Chartered Accountants of India the company had identified and impaired certain assets / cash generating units. There is no further impairment / reversal during the year.

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

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

42 Paise have been rounded off to the nearest rupee

### 43 OPERATING LEASE

As Lessee

The Company has taken generators on hire for which total rent of Rs.1169850 (previous year Rs. 1260365) has been paid, which is being recognized as an expense in the statement of profit & loss account. The period of hire is not contracted and hence future lease payments are not determinable. The assets have not been subleased

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

Class of Goods	Year ended 31.03.2015		Year ended 31.03.2014	
	%	Amount (Rs.)	%	Amount (Rs.)
Raw Materials				
Imported	0.47%	5,173,893	2.56%	31,797,956
Indigenous	99.53%	1,089,915,569	97.44%	1,212,073,946
Total	100.00%	1,095,089,462	100.00%	1,243,871,902
Stores, Dyes & Packing materials				
Imported	1.06%	1,699,120	0.61%	764,506
Indigenous	98.94%	159,190,063	99.39%	123,835,098
Total	100.00%	160,889,183	100.00%	124,599,604



## 45 OTHER INFORMATIONS

Particulars	Amount (Rs.)	
	Year ended 31.03.2015	Year ended 31.03.2014
C.I.F. value of Imports		
Capital Goods	-	58,247,594
Raw Materials	5,173,893	22,327,772
Stores & Spares	1,699,120	764,506
Expenditure in foreign currency		
Travelling (does not include cost of air tickets)	793,263	-
Commission & Brokerage	6,279,665	2,514,579
Claims	46,169	228,589
Earnings in Foreign currency		
FOB Value of Exports (Does not include export through merchant exporters)	275,489,714	399,594,074

As per our report of even date annexed  
 For B.K. SHROFF & CO.  
 Chartered Accountants  
 Firm Registration No. 302166E  
 O.P.Shroff  
 Partner  
 Membership No.06329

Ramesh Kumar Jain  
 Chairman & Managing Director  
 DIN No. 00575142  
  
 Rekha Sharma  
 Company Secretary

Vidit Jain  
 Executive Director  
 DIN No.01347588  
  
 A.K.Monga  
 Chief Financial Officer

Place : New Delhi  
 Dated : May 28, 2015



**PASUPATI SPINING & WEAVING MILLS LIMITED**

**PASUPATI SPINNING & WEAVING MILLS LTD.**

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

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

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

**CIN- L74900HR1979PLC009789**

**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

- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her
- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her
- 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 35th Annual general meeting of the company, to be held on Tuesday the 29th September, 2015, 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, 2015, Reports of the Board of Directors and the Auditors.		
2.	To re-appoint Mrs. Vrinda Jain (DIN-06641054) as Director who retire by rotation.		
3.	To ratify the appointment of M/s B K Shroff & Co, Chartered Accountants, as Statutory Auditors of the company & fix their remuneration.		
4.	To approve the remuneration of the cost auditors.		
5.	To consider the consent of the company for entering in related party contracts/transactions with Shivani Textiles Ltd in which Mr. Ramesh Kumar Jain, Mrs. Vrinda Jain & Mr. Vedit Jain, Directors of the company are holding More than 2% of the share capital.		
6.	To consider and, if thought fit, to pass special resolution for creation of charge on assets of the company.		
7.	To appoint Mr. Vinod Katyal as Whole-Time Director of the company for period of Five Years.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of shareholder \_\_\_\_\_

Signature of Proxy Holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp  
of Rs. 1/-

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



**ATTENDENCE SLIP**

**PASUPATI SPINNING & WEAVING MILLS LTD.**

**CIN L74900HR1979PLC009789**

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

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

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

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

I hereby record my presence at the 35th Annual General Meeting being held on Tuesday the 29th September, 2015 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.







*if undelivered please return to :*

**PASUPATI SPINNING & WEAVING MILLS LIMITED**

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