

**37<sup>th</sup>**  
**Annual Report**  
**2016-17**

**Pasupati Spinning And Weaving Mills Limited**

**Board of Directors**

Mr. Ramesh Kumar Jain	-	Chairman & Managing Director
Mrs. Vrinda Jain	-	Non Executive and Non Independent Director
Mr. Vidit Jain	-	Whole Time Director
Mr. Jitender Singh Malik	-	Whole Time Director (w.e.f. 01.04.2016)
Mr. Praveen Paliwal	-	Independent Director
Mr. Ghanshyam Das Gupta	-	Independent Director
Mr. Ashwani Kumar Rathore	-	Independent Director
Mr. Anil Gupta	-	Independent Director

**Company Secretary**

Ms. Rekha Sharma

**Chief Finance Officer**

Mr. Ajay Kumar Monga

**Auditors**

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

**Bankers**

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

**Registered Office & Works**

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

**Sewing Thread Unit :**

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

**Head Office**

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

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

**Registrar & Shares / Debentures Transfer Agent**

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

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**Dear Shareholder**

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

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

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

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

1 [rekhasharma@pasupatitextiles.com](mailto:rekhasharma@pasupatitextiles.com)

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

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

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

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

Thanking You,

Yours faithfully

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

Sd/-

**Ms. Rekha Sharma**

**Company Secretary and Compliance Officer**

**PASUPATI SPG & WVG MILLS LTD  
NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 37<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD AT THE REGISTERED OFFICE & WORKS OF THE COMPANY AT VILLAGE KAPRIWAS (DHARUHERA), DISTT. REWARI, HARYANA ON FRIDAY 29<sup>TH</sup> SEPTEMBER, 2017 AT 10.00 A.M TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2017, together with the Reports of the Board of Directors and the Auditor's thereon.
2. To appoint a Director in place of Mrs. Vrinda Jain , who retires by rotation and, being eligible, offers herself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Suresh Kumar & Mittal Chartered Accountants ( Firm Registration No.: 500063N)- , be and is hereby appointed as the Statutory Auditors of the Company, in place of M/s B.K. Shroff & Co, Chartered Accountants (Firm Registration No. 302166E) , the retiring Statutory Auditors, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of forty second Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

**SPECIAL BUSINESS**

**ITEM-4 TO APPROVE THE REMUNERATION OF THE COST AUDITORS FOR THE FINANCIAL YEAR ENDING MARCH 31, 2018**

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

“RESOLVED THAT pursuant to the Provisions of Section 148 the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2015 and Companies (Cost Records and Audit) Rules, 2015 {including any statutory modification(s) or re-enactment(s) thereof, for the time being in force}, the Company hereby ratifies the remuneration of `Rs.60,000/- plus G.S.T and actual out-of-pocket expenses payable to M/s. Avtar Singh & Co., Cost Accountants, who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2017-18.”

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

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

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

Nature of Contract	Amount (Lacs ) Per Year	Name of Party in which Directors are interested
Purchase of died fabric	Rs. 250	Shivani Textiles Ltd
Sales of grey fabric	Rs. 500	Shivani Textiles Ltd
Job Work charges	Rs. 700	Shivani Textiles Ltd
Vehicle Hire Charges being paid to Shivani Textiles Ltd.	Rs. 15	Shivani Textiles Ltd

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

**RESOLVED FURTHER THAT** pursuant to provisions of Section 188 and other applicable provisions and rules of the Companies Act, 2013 , (including any statutory modification(s) or re-enactment thereof for the time being in force) and regulation 23 of Listing Regulations 2015, the consent of the company, be and is hereby accorded to the lease agreement(s) up to the value of Rs. 45,00,000/- 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”

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

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

**ITEM-4**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Avtar Singh & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors. None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution. The Board recommends the Ordinary Resolution set out at Item No. 4 for the approval of Members.

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

**ITEM 5**

The ordinary resolution as set out in item no 5 relates to approval of material related party transactions by members as required under Sec 188 of the Act and regulation 23 of Listing Regulations 2015. As per regulation 23 of Listing Regulations 2015, related party transaction said to be material if such transaction(s) to be entered into individually or taken together during a financial year exceeds ten percent of the annual turnover as per the previous audited financial statements of the company. Board of directors is of the view that during the financial year 2017-18 transactions with related parties namely Shivani Textiles Ltd (In which Mr. Ramesh Kumar Jain , Mrs. Vrinda Jain and Mr. Vidit Jain, Directors of the company, along with their relatives are holding more than 2% paid up share capital) , Mrs. Vrinda Jain (Director) , Mrs. Vandita Jain (Relative of Mr. Vidit Jain, Mrs. Vrinda Jain and Mr. Ramesh Kumar Jain) and with other Related Parties , may exceed ten percent of the annual turnover of the previous audited financial statements of the company. Hence, Board of Directors recommends the passing of the resolution at Item No- 5 of the Notice as ordinary resolution.

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

**REGISTERED OFFICE**

Village Kapriwas  
(Dharuhera), Distt. Rewari,  
HARYANA

DATED: **4-9-2017**

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

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

### **IMPORTANT NOTES:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from 22nd September, 2017 to 29<sup>th</sup> September, 2017, both days inclusive, for annual closing.

2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 and 5 of the accompanying Notice, is annexed hereto.

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

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

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

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

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

7. Electronic copy of the Annual Report for 2017 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017 is being sent in the permitted mode. Electronic copy of the Notice of the 37th Annual General Meeting of the Company inter alia indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 37th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.

8 Members may also note that the Notice of the 37th Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for 2017 will also be available on the Company's website [www.pasupatitextiles.com](http://www.pasupatitextiles.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection without any fee during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [rekhasharma@pasupatitextiles.com](mailto:rekhasharma@pasupatitextiles.com)

### **Voting through electronic means**

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015'), Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 37th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by

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

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

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

IV. The remote e-voting period commences on 26<sup>th</sup> September, 2017 (9:00 am) and ends on 28<sup>th</sup> September, 2017 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22<sup>nd</sup> September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

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

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

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

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

(iii) Click on Shareholder - Login

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

X. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22<sup>nd</sup> September, 2017.

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

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



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

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

XIII. Mr. Shreyansh Pratap Jain, practicing company secretary (C.P No. 9515 and Membership No. 25359) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

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

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

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

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

**ANNEXURE**

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

<b>NAME OF THE DIRECTOR</b>	<b>MRS. VRINDA JAIN</b>
Date of Birth	19.06.1959
Date of Appointment	1-7-2014
Qualification	Graduate
Expertise in specific functional areas	Experience of 20 Years in Textiles Designing.
Remuneration	Nil
Name of the other Companies in which he/she holds Directorship	Shailja Investments Ltd. Pasupati Olefin Ltd. Sulabh Impex Ltd. Sunsung Marketing Pvt. Ltd.
Memberships/ Chairmanships of committees of other companies	Nil
Number of shares held in the Company	714052

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

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

### **DIRECTORS REPORT**

The Directors are pleased to present the 37th Directors Report on the business and operations of the Company together with the Audited Accounts for the financial year ended 31st March, 2017: -

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

Particulars	<b><u>2016-17</u></b> <b><u>Rs./Lacs</u></b>	<b><u>2015-16</u></b> <b><u>Rs./Lacs</u></b>
Sales and other Income	<b>15292.66</b>	<b>18994.99</b>
Profit before Finance Costs and Depreciation	<b>1095.68</b>	<b>1076.75</b>
Financial Charges	<b>621.25</b>	<b>653.95</b>
Depreciation	<b>417.85</b>	<b>400.52</b>
Profit before Taxes	<b>56.58</b>	<b>22.28</b>
Payment/Provision for Taxation	<b>(18.08)</b>	<b>10.14</b>
Profit after Taxation	<b>74.66</b>	<b>12.14</b>

During the year under review, although the turnover of the company has declined by 24.21%, the profit before taxes increased from Rs. 22.28 Lacs to Rs.56.58 lacs. The decline in turnover is mainly attributable to following reasons: -

- The company has been outsourcing job work activities from a third party, whereby the company was supplying raw materials (cotton) and packing material to the said party and getting the cotton yarn manufactured on job work basis. In August 2016, the factory premises of the said party was taken over and sealed by its lender resulting sudden stoppage of operations. Even our company's stock, which was lying in the factory premises has also been sealed, which in turn created pressure on working capital of the company. The company has already initiated legal action for release of its stocks.
- The company was also manufacturing cotton yarn at its spinning unit at Dharuhera, Haryana. Since, cotton yarn operations became unviable, the company stopped manufacturing cotton yarn. To utilize the manufacturing facilities at Dharuhera, the company has started doing job work for outside party. Although sales turnover from this unit discontinued, the company earned job work income of Rs.383 Lacs during the year under review. The job work activities are continuing in the current year as well.

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

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

As already stated above, the cotton yarn manufacturing has been discontinued and the company is doing job work activities for outside party.

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

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

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

During the year under review, the capacity utilisation has improved as compared to previous year. The company has achieved a turnover of Rs.98.11 Crore from this unit as compared to Rs.87.48 Crore achieved during the immediate preceding year marking a rise of about 12%. Although the company has taken number of steps to improve capacity but problem of labour shortage still remains the area of concern.

##### **Exports**

As reported in the last report, the company's exports had decline sharply from Rs.36.62 Crore to Rs.10.76 Crore. However, during the year under review, exports have increased to Rs.31.56 Crore showing significant growth of about 193%. The exports are expected to increase further in next year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Auditors' observations relating to Note no. 33 as contained in the Main Report under the para 'Basis of Qualified Opinion' are explained hereunder: -

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

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

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

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

#### **RELATED PARTY TRANSACTIONS**

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

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

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

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

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

#### **DIVIDEND**

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

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

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

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

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

#### **RISK MANAGEMENT POLICY**

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

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

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

#### **BOARD EVALUATION**

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

executive Directors of the Company is satisfactory. The review of performance was based on the criteria of performance, knowledge, analysis, quality of decision making etc.

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

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

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

Mrs. Vrinda Jain retires by rotation and being eligible, offers herself for re-appointment.

##### **Directors appointed during the F.Y 2016-2017**

Mr. Jitender Malik was appointed as an Whole Time Director of the Company with effect from 1st April, 2016

##### **Key Managerial Personnel (KMP) appointed and resigned during the F.Y 2016-2017**

There was no change in the Key Managerial Personnel during the FY 2016-2017.

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

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

#### **DEPOSITS**

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

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

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

#### **INTERNAL CONTROL SYSTEMS**

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

M/s. M.C. Jain & Co. Chartered Accountants, New Delhi were appointed as Internal Auditors of the Company for the Financial Year 2016-17 and their reports for the year were submitted to the Audit Committee and to the Board.

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

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of Rs.60 lacs per year to be disclosed in the Report of Board of Directors are not applicable to the Company as none of the employees was in receipt of remuneration in excess of Rs.60 lacs during the financial year 2016-17. The information in accordance with the provisions of Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed as **Annexure- D**

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

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

## **COMPOSITION OF AUDIT COMMITTEE**

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

## **AUDITORS**

### **• STATUTORY AUDITORS**

The Companies Act, 2013 ('the Act') was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors, B.K. Shroff & Co. , Chartered Accountants (Firm registration number : 302166E) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 37th AGM. The audit committee of the Company has proposed, and on May 30, 2017, the Board of Directors of the Company has recommended the appointment of M/s Suresh Kumar & Mittal Chartered Accountants (Firm Registration No.: 500063N)-, as the statutory auditors of the Company. M/s Suresh Kumar & Mittal Chartered Accountants will hold office for a period of five consecutive years from the conclusion of the 37th Annual General Meeting of the Company scheduled to be held on September 29 , 2017, till the conclusion of the 42<sup>nd</sup> Annual General Meeting to be held in the year 2022, subject to the approval of the shareholders of the Company. The first year of audit will be of the financial statements for the year ending March 31, 2018, which will include the audit of the quarterly financial statements for the year.

### **• COST AUDITORS**

The Central Govt. has approved the appointment of M/s Avtar Singh & Co. as cost auditors for conducting Cost Audit for the Financial Year 2016-17. The report of Cost Auditors in respect of audit of the cost records of the Company for the year ended 31st March 2017 will be submitted to the Central Government in due course.

### **• SECRETARIAL AUDITORS**

The Company has undertaken Secretarial Audit for the financial year 2016-17 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report. The Report of the Secretarial Audit as submitted by sucheta gupta & associates is annexed herewith as **Annexure-A**.

## **CORPORATE GOVERNANCE**

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

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

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

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

#### **APPRECIATION**

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

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

**Ramesh Kumar Jain  
Chairman & Managing Director**

**Place : New Delhi**

**Dated : 30-5-2017**



To,  
The Members  
PASUPATI SPINNING AND WEAVING MILLS LIMITED

VILLAGE KAPRIWAS, DHARUHERA,  
DISTRICT REWARI, HARYANA

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

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

Date:

Place: New Delhi

Signature

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

## SECRETARIAL AUDIT REPORT

FORM NO. MR.3

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

To,

The Members

PASUPATI SPINNING AND WEAVING MILLS LIMITED

VILLAGE KAPRIWAS, DHARUHERA,  
DISTRICT REWARI, HARYANA

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2017 ('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 2017 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;

- (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, 2015
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; **(Not applicable to the Company during the Audit Period);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period).**
- (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2011, **(Applicable to the company during audit period)**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India **(SS1 and SS2 notified hence 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,** Pasupati Spinning & Weaving Mills Limited is an India based textile company. It has two manufacturing units. Its polyester viscose yarn and cotton yarn unit is located at Village Rewari, Haryana. Its sewing thread unit is located at Kala-Amb, Himachal Pradesh. As per the information and documents provided by the company, the company is not registered in any act as related to Textile as under-

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

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

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

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

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

**I further report that, Mr. JITENDER SINGH MALIK** was appointed as Whole Time Director w.e.f. 01/04/2016 in the company.

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: 30-5-2017**

**Sucheta Gupta  
(Proprietor)**

**C.P. No. 9891**

**CONSERVATION OF ENERGY .****a) ENERGY CONSERVATION MEASURES TAKEN:**

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

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

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

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

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

**Form A :**

<b>A POWER AND FUEL CONSUMPTION</b>	<b>F.Y 2016-17</b>	<b>F.Y 2015-16</b>
<b><u>1 Electricity</u></b>		
a) Purchased Units	29914240	29322357
Total amount paid (Rs)	173746957	183651215
Rate/unit (Rs)	5.81	6.26
b) Own generated through Diesel generators (units)	150961	166504
Rate of diesel/HFO (Rs/Ltr)	48.53	42.50
Cost/Unit (Rs)	12.43	12.24
<b><u>2 Coal used in boiler</u></b>		
Quantity (MT)	1215.24	1256
Total Cost (Rs.)	12793394	11275655
Avg. Cost per MT (Rs)	10527.50	8978.38
<b>B) CONSUMPTION PER UNIT OF PRODUCTION:</b>		
Production of Yarn (MT)	5313.255	5327.068
Electricity (KWH/Ton)	5658.53	5535.66
Coal (Kg/Ton)	228.72	235.75
Others (Diesel/HFO Ltr/Ton)	7.28	9.00

**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. 270509515/-
Total Foreign Exchange used	Rs 7492796 /-

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## Annexure C

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2017</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014.</b>

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L74900HR1979PLC009789
ii	Registration Date	13/08/1979
iii	Name of the Company	PASUPATI SPINNING AND WEAVING MILLS LIMITED
iv	Category of the Company	Company limited by Shares
	Sub-category of the Company	Indian Non-Government Company
v	Address of the Registered office & contact details	VILLAGE KAPRIWAS, DHARUHERA, DISTRICT REWARI ,HARYANA
vi	Whether listed company	yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Skyline Financial Services Pvt. Ltd D-153 , 1st Floor , Okhala Industrial Area Phase -1 , New Delhi 110020 . Tel.: 011 -26812682,83 , 011-64732681-88 Fax: +91 11 26812682 Web:www.skylinerta.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

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

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

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

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

## (ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares
1	Vrinda Jain	7,14,052	7.65	-	7,14,052	7.65	-
2	Vidit Jain	1,34,076	1.44	-	1,34,076	1.44	-
3	Tushar Jain	1,31,606	1.41	-	1,31,606	1.41	-
4	Shailja Investment	1,68,454	1.8	-	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	43.57	7.49
	Total	<b>69,93,970</b>	<b>74.91</b>	7.49	69,93,970	74.91	7.49

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

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

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

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

(v) **Shareholding of Directors & KMP**

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

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
2	<b>JITENDER MALIK</b> DIRECTOR (1.04.2016)				
	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	-	-	-	-

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
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

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
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	-	-	-	-

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

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

SI. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
7	<b>VRINDA JAIN</b> Director	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	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

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
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	-	-	-	-

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
9	<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	-	-	-	-

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
10	<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>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	425,159,342	65,825,865		490,985,207
ii) Interest due but not paid				-
iii) Interest accrued but not due	3,088,201			3,088,201
				-
<b>Total (i+ii+iii)</b>	<b>428,247,543</b>	<b>65,825,865</b>	<b>-</b>	<b>494,073,408</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	19,070,005		19,070,005
Reduction	(19,856,861)	-		(19,856,861)
<b>Net Change</b>	<b>(19,856,861)</b>	<b>19,070,005</b>	<b>-</b>	<b>(786,856)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	407,865,374	84,895,870		492,761,244
ii) Interest due but not paid				-
iii) Interest accrued but not due	525,308	-		525,308
				-
<b>Total (i+ii+iii)</b>	<b>408,390,682</b>	<b>84,895,870</b>	<b>-</b>	<b>493,286,552</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			
		MD	WTD		Total
	Name of the MD/WTD/Manager	RAMESH KUMAR JAIN	JITENDER MALIK	VIDIT JAIN	
		(Rs.)	(Rs.)	(Rs.)	
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.		1,200,000	806,400	2,006,400
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	280,280	122,400	389,115	791,795
	(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>	280,280	1,322,400	1,195,515	2,798,195
	<b>Ceiling as per the Act (Rs.)</b>			42,00,000	

**B. Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Remuneration to other directors				Total
		PRAVEEN PALIWAL	GHANSHYAM	ASHWANI KUMAR	ANIL GUPTA	
1	Name of Independent Directors		DASS GUPTA	RATHORE		
		Rs.	Rs.	Rs.	Rs.	Rs.
	(a) Fee for attending board committee meetings	20,000	35,000	20,000	15,000	90,000
	(b) Commission					
	(c) Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	20,000	35,000	20,000	15,000	90,000
2	Other Non Executive Directors					
	<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>			90,000		
	<b>Total Managerial Remuneration (Rs.)</b>			0		
	<b>Overall Ceiling as per the Act. (Rs.)</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</b>	<b>AJAY KUMAR</b>	
		<b>SHARMA</b>	<b>MONGA</b>	
		<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	708,812	1,376,200	2,085,012
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (Rs.)</b>	708,812	1,376,200	2,085,012

## PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

**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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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 2016-17	Remuneration of Director/KMP for financial year 2015-16	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director/ to median remuneration of employees
Mr. Ramesh Kumar Jain	Managing director	280280	264364	6.02	1.13
Mr. Vedit Jain	Whole Time Director	1195515	10,06,636	18.76	4.82
Mr. Jitender Malik	Whole Time Director	1322400	-	-	5.33
Mr. Praveen Paliwal	Independent Director	20000	20000	-	<b>0.08</b>
Mr. Ghanshyam Dass Gupta	Independent Director	35000	25000	40	0.14
Mr. Ashwani Kumar Rathore	Independent Director	20000	20000	-	0.08
Ms. Vrinda Jain	Non- Executive Director	NIL	NIL	-	
Mr. Anil Gupta	Independent Director	15000	20000	-	0.06
Mr. Ajay Kumar Monga	CFO	1376200	1366200	0.73	<b>5.55</b>
Ms. Rekha Sharma	Company Secretary	708812	720000	(1.55)	2.86

\* Mr. Jitender Malik appointed as Whole-time Director w.e.f. 01/04/2016.

- ii) The median remuneration of employees of the Company during the financial year was 2.48 lakh p.a..
- iii) In the financial year, there was an increase of 7.50% in the median remuneration of employees;
- iv) There were 602 permanent employees on the rolls of Company as on March 31, 2017;
- v) Relationship between average increase in remuneration and company performance:- During the year under review, the profit before taxes increased to Rs.56.58 lacs from Rs. 22.28 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 enhanced by 21 (%) from Rs. 4065103 lacs in 2015-16 to 4883207 lacs in 2016-17 whereas, during the year under review, the profit before taxes increased to Rs.56.58 lacs from Rs. 22.28 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.)
31-3-2016	9337068	21.85	0.13	168.08	20,40,14,935
31-3-2017	9337068	15.95	0.80	19.94	14,89,26,234
Increase/(Decrease)	–	(5.90)	0.67	(148.14)	(55,08,8700)
% of Increase/ (Decrease)	–	(27.00)	Approx 5 Times	(88)	27

Market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.:-

The equity shares of the Company were initially listed on BSE Ltd. in the year 1982. The last public offer of the equity shares was made in the year 1991 by way of Rights Issue to the existing equity shareholders in the ratio of 1:5 at a price of Rs. 25/- per equity share of Rs.10/-at a premium of Rs. 15 per share. As on 31st March, 2017, the market quotation of the Company's share price (closing price) was Rs. 21.85 i.e. downfall in price of 27. %.

viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 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
	Name (s) of the related party & nature of relationship	Not Applicable
	Nature of contracts/arrangements/transaction	
	Duration of the contracts/arrangements/transaction	
	Salient terms of the contracts or arrangements or transaction including the value, if any	
	Justification for entering into such contracts or arrangements or transactions'	
	Date of approval by the Board	
	Amount paid as advances, if any	
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

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

SL No	<u>Name (s) of the related party &amp; nature of relationship</u>	<u>Details</u>	<u>Nature of contracts/arrangements/transaction</u>	<u>Duration of the contracts/arrangements/transaction</u>	<u>Salient terms of the contracts or arrangements or transaction including the value, if any</u>	<u>Date of approval by the Board, If any</u>	<u>Amount paid as advances, if any</u>
1	Mr. Ramesh Kumar Jain	Chairman and Managing Director	Remuneration and perquisites paid during the year :- Rs 280280/-	One year	N/A	28-5-2016	nil
2	Mr. Vidit Jain	Executive Director	Remuneration and perquisites and Retirement Benefits paid during the year :- Rs 1195515/- and Rent paid for Rs 1034250/-	One year	N/A	28-5-2016	nil

3	Mr. Praveen Paliwal	Independent Director	Sitting Fees Rs 20000/-	One year	N/A	28-5-2016	nil
4	Mr. Ghanshyam Das Gupta	Independent Director	Sitting Fees Rs 35000/-	One year	N/A	28-5-2016	nil
5	Mr. Ashwani K Rathore	Independent Director	Sitting Fees Rs 20000/-	One year	N/A	28-5-2016	nil
6	Mr. Anil Gupta	Independent Director	Sitting Fees Rs 15 000/-	One year	N/A	28-5-2016	nil
7	Mr. Jitender Malik	Executive Director	Remuneration and perquisites paid during the year :- Rs 1322400/-	One year	N/A	28-5-2016	nil
8	M/s Shivani Textiles	Directors along with their relatives are holding more than 2% shareholding of the company	Sales :- Rs 8270418/- Job Work :- Rs 24077994/- Rent-Paid:- Rs 1034250/- Purchases :- 882221/-	One year	N/A	28-5-2016	nil



# PASUPATI SPG & WVG MILLS LTD.

## REPORT ON CORPORATE GOVERNANCE

Your Directors present the Company's Report on Corporate Governance as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2017.

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

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

### **2 BOARD OF DIRECTORS :**

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

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

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

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

\* Mr. Jitender Malik appointed as Whole-time Director w.e.f. 01/04/2016.

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

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

Web link of Familiarisation Programmes imparted to Independent Directors is :-

[http://www.pasupatitextiles.com/pdf/familiarization\\_programme.pdf](http://www.pasupatitextiles.com/pdf/familiarization_programme.pdf)

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

During the financial year 2016-2017, four Meetings were held on the following dates:-

S. No.	Date	Board Strength	No. of Directors present
1	28/05/2016	8	6
2	09/08/2016	8	7
3	14/11/2016	8	8
4	14/02/2017	8	8

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

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

The Company has complied with all the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI LODR 2015) relating to the composition of the Audit Committee. During the financial year 2016-2017, four meetings of the Audit Committee were held on the 28th May, 2016, 9<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016 and 14th February, 2017.

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

Date of the Meetings	Composition	Attendance (Yes/ No)	Chairman
28/05/2016	1. Mr. G.D. Gupta Member and Chairman 2. Mr. Praveen Paliwal, Member 3. Mr. Ashwani Rathore, Member 4. Mr. Anil Gupta, Member	Yes Yes Yes No	Mr. G.D.Gupta
09/08/2016	1. Mr. G.D. Gupta Member and Chairman 2. Mr. Praveen Paliwal, Member 3. Mr. Ashwani Rathore, Member 4. Mr. Anil Gupta	Yes Yes Yes Yes	Mr. G.D.Gupta
14/11/2016	1. Mr. G.D. Gupta Member and Chairman 2. Mr. Praveen Paliwal, Member 3. Mr. Ashwani Rathore, Member 4. Mr. Anil Gupta	Yes Yes Yes Yes	Mr. G.D.Gupta
14/02/2017	1. Mr. G.D. Gupta Member and Chairman 2. Mr. Praveen Paliwal, Member	Yes Yes	Mr. G.D.Gupta

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

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

**Terms of reference:**

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

**4 NOMINATION AND REMUNERATION COMMITTEE**

**Composition:**

The strength of the Nomination and Remuneration Committee as on 01.04.2016 was four members i.e. Mr. G. D. Gupta, Chairman, Mr. Praveen Paliwal, Mr. Anil Gupta and Mr. Ashwani Rathore as Members. Presently all the members of the Committee including its Chairman are independent Directors. The Company Secretary acted as the Secretary of the Committee.

**Terms of Reference:**

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

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

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

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

<b>Date of the Meetings</b>	<b>Composition</b>	<b>Attendance (Yes/ No)</b>	<b>Chairman</b>
28/05/2016	1. Mr. G.D Gupta, Member and Chairman 2. Mr Praveen Paliwal 3. Mr. A.K Rathore, Member 4. Mr Anil Gupta, Member	Yes Yes Yes No	Mr. G.D. Gupta

**APPOINTMENT & REMUNERATION POLICY:**

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

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

**1. Appointment Criteria and Qualifications**

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

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

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

**2. Term/Tenure**

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

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

**b) Independent Director**

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

**3. Evaluation**

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

**4. Removal**

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

**5. Retirement**

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

**Details of Remuneration/Sitting fees paid to directors during the year 2016-17:-:**

Sl. No.	Name of the Director	Description of Transaction	Salary (Rs.)	Perquisites (Rs.)	Sitting Fee (Rs.)	Retirement Benefits	Total (Rs.)
1	Mr. Ramesh Kumar Jain Chairman & Mg. Director	Perquisites	Nil	280280	Nil	Nil	280280
2	Mr. Vidit Jain Whole Time Director	Remuneration & perquisites	720000	389115	Nil	86400	1195515
3	Mr. Jitender Malik Whole Time Director	Remuneration & perquisites	1200000	122400	Nil	Nil	1322400
4	Mr. Praveen Paliwal Non-Executive Director	Sitting Fees	Nil	Nil	20000	Nil	20000
5	Mr. G. D. Gupta Non-Executive Director	Sitting Fees	Nil	Nil	35000	Nil	35000
6	Mr. Ashwani Kumar Rathore Non-Executive Director	Sitting Fees	Nil	Nil	20000	Nil	20000
7	Mr. Anil Gupta Non-Executive Director	Sitting Fees	Nil	Nil	15000	Nil	15000

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

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

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

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

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

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

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

## **5 STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

### **a) Composition**

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

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

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

**c) Investors Complaints received and resolved during the year 2016-17**

<b>Complaints Received</b>	<b>Complaints Resolved</b>	<b>Complaints Pending</b>
1	1	NIL

**d) Meetings:-**

During the year ending 31.03.2017, 36 (Thirty Six) Meetings of Stakeholder Relationship Committee were held. The Details of attendance of Members are as under:

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

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

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

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

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

**7 CODE OF CONDUCT:**

The Board of Directors of the Company have adopted Code of Business Conduct & Ethics. This Code is based on three fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary conduct and is applicable to all the Directors and senior management personnel. In terms of the requirements of SEBI Listing Regulations, 2015 the Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the company, [www.pasupatitextiles.com](http://www.pasupatitextiles.com). All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended 31<sup>st</sup> March, 2017 and a declaration to that effect signed by the Chairman & Managing Director is attached and forms part of this report.

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

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

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

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

### **9 PERFORMANCE EVALUATION:**

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

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

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

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

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

During the financial year 2016-2017 one (1) meeting was held on 14<sup>th</sup> February, 2017 which was attended by all the independent directors.

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

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

### **12 RELATED PARTY TRANSACTIONS**

Company has entered Related Party Transactions during the financial year 2016-17. All Related Party Transactions entered into during the year are on an arm's length basis and are in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with promoters, directors, Key Managerial Personnel or other designated persons which may have potential conflict with the interests of the Company at large. On the recommendation of the Audit Committee, the Board of Directors has adopted a policy on Related Party Transactions, which is also uploaded on the website of the Company [www.pasupatitextiles.com](http://www.pasupatitextiles.com) under the head 'Investor Relations'. The Policy envisages the procedure governing related party transactions required to be followed to ensure compliance with the applicable laws and regulations as well as to ensure that the Related Party Transactions are managed and disclosed in accordance with the strict legal and accounting requirements. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms & conditions of the transactions. The statement is supported by a certificate from the CMD and CFO. The particulars of related party transactions are given in form AOC-2 and is annexed as Annexure-E to Directors report. Web link where policy on dealing with related party transactions is:-

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

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

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

### **14 GENERAL BODY MEETINGS**

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

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

<b>Year</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>
2014	29.09.2014	Village Kapriwas (Dharuhera) Distt. Rewari, Haryana	10.00 A.M
2015	29-9-2015	-do-	10.00 A.M
2016	29 -9-2016	do	10.00 A.M

#### **Special Resolutions**

Three (3) Special Resolutions were passed at the 36th Annual General Meeting for F.Y 2015-16, Three (3) Special Resolutions were passed at the 35<sup>th</sup> Annual General meeting for F.Y 2014-15, and Eight (8) Special Resolutions were passed at the 34<sup>th</sup> Annual General Meeting F.Y 2013-14.

#### **Postal Ballot:**

For the year ended March 31, 2017 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

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

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

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

The 37th Annual General Meeting of the members of the company will be held at the registered office & works of the company at village Kapriwas (Dharuhera), Distt. Rewari, Haryana on Friday 29th September, 2017 at 10.00 A.M.

<b>Annual General Meeting</b>	
Date & Time	29-9-2017 at 10 A.M
Venue	Registered Office of the Company at Village Kapriwas (Dharuhera) Distt. Rewari, Haryana

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

Financial Year :	1st April – 31st March
Unaudited Results for the quarter ending 30th June, 2016	Mid of August, 2016
Unaudited Results for the quarter ending 30th September, 2016	Mid of November, 2016
Unaudited Results for the quarter ending 31st December, 2016	Mid of February, 2017
Audited Results for the year ending 31st March, 2017	end of May, 2017
Date of Book Closure	22 <sup>nd</sup> September ,2017 to 29 <sup>th</sup> September, 2017 ( Both Days are Inclusive)
Demat ISIN in CDSL/NSDL	INE909B01020

#Company has not declared any dividend during the year 2016-17.



**Listing at Stock Exchanges:**

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

S. No.	Stock Exchange Code No	Name of Stock Exchanges	Listing Fee Paid up to
1	A-1	Bombay Stock Exchange	F.Y 2016-17
2	A-2	Delhi Stock Exchange	F.Y 2004-05

**Market Price data : High/Low during the year 2016-17**

Month	High (Rs)	Low (Rs)	B S E SENSEX	
			High	Low
April, 2016	20.80	18.00	26100.54	24532.20
May, 2016	19.95	15.70	26837.20	25057.93
June, 2016	22.55	18.25	27105.41	25911.33
July, 2016	22.20	14.85	28240.20	27034.14
August, 2016	17.30	14.70	28532.25	27627.97
September, 2016	15.20	14.00	29077.28	27716.78
October, 2016	18.85	15.17	28477.65	27488.30
November, 2016	22.35	16.20	28029.80	25717.93
December, 2016	17.90	14.85	26803.76	25753.74
January, 2017	23.00	17.10	27980.39	26447.06
February, 2017	21.00	15.50	29065.31	27590.10
March, 2017	18.05	14.00	29824.62	28716.21

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

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

**Share Transfer System:**

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

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

**Distribution of Shareholding as on 31.03.2017:**

No. of Equity Shares Held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
Up to 500	6307	96.91	455593	4.88
501 - 1000	113	1.74	80549	0.86
1001 - 2000	41	0.63	60458	0.65
2001 – 3000	15	0.23	36068	0.39
3001 - 4000	7	0.11	24140	0.26
4001 - 5000	4	0.06	18730	0.20
5001 - 10000	5	0.08	35228	0.38
10001 and above	16	0.25	8626302	92.39
<b>TOTAL</b>	<b>6508</b>	<b>100</b>	<b>9337068</b>	<b>100</b>

**Dematerialisation of Shares:**

As on 31st March, 2017, 96.18% of the Company's equity shares were held in dematerialized form and balance are held in physical form. Trading in Company's shares is permitted only in demat form w.e.f. 06.09.2000 as per notification issued by the Securities & Exchange Board of India.

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

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

**Subsidiary Company**

Company does not have any subsidiary company.

**Plant Location:**

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

**Address for correspondence:-**

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

**Secretarial Department**

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

## **16 DISCLOSURES**

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

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

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

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

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

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

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

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

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

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

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

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

## **CEO / CFO Certification**

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

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

**Place :** New Delhi  
**Dated:** 30-5-2017

**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, 2017, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them

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

**Ramesh Kumar Jain.**

**Chairman & Managing Director**

**New Delhi,  
30-5-2017**

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

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

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

1. We have reviewed financial statements and the cash flow statement of Pasupati Spg & Wvg Mills Ltd for the year ended 31st March, 2017 and to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s Code of Conduct.

3. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company’s internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

5. We have indicated, based on our most recent evaluation, whenever applicable to the Auditors and the Audit Committee:

(i) that there are no significant changes in internal control over financial reporting during the year;

(ii) that there are no significant changes in accounting policies during the year; and

(iii) that there are no instances of significant fraud of which we have become aware.

**Ramesh Kumar Jain**  
Chairman & Managing Director

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

**Place: New Delhi**

**Date: 30-5-2017**

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

To  
The Members,  
PASUPATI SPINNING & WEAVING MILLS LIMITED

We have examined the compliance of conditions of Corporate Governance by Pasupati Spinning & Weaving Mills Limited ("the Company"), for the financial year ended on 31st March 2017, as per relevant provisions of Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 (Listing Regulations')

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

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

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

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

Subject to the above we clarify that the company has complied with the condition of corporate governance as stipulated in the above- mentioned Listing Agreement / SEBI (LODR) Regulations, 2015, as applicable.

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

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

Partner  
Membership Number: 085128

Place: New Delhi  
Date: 30-5-2017

## **Independent Auditors' Report**

To  
The Members of  
PASUPATI SPINNING & WEAVING MILLS LIMITED

### **1. Report on the Standalone Financial Statements**

We have audited the accompanying Statement of Standalone Financial Statements of PASUPATI SPINNING & WEAVING MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **2. Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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.

### **3. Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone 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 thereunder.

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 standalone financial statements.

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

The company has claimed additional compensation in respect of part of factory land acquired. The additional compensation demand is Rs.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. 33 of the accompanying notes to the financial statements).

## 5. Qualified Opinion

*In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its **profit** and its cash flows for the year ended on that date.*

## 6. Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**" a Statement on the matters specified in paragraphs 3 and 4 of the Order.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation and cash balance



certificate obtained from the management in respect of specified Bank notes (SBNs) and other denomination notes as at 08th November, 2016 and as at 31st December, 2016, we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the Management– Refer Note 45 to the financial statements

For B.K Shroff & Co  
Chartered Accountants  
Firm Registration Number : 302166E

Partner  
Membership Number: 085128

Place: New Delhi  
Date: 30<sup>th</sup> May, 2017

**Annexure A**

**Referred to in Paragraph 6(l) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Pasupati Spinning & Weaving Mills Limited on the standalone financial statements for the year ended 31<sup>st</sup> March 2017.**

<p>(i) (a)</p> <p>(b)</p> <p>(c)</p>	<p>The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>All the fixed assets have been physically verified by the management according to a regular program, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account.</p> <p>The title deeds of immovable properties are held in the name of the company.</p>												
<p>(ii)</p>	<p>Physical verification of inventory (except material lying with third party and material in transit) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. No material discrepancies with respect to book records were noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account.</p>												
<p>(iii)</p>	<p>The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and as such clauses (iii) (a), (b) and (c) of the order are not applicable to the company.</p>												
<p>(iv)</p>	<p>In our opinion and according to the information and explanations given to us no loans, investments, guarantees and security covered under section 185 and 186 of the Companies Act, 2013 has been given by the company.</p>												
<p>(v)</p>	<p>According to the information and explanation given to us, the company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of the order are not applicable to the company.</p>												
<p>(vi)</p>	<p>We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such accounts and records.</p>												
<p>(vii) (a)</p> <p>(b)</p>	<p>The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect thereof were outstanding as at 31st March,2017 for a period of more than six months from the date they became payable.</p> <p>According to the records of the company, dues of income-tax or Sales tax or service tax or duty of custom or duty of excise or value added tax which have not been deposited on account of any dispute are as under:-</p> <table border="1" data-bbox="292 1780 1412 1976"> <thead> <tr> <th>Name of the statute</th> <th>Nature of dues</th> <th>Amount Rs.</th> <th>Forum where pending</th> </tr> </thead> <tbody> <tr> <td>Central Excise Act</td> <td>Excise Duty</td> <td>9418907</td> <td>Hon'ble High Court of Punjab &amp; Haryana</td> </tr> <tr> <td>Central Excise Act</td> <td>Excise Duty</td> <td>2583953</td> <td>Central Excise &amp; Service Tax Tribunal</td> </tr> </tbody> </table>	Name of the statute	Nature of dues	Amount Rs.	Forum where pending	Central Excise Act	Excise Duty	9418907	Hon'ble High Court of Punjab & Haryana	Central Excise Act	Excise Duty	2583953	Central Excise & Service Tax Tribunal
Name of the statute	Nature of dues	Amount Rs.	Forum where pending										
Central Excise Act	Excise Duty	9418907	Hon'ble High Court of Punjab & Haryana										
Central Excise Act	Excise Duty	2583953	Central Excise & Service Tax Tribunal										

	Haryana Value Added Tax Act	VAT	4222661	Sales Tax Tribunal		
	Service Tax Act	Service Tax	229316	Central Excise & Service Tax Tribunal		
	Himachal Pradesh Value added Tax Act	VAT	347910	Commissioner (Appeals)		
(viii)	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 :					
	Name of the Institution	Nature of dues	Amount (Rs. In lacs)	Due Date	Remarks	
	Bank of Baroda	interest & charges	2.14	31.03.2017	Recovered by bank on 29.04.2017	
	State Bank of Travancore	Interest	1.42	31.03.2017	Recovered by bank on 05.04.2017	
	Nature of Limit	Name of the Bank	Limit (Rs. in lacs)	Balance as per Bank (Rs. in lacs)	Excess (Rs. in lacs)	Remarks
	Cash Credit	Canara Bank	734.50	741.09	6.59	Due to interest charged by bank on 31.3.2017 and paid subsequently
		State Bank of Patiala	421.00	425.00	4.00	
		State Bank of Travancore	562.00	566.78	4.78	
		Nainital Bank	103.00	105.71	2.71	
	Nature of Limit	Name of the Bank	Amount (Rs. In lacs)	Due Date	Remarks	
	Foreign bill purchased	Bank of Baroda	38.45	28.03.2017	Realized on 16.04.2017	
(ix)	In our opinion, moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.					
(x)	According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.					
(xi)	In our opinion, and according to the information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.					
(xii)	The company is not a nidhi company and hence provisions of clause (xii) of the order are not applicable to the company.					
(xiii)	In our opinion all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.					

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

For B.K Shroff & Co  
Chartered Accountants  
Firm Registration Number: 302166E

Partner  
Membership Number: 085128

Place : New Delhi  
Date : 30<sup>th</sup> May, 2017

**Annexure - B referred to in paragraph 6(II)(f) to the Independent Auditor's Report of even date on the Standalone Financial Statements of Pasupati Spinning & Weaving Mills Limited.**

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

We have audited the internal financial controls over financial reporting of Pasupati Spinning & Weaving Mills Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

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

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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts

and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI".

For B.K Shroff & Co.  
Chartered Accountants  
Firm Registration Number : 302166E

Partner  
Membership Number: 085128

Place: New Delhi  
Dated: 30<sup>th</sup> May, 2017

**PASUPATI SPINNING & WEAVING MILLS LIMITED**

**BALANCE SHEET**

**As at 31st March 2017**

Particulars	Note No.	As at 31.03.2017		As at 31.03.2016	
		Rs.		Rs.	
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	2	93,370,680	93,370,680		
Reserves & Surplus	3	<u>196,797,880</u>	290,168,560	<u>189,332,235</u>	282,702,915
<b>NON-CURRENT LIABILITIES</b>					
Long-Term Borrowings	4	108,028,920	100,619,719		
Deferred Tax Liability	5	11,396,051	13,314,781		
Other Long Term Liabilities	6	19,700	19,700		
Long Term Provisions	7	<u>9,003,462</u>	128,448,133	<u>8,964,035</u>	122,918,235
<b>CURRENT LIABILITIES</b>					
Short-Term Borrowings	8	354,791,790	357,893,002		
Trade Payables	9	199,970,325	219,335,367		
Other Current Liabilities	10	128,456,462	114,628,243		
Short Term Provisions	11	<u>6,033,458</u>	689,252,035	<u>3,708,018</u>	695,564,630
			<u>1,107,868,728</u>	<u>1,101,185,780</u>	
<b>ASSETS</b>					
<b>NON CURRENT ASSETS</b>					
Fixed Assets					
Tangible Assets	12	412,960,210	403,623,138		
Capital Work-in-Progress		-	450,937		
Non-Current Investments	13	1,052,792	1,052,792		
Long-Term Loans & Advances	14	<u>12,167,424</u>	426,180,426	<u>15,167,268</u>	420,294,135
<b>CURRENT ASSETS</b>					
Current Investments	15	-	-		
Inventories	16	314,185,636	341,389,078		
Trade Receivables	17	292,009,925	253,006,137		
Cash & Cash Equivalents	18	29,422,811	41,978,017		
Short Term Loans & Advances	19	26,709,016	28,778,453		
Other Current Assets	20	<u>19,360,914</u>	681,688,302	<u>15,739,960</u>	680,891,645
			<u>1,107,868,728</u>	<u>1,101,185,780</u>	

See accompanying notes to the financial statements

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

Ramesh Kumar Jain  
Chairman & Managing Director  
(DIN No. 00575142)

Vidit Jain  
Executive Director  
(DIN No.01347588)

Place : New Delhi  
Dated : May 30, 2017

Partner  
Membership No. 85128

Rekha Sharma  
Company Secretary

A.K. Monga  
Chief Financial Officer

**PASUPATI SPINNING & WEAVING MILLS LIMITED**

**PROFIT & LOSS STATEMENT**  
For the year ended 31st March 2017

Particulars	Note No.	Year ended 31.03.2017 Rs.	Year ended 31.03.2016 Rs.
Revenue from Operations	23	1,514,413,407	1,890,029,738
Other Income	24	14,852,262	9,469,400
<b>Total Revenue</b>		<b>1,529,265,669</b>	<b>1,899,499,138</b>
Expenses			
Cost of Materials Consumed	25	655,585,640	938,931,151
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	26	14,626,418	(9,063,588)
Share of Profit of Joint Venture partner	27	2,744,511	2,746,604
Employee Benefits Expense	28	194,469,103	178,666,375
Finance Costs	29	62,125,259	65,394,826
Depreciation and Amortisation Expense	30	41,785,051	40,051,600
Other Expenses	31	552,272,114	680,543,610
<b>Total Expenses</b>		<b>1,523,608,096</b>	<b>1,897,270,578</b>
Profit/(Loss) before tax		5,657,573	2,228,560
Tax Expense			
Income Tax		1,153,514	424,652
Deferred Tax		(1,918,730)	769,544
Earlier Year's Tax		110,658	244,810
MAT Credit Entitlement		(1,153,514)	(424,652)
<b>Profit/(Loss) for the year</b>		<b>7,465,645</b>	<b>1,214,206</b>
Earnings per Equity Share	32		
Basic & Diluted		0.80	0.13
See accompanying notes to the financial statements			

As per our report of even date annexed For B.K. SHROFF & CO. Chartered Accountants Firm Registration No. 302166E	Ramesh Kumar Jain Chairman & Managing Director (DIN No. 00575142)	Vidit Jain Executive Director (DIN No.01347588)
Partner Membership No. 85128	Rekha Sharma Company Secretary	A.K. Monga Chief Financial Officer
Place : New Delhi Dated : May 30, 2017		



**PASUPATI SPINNING & WEAVING MILLS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	Year ended 31.03.2017 Rs.	Year ended 31.03.2016 Rs.
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit/(Loss) before Tax and extraordinary item</b>	5,657,573	2,228,560
Adjustments for:		
Depreciation	41,785,051	40,051,600
Interest Income	(1,714,028)	(1,599,286)
Interest Charged	50,986,422	57,103,829
<b>Operating Profit before Working Capital Charges</b>	<u>96,715,018</u>	<u>97,784,703</u>
Adjustments for:		
Trade & Other Receivables	(36,394,988)	(2,458,375)
Inventories	27,203,442	21,921,985
Trade Payables & Other Liabilities	1,194,027	(28,568,544)
<b>Cash Generated from Operations</b>	<u>88,717,499</u>	<u>88,679,769</u>
Interest Paid	(53,549,315)	(58,123,193)
Taxes Paid	(47,622)	(244,422)
<b>Net Cash from Operating Activities</b>	<u>35,120,562</u>	<u>30,312,154</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(50,671,186)	(11,772,883)
Interest Received	1,219,381	1,486,899
<b>Net Cash used in Investing Activities</b>	<u>(49,451,805)</u>	<u>(10,285,984)</u>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Borrowings		
- Short Term	(3,101,212)	3,092,975
- Long Term	33,634,830	(19,920,984)
Repayment of Loans		
- Long Term	(28,757,581)	2,920,510
<b>Net Cash used in Financing Activities</b>	<u>1,776,037</u>	<u>(13,907,499)</u>
Net (Decrease)/Increase in Cash & Cash equivalents	(12,555,206)	6,118,671
Cash & Cash equivalents at start of the year	41,978,017	35,859,346
Cash & Cash equivalents at close of the year	29,422,811	41,978,017

Note: Brackets represent cash outflows

See accompanying notes to the financial statements

As per our report of even date annexed For B.K. SHROFF & CO. Chartered Accountants Firm Registration No. 302166E	Ramesh Kumar Jain Chairman & Managing Director (DIN No. 00575142)	Vidit Jain Executive Director (DIN No.01347588)
Partner Membership No. 85128	Rekha Sharma Company Secretary	A.K. Monga Chief Financial Officer
Place : New Delhi Dated : May 30, 2017		

## 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 & 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.

**PASUPATI SPINNING & WEAVING MILLS LIMITED**

**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 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
<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 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
<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

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

Name of the Shareholder	No. of Shares		% of Holding	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
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%

**PASUPATI SPINNING & WEAVING MILLS LIMITED**

**3 RESERVE & SURPLUS**

Particulars	Amount (Rs.)	
	As at 31.03.2017	As at
<b>Capital Reserve</b>		
At the beginning of the year	40,352,040	40,352,040
Add: Additions during the year	-	-
Less: Reduction during the year	-	-
At the end of the year	40,352,040	40,352,040
<b>Share Premium Account</b>		
At the beginning of the year	86,610,090	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
<b>Surplus</b>		
At the beginning of the year	62,370,105	61,155,899
Add: Additions during the year	7,465,645	1,214,206
Less: Reduction during the year	-	-
At the end of the year	69,835,750	62,370,105
<b>Total</b>	<b>196,797,880</b>	<b>189,332,235</b>

**4 LONG TERM BORROWINGS**

Particulars	Amount (Rs.)	
	As at 31.03.2017	As at
<b>Secured</b>		
- From Banks		
Term Loan	45,067,613	61,389,883
Vehicle Loans	9,260,336	7,130,822
Sub Total	54,327,949	68,520,705
Less: Transferred to Current maturity of long term debts (Refer note no. 10)	29,940,534	32,472,486
	24,387,415	36,048,219
<b>Unsecured</b>		
From Companies - Free of interest	83,641,505	64,571,500
<b>Total</b>	<b>108,028,920</b>	<b>100,619,719</b>

Notes: -

i) Term loan are secured on pari-passu basis by way of joint equitable mortgage of fixed assets of the company alongwith personal guarantee of the chairman & managing director (CMD). Loan of Rs.2410867 is additionally secured against pledged of 699115 equity shares held by promoters/associates.

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 31.03.2017	As at
Payable after 1 year	15,826,636	35,172,039
Payable after 2 years	5,058,435	18,013,287
Payable after 3 years	15,603,381	10,359,040
Payable after 4 years	14,690,830	9,401,853
Payable after 5 years	14,743,922	9,224,500
Payable after 6 years	14,225,215	9,224,500
Payable after 7 years	13,940,252	9,224,500
Payable after 8 years	13,940,249	-
<b>Total</b>	<b>108,028,920</b>	<b>100,619,719</b>

**5 DEFERRED TAX LIABILITIES (NET)**

Particulars	Amount (Rs.)	
	As at 31.03.2017	As at
<b>Deferred Tax (Liability)</b>		
Fixed Assets	(67,551,924)	(71,199,255)
Sub Total	(67,551,924)	(71,199,255)
<b>Deferred Tax Assets</b>		
Carry forward losses	49,434,229	51,869,397
Section 43B items	2,131,373	1,965,719
Provision for Gratuity	4,590,271	4,049,358
Sub Total	56,155,873	57,884,474
<b>Net deferred tax asset / (liability)</b>	<b>(11,396,051)</b>	<b>(13,314,781)</b>

Deferred tax assets in respect of amount disputed in appeals has not been considered. During the year, Rs.12649144 was allowed in appeal resulting in deferred tax asset for the year instead of deferred tax liability.

**PASUPATI SPINNING & WEAVING MILLS LIMITED**

**6 OTHER LONG TERM LIABILITIES**

Particulars	Amount (Rs.)	
	As at 31.03.2017	As at
Security Deposits	19,700	19,700
<b>Total</b>	<b>19,700</b>	<b>19,700</b>

**7 LONG TERM PROVISIONS**

Particulars	Amount (Rs.)	
	As at 31.03.2017	As at
Provisions for employees benefits	9,003,462	8,964,035
<b>Total</b>	<b>9,003,462</b>	<b>8,964,035</b>

**8 SHORT TERM BORROWINGS**

Particulars	Amount (Rs.)	
	As at 31.03.2017	As at
<b>Secured</b>		
Loans repayable on demand From Banks		
Working capital Loans	353,537,425	356,638,637
<b>Sub Total</b>	<b>353,537,425</b>	<b>356,638,637</b>
<b>Unsecured</b>		
Loans repayable on demand From Companies - Free of Interest	1,254,365	1,254,365
<b>Sub Total</b>	<b>1,254,365</b>	<b>1,254,365</b>
<b>Total</b>	<b>354,791,790</b>	<b>357,893,002</b>

Secured loans are secured against hypothecation of raw materials, finished goods, semi-finished goods, stores and spare parts, book debts, etc. together with second charge on all immovable/movable fixed assets of the company both present and future alongwith personal guarantee of CMD and two outsiders. The loans are further secured against pledge of 699115 equity shares of 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 31.03.2017	As at
Current maturity of long term debts	29,940,534	32,472,486
Interest accrued on borrowings	525,308	3,088,201
Advance from customers	10,939,567	4,496,954
Other liabilities	87,051,053	74,570,602
<b>Total</b>	<b>128,456,462</b>	<b>114,628,243</b>

Note: No unclaimed amounts were outstanding to be credited to investor education & protection fund as on 31.03.2017

**11 SHORT TERM PROVISIONS**

Particulars	Amount (Rs.)	
	As at 31.03.2017	As at
Provision for Income Tax	1,153,514	424,652
Provision for employees Benefits	4,879,944	3,283,366
<b>Total</b>	<b>6,033,458</b>	<b>3,708,018</b>

**PASUPATI SPINNING & WEAVING MILLS LIMITED**

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

Particulars	No. of Shares		Amount (Rs.)	
	As at	As at 31.03.2016	As at 31.03.2017	As at
<b>Equity Shares of Rs. 10 each</b>				
Quoted - Trade				
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
Quoted - Not-Trade				
Pasupati Fincap Limited	70,000	70,000	700,000	700,000
Unquoted - Non Trade				
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			539,746	279,817

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 31.03.2017	As at
Capital Advances	1,639,200	4,606,876
Security Deposits	10,528,224	10,560,392
<b>Total</b>	<b>12,167,424</b>	<b>15,167,268</b>

**15 CURRENT INVESTMENTS (At Cost)**

Particulars	No. of Shares		Amount (Rs.)	
	As at	As at 31.03.2016	As at 31.03.2017	As at
<b>Equity Shares of Rs. 10 each</b>				
Quoted - Not-Trade				
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 31.03.2017	As at
Stores & Spares	27,621,100	22,024,049
Raw Materials	5,236,920	21,993,619
Raw Materials in Transit	-	1,417,376
Finished goods	180,364,169	173,542,516
Semi-finished goods	100,242,793	120,981,282
Waste	720,654	1,430,236
<b>Total</b>	<b>314,185,636</b>	<b>341,389,078</b>

\*including in transit Rs. 10481322 (previous year Rs. 4988763)

**17 TRADE RECEIVABLES**

(Unsecured - considered good)

Particulars	Amount (Rs.)	
	As at 31.03.2017	As at
Exceeding six months	46,795,557	41,221,144
Others	245,214,368	211,784,993
<b>Total</b>	<b>292,009,925</b>	<b>253,006,137</b>

**PASUPATI SPINNING & WEAVING MILLS LIMITED**

**18 CASH & CASH EQUIVALENTS**

Particulars	Amount (Rs.)	
	As at 31.03.2017	As at
Cash in hand	1,948,178	8,153,706
Cheques/drafts in hand	6,127,357	5,450,687
Balances with Scheduled Banks		
Held as Margin/Security	18,440,132	23,774,726
Others	2,741,044	4,432,798
Balance in Post Office Savings Bank Account		
Held as Margin/Security	166,100	166,100
<b>Total</b>	<b>29,422,811</b>	<b>41,978,017</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 31.03.2017		As at 31.03.2016	
Loans				
- Staff		495,736		718,925
Advances (recoverable in cash or in kind or for value to be received)				
- considered good	23,800,971		26,314,298	
- considered doubtful	12,960,000		12,960,000	
	36,760,971		39,274,298	
Less : Provision for doubtful advances	12,960,000	23,800,971	12,960,000	26,314,298
Balance with Excise Department		1,253		-
Advance Payment of Taxes (including tax deducted at source)		2,411,056		1,745,230
<b>Total</b>		<b>26,709,016</b>		<b>28,778,453</b>

**20 OTHER CURRENT ASSETS**

(Unsecured - considered good)

Particulars	Amount (Rs.)	
	As at 31.03.2017	As at
Interest receivable	1,825,757	1,331,110
Other receivables	15,619,580	13,646,787
MAT Credit Entitlement	1,915,577	762,063
<b>Total</b>	<b>19,360,914</b>	<b>15,739,960</b>

**21 CONTINGENT LIABILITIES AND COMMITMENTS**

(to the extent not provided for)

Particulars	Amount (Rs.)	
	As at 31.03.2017	As at
Contingent Liabilities & Commitments		
A. Contingent Liabilities		
Letters of Credit outstanding	-	13,466,434
Bank Guarantees	7,653,500	7,653,500
Claims not acknowledged as debts	20,913,128	20,913,128
Excise Duty demands disputed by the Company	12,002,860	12,002,860
Sales Tax demands disputed by the company	4,570,571	4,570,571
Service Tax demands disputed by the company	229,316	229,316
Income tax demands disputed by the company	-	465,270
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	75,625,048	17,898,934

**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.

**PASUPATI SPINNING & WEAVING MILLS LIMITED**

**23 REVENUE FROM OPERATIONS**

Particulars	Amount (Rs.)	
	Year ended 31.03.2017	Year ended 31.03.2016
Gross Sales of Products*		
Sewing Thread	978,295,357	872,084,755
Polyester/Synthetic/Blended Yarn	198,230	488,959
Cotton Yarn	282,814,066	798,574,621
Fabrics	19,143,856	19,949,608
Garments	184,313,709	177,705,547
Others	11,513,963	21,229,802
	1,476,279,181	1,890,033,292
Less: Excise Duty	176,812	3,554
Net Sales of Products	1,476,102,369	1,890,029,738
Job Work Income	38,311,038	-
Net Revenue from Operations	1,514,413,407	1,890,029,738

\*Sales include Export Incentives

**24 OTHER INCOME**

Particulars	Amount (Rs.)	
	Year ended 31.03.2017	Year ended 31.03.2016
Rent	1,504,188	2,106,788
Interest from Banks & Others	1,714,028	1,599,286
Miscellaneous Receipts	3,048,516	1,911,086
Claims, Rebates & Discounts	-	1,120,913
Liabilities no longer required written back	1,310,613	2,339,080
Bad Debts/Advances provided in earlier years now recovered	-	378,492
Exchange Rate Fluctuations (Net)	572,241	-
Profit on cancellation of cotton contract	6,023,898	-
Royalty Income	673,306	-
Sundry Balances written off	5,472	2,374
Income relating to earlier years	-	11,381
Total	14,852,262	9,469,400

**25 RAW MATERIALS CONSUMED**

Particulars	Amount (Rs.)	
	Year ended 31.03.2017	Year ended 31.03.2016
Polyester/Synthetic Fibre		
At the beginning of the year	4,116,604	2,574,579
Add: Purchases during the year	311,328,215	269,075,430
Less: Consumption during the year	315,312,471	267,533,405
At the end of the year	132,348	4,116,604
Cotton		
At the beginning of the year	13,772,598	9,612,881
Add: Purchases during the year	189,955,397	558,486,686
Less: Consumption during the year	203,727,995	554,326,969
At the end of the year	-	13,772,598
Yarn		
At the beginning of the year	4,104,417	7,931,353
Add: Purchases during the year	136,663,108	110,330,889
Less: Consumption during the year	135,662,953	114,157,825
At the end of the year	5,104,572	4,104,417
Fabric		
At the beginning of the year	-	-
Add: Purchases during the year	882,221	2,912,952
Less: Consumption during the year	882,221	2,912,952
At the end of the year	-	-
Total		
At the beginning of the year	21,993,619	20,118,813
Add: Purchases during the year	638,828,941	940,805,957
Less: Consumption during the year	655,585,640	938,931,151
At the end of the year	5,236,920	21,993,619



**PASUPATI SPINNING & WEAVING MILLS LIMITED**

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

Particulars	Amount (Rs.)	
	Year ended 31.03.2017	Year ended 31.03.2016
Closing Stocks		
Finished Goods	180,364,169	173,542,516
Semi-finished Goods	100,242,793	120,981,282
Waste	720,654	1,430,236
	<b>281,327,616</b>	<b>295,954,034</b>
Opening Stocks		
Finished Goods	173,542,516	179,344,848
Semi-finished Goods	120,981,282	105,779,093
Waste	1,430,236	1,766,505
	<b>295,954,034</b>	<b>286,890,446</b>
Change in Inventories of Finished Goods, Work in Progress and Stock in Trade	<b>14,626,418</b>	<b>(9,063,588)</b>

- 27 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. 2744511 (previous year Rs.2746604) for the year has been adjusted in the accounts of Pasupati, the details of which are as under: -

Particulars	Amount (Rs.)	
	Year ended 31.03.2017	Year ended 31.03.2016
Sales(net of excise)	144,841,484	459,681,324
Other Income	-	10
Total Income	<b>144,841,484</b>	<b>459,681,334</b>
Cost of material consumed	105,138,657	304,655,468
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	(8,783,923)	362,243
Job work charges	37,594,806	126,148,354
Other Expenses	7,232,596	24,853,130
	<b>141,182,136</b>	<b>456,019,195</b>
Profit for the year	<b>3,659,348</b>	<b>3,662,139</b>
Share of profit of Star @ 75%	<b>2,744,511</b>	<b>2,746,604</b>

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

Particulars	Amount (Rs.)			
	As at 31.03.2017		As at 31.03.2016	
PASUPATI'S CONTRIBUTION		22,988,503		(9,746,330)
CURRENT LIABILITIES				
Short-Term Borrowings	1,254,365		1,254,365	
Trade Payables	7,481,879		43,659,897	
Other Current Liabilities	57,215	8,793,459	549,333	45,463,595
		<b>31,781,962</b>		<b>35,717,265</b>
CURRENT ASSETS				
Inventories	17,215,603		15,991,170	
Trade Receivables	1,668,239		3,925,343	
Cash & Cash Equivalents	-		16,500	
Short Term Loans & Advances*	12,898,120	31,781,962	15,784,252	35,717,265
		<b>31,781,962</b>		<b>35,717,265</b>

\* Includes Rs. 12645900 (previous year Rs. 15390411) due from Star

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

PASUPATI SPINNING & WEAVING MILLS LIMITED

28 EMPLOYEE BENEFITS EXPENSE

Particulars	Amount (Rs.)	
	Year ended 31.03.2017	Year ended 31.03.2016
Salaries, Wages, Bonus & Other benefits	182,754,663	165,323,851
Gratuity	2,410,999	2,523,467
Contribution to Provident Fund, Employees' State Insurance etc.	6,395,994	8,244,122
Workmen & Staff Welfare expenses	2,897,894	2,472,131
Staff Recruitment & Training expenses	9,553	102,804
<b>Total</b>	<b>194,469,103</b>	<b>178,666,375</b>

EMPLOYEE POST RETIREMENT BENEFITS

Particulars	Amount (Rs.)	
	Year ended 31.03.2017	Year ended 31.03.2016
a) State Plans Contribution made by the company to various state plans which have been recognized as an expense in the profit & loss statement are: -		
Employer's contribution to Employees State Insurance Scheme	1,707,931	2,422,586
Employer's contribution to Employees Provident Fund	4,688,063	5,821,536
b) Defined Benefit Plan The present value of obligation on account of gratuity (unfunded) is determined based on actuarial valuation		
I. <b>Assumptions</b>		
Discount Rate	6.95%	7.80%
Rate of increase in Compensation	7.00%	7.00%
II. <b>Table showing Changes in Present Value of Obligations during the period</b>		
Present Value of Obligation as at the beginning of the period	12,247,401	10,171,869
Interest cost	954,618	815,486
Current Service Cost	1,825,028	2,032,288
Benefit paid	(774,994)	(447,935)
Actuarial (gain) / loss on obligations	(368,647)	(324,307)
Present Value of Obligation as at the end of the period	13,883,406	12,247,401
III. <b>Table showing Fair Value of Plan Assets</b>		
Funded Status	(13,883,406)	(12,247,401)
IV. <b>Actuarial gain / loss recognized for the period</b>		
Actuarial gain / (loss) for the period –	368,647	324,307
Total (gain) / loss for the period	(368,647)	(324,307)
Actuarial (gain) / loss recognized in the period	(368,647)	(324,307)
V. <b>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	13,883,406	12,247,401
Funded Status	(13,883,406)	(12,247,401)
Net Liability Recognized in Balance sheet	13,883,406	12,247,401
VI. <b>Expense recognized in the statement of profit and loss for the period</b>		
Current Service Cost	1,825,028	2,032,288
Interest cost	954,618	815,486
Net actuarial (gain) / loss recognized in the period	(368,647)	(324,307)
Expenses Recognized in the statement of Profit & Loss	2,410,999	2,523,467

Notes: -

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

**PASUPATI SPINNING & WEAVING MILLS LIMITED**

**29 FINANCE COSTS**

Particulars	Amount (Rs.)	
	Year ended 31.03.2017	Year ended 31.03.2016
Interest	50,986,422	57,103,829
Bank & Finance procurement expenses	11,138,837	8,290,997
<b>Total</b>	<b>62,125,259</b>	<b>65,394,826</b>

**30 DEPRECIATION & AMORTISATION EXPENSE**

Particulars	Amount (Rs.)	
	Year ended 31.03.2017	Year ended 31.03.2016
Depreciation	41,785,051	40,051,600
<b>Total</b>	<b>41,785,051</b>	<b>40,051,600</b>

**31 OTHER EXPENSES**

Particulars	Amount (Rs.)	
	Year ended 31.03.2017	Year ended 31.03.2016
Consumption of Stores, Spare, Dyes, Chemicals and Packing Materials	141,694,510	138,894,916
Job Work expenses	83,063,065	203,994,708
Power & Fuel	188,417,031	196,965,439
Rent	8,588,015	7,122,906
Repairs to Buildings	1,918,586	1,013,513
Repairs to Machinery	1,248,846	903,667
Insurance	1,847,996	2,011,547
Rates & Taxes	2,577,602	3,329,892
Travelling & Conveyance	14,329,944	14,872,146
Directors' sitting fees	90,000	85,000
Difference in Exchange (Net)	-	1,017,422
Irrecoverable claims written off	840	517,631
Charity & Donation	61,007	79,632
Bad Debts/Advances written off	1,270,503	567,031
Freight & Forwarding Charges	38,494,593	33,178,068
Packing Expenses	18,189,081	20,199,294
Claims, Rebate & Discount	17,339,740	25,033,007
Other Selling Expenses	9,606,281	6,625,245
Miscellaneous Expenses	22,444,102	23,043,296
Previous Year Expenses	15,872	17,250
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	98,500	96,000
<b>Total</b>	<b>552,272,114</b>	<b>680,543,610</b>

**32 EARNING PER SHARE (EPS)**

Particulars	Amount (Rs.)	
	Year ended 31.03.2017	Year ended 31.03.2016
<b>Basic and Diluted</b>		
Net Profit after tax	7,465,645	1,214,208
Total No. of Equity Shares	9,337,068	9,337,068
Earning per share	0.80	0.13

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

**PASUPATI SPINNING & WEAVING MILLS LIMITED**

**34 Related Party Disclosure:**

Names of related parties and description of relationship

- i) Key Management Personnel and their relatives  
 Shri Ramesh Kumar Jain - CMD  
 Shri Vidit Jain - ED  
 Shri Jitender Malik, WTD (from 1.04.2016)  
 Shri Ram Karan Bhardwaj, WTD (ceased to be a director from 18.7.2015)  
 Shri Vinod Katyal, WTD (from 14.08.2015 to 09.01.2016)  
 Smt. Vrinda Jain , Director  
 Shri Praveen Paliwal, Director  
 Shri Ghanshyam Das Gupta, Director  
 Shri Ashwani Kumar Rathore, Director  
 Shri Anil Gupta, Director  
 Smt. Leeza Anand, Relative of Director  
 Smt. Vimal Bhardwaj, Relative of Director  
 Smt. Anubha Bhardwaj, Relative of Director  
 Shri Aditya Bhardwaj, Relative of Director
- ii) Associate  
 Shivani Textiles Limited  
 Pasupati Olefin Limited  
 Sulabh Impex Limited

Particulars	Amount (Rs.)		
	Key Management Personnel and	Associate	Total
Remuneration paid	2,798,195 (2,065,303)	- ( - )	2,798,195 (2,065,303)
Sitting Fee paid	90,000 (85,000)	- ( - )	90,000 (85,000)
Rent paid	1,034,250 (641,163)	1,034,250 (128,813)	2,068,500 (769,976)
Purchases	- ( - )	882,221 (2,912,952)	882,221 (2,912,952)
Sales	- ( - )	8,270,418 (17,366,903)	8,270,418 (17,366,903)
Job Work Charges paid	- ( - )	24,077,994 (40,219,146)	24,077,994 (40,219,146)
Vehicle hire charges paid	- ( - )	- (510,000)	- (510,000)
Loans received	- ( - )	19,070,005 ( - )	19,070,005 ( - )
Balance outstanding at the end of year			
Loans Outstanding	- ( - )	42,206,505 (23,136,500)	42,206,505 (23,136,500)
Amount Receivable	- ( - )	11,649,313 (4,855,842)	11,649,313 (4,855,842)

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

- 35 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

**36 MANAGERIAL REMUNERATION**

Particulars	Amount (Rs.)	
	Year ended 31.03.2017	Year ended 31.03.2016
Salary	1,920,000	1,362,580
Contribution to Provident and Other Funds	86,400	86,400
Other Benefits	791,795	616,323

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

- 37 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.

**PASUPATI SPINNING & WEAVING MILLS LIMITED**

- 38 In pursuance of Accounting Standard on Impairment of Assets (AS28) issued by The Institute of Chartered Accountants of India the company has identified and impaired certain assets / cash generating units. There is no further impairment / reversal during the year.
- 39 Balance of sundry creditors, sundry debtors, investments and loans and advances are subject to confirmation and reconciliation
- 40 Previous year figures have been regrouped and / or re-arranged wherever considered necessary
- 41 Paise have been rounded off to the nearest rupee

**42 OPERATING LEASE**

As Lessee

The Company has taken generators on hire for which total rent of Rs.1423837 (previous year Rs. 1412125) has been paid, which is being recognized as an expense in the statement of profit & loss statement. The period of hire in not contracted and hence future lease payments are not determinable. The assets have not been subleased

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

Class of Goods	Year ended 31.03.2017		Year ended 31.03.2016	
	%	Amount (Rs.)	%	Amount (Rs.)
Raw Materials				
Imported	0.18%	1,154,892	0.47%	4,375,769
Indigenous	99.82%	654,430,748	99.53%	934,555,382
Total	100.00%	655,585,640	100.00%	938,931,151
Stores, Dyes & Packing materials				
Imported	11.22%	15,904,490	4.19%	5,825,337
Indigenous	88.78%	125,790,020	95.81%	133,069,579
Total	100.00%	141,694,510	100.00%	138,894,916

**44 OTHER INFORMATIONS**

Particulars	Amount (Rs.)	
	Year ended 31.03.2017	Year ended 31.03.2016
C.I.F. value of Imports		
Raw Materials	807,040	1,280,065
Stores & Spares	8,958,768	6,377,335
Expenditure in foreign currency		
Travelling (does not include cost of air tickets)	1,684,359	652,219
Commission & Brokerage	5,808,437	3,412,994
Claims	-	3,088
Earnings in Foreign currency		
FOB Value of Exports (Does not include export through merchant exporters)	270,509,515	95,978,676

**45 Details of Specufued Bank Notes (SBN) held and transacted during the period from 08.11.2016 to 30.12.2016 are as follo**

	SBNs (Rs.)	Other denomination notes (Rs.)	Total (Rs.)
Closing cash in hand as on 08.11.2016	8,034,000	999,174	9,033,174
(+) Cash Withdrawals from Bank	-	2,960,000	2,960,000
(+) Permitted receipts	-	577,974	577,974
(+) Transferred from other unit/Factory	-	-	-
(-) Permitted payments	542,000	3,256,836	3,798,836
(-) Transferred to other unit/Factory	-	-	-
(-) Amount deposited in Banks	7,492,000	427	7,492,427
Closing cash in hand as on 30.12.2016	-	1,279,885	1,279,885

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

Ramesh Kumar jain  
Chairman & Managing Director  
(DIN No. 00575142)

Vidit Jain  
Executive Director  
(DIN No.01347588)

Partner  
Membership No. 85128

Rekha Sharma  
Company Secretary

A.K. Monga  
Chief Financial Officer

Place : New Delhi  
Dated : May 30, 2017

**PASUPATI SPINNING & WEAVING MILLS LTD.**

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

**PROXY FORM**

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

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

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

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

1. Name: .....

Address: .....

E-mail Id: .....

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

2. Name: .....

Address: .....

E-mail Id: .....

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

3 Name: .....

Address: .....

E-mail Id: .....

Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual general meeting of the company, to be held on Friday, the 29th September, 2017, 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,2017, Reports of the Board of Directors and the Auditors.		
2.	To re-appoint Ms. Vrinda Jain (DIN-06641054) as Director who retire by rotation.		

3.	To appoint M/s Suresh Kumar & Mittal Chartered Accountants ( Firm Registration No.: 500063N)-		
4.	To approve the remuneration of the cost auditors.		
5.	To approve the related party transactions.		

Signed this ----- day of----- 2017

Signature of shareholder-----Signature of Proxy

Holder(s) -----

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

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

**Notes:**

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

**ATTENDENCE SLIP**

**PASUPATI SPINNING & WEAVING MILLS LTD.**

**CIN L74900HR1979PLC009789**

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

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

**Tel: 011-47632200, Website: www.pasupatitextiles.com**

**E-mail:rekhasharma@pasupatitextiles.com**

I hereby record my presence at the 37<sup>th</sup> Annual General Meeting being held on Friday, the 29<sup>th</sup> September, 2017 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.