



27th

Annual Report
2014–2015

SUPREME TEX MART LIMITED

MANAGEMENT

BOARD OF DIRECTORS

Mr. Sanjay Ahuja
Mr. A.P. Gupta
Mr. Daljeet Singh Sandhu
Mr. Ajay Gupta
Mr. Gautam Gupta
Mr. Lalit Singh
Ms. Simpal Kumari
Ms. Shivali Gupta

Company Secretary
Mrs. Manpreet Kaur

Bankers

State Bank of India
Punjab National Bank
UCO Bank
Allahabad Bank
IDBI Bank Limited
Punjab & Sind Bank
Central Bank of India
Union Bank of India
SBER Bank

Registrar & Share Transfer Agent

Ms/- Beetal Financial & Computer
Service (P) Limited, Beetal House
,3rd Floor,99, Madangir, Bh-Local Shopping
Complex, Near Daba Harsukhdas
Mandir, New Delhi - 110062
Demat At CDSL & NSDL ISIN
INE651G01027

Registered Office

424, Industrial Area -A, Ludhiana-141003
E-mail: info@supremetexmart.com
Phone: 0161-2600593, 2222719
6614400,CINNO: L17117PB1988PLC016933
Fax: 0161-2609949

Chairman

Managing Director
Jt. Managing Director

Works

1. Spinning Unit-1
Village Kangnawal, P.O. Jugiana,
Ludhiana
 2. Spinning Unit-2
Village Kanganwal, P.O. Jugiana,
Ludhiana
 3. Dyeing Unit B-72
Phase-VIII, Focal Point, Ludhiana.
 4. Apparels & Knits Unit
Village Paharuwal,
P.o. Budhewal, Chandigarh Road,
Ludhiana.
 5. Hand Knitting Yarn Unit.
B-72, Phase-VIII, Focal Point,
Ludhiana
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DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 27th Annual Report on the business and operations of the Company together with the audited Financial Accounts for the year ended March 31, 2015. The Management Discussion and Analysis has also been incorporated into this report.

1. HIGHLIGHTS OF PERFORMANCE

- The net sale for the year is ₹429.92 as compared to ₹ 830.66 Crore of previous year.
- The Net Loss for the year ended 31.03.2015 is ₹. 208.34 Crore as compare to Net Profit of ₹ 1.15 Crores for the previous year.

2. FINANCIAL RESULTS

Amount (₹ In Crore)

Particulars	Year ending 31.03.2015	Year ending 31.03.2014
Net Turnover	429.92	830.66
Profit before Depreciation	(61.34)	26.91
Profit / Loss(-) before Tax	(208.34)	0.31
Less Provision for Tax (including deferred and fringe benefit tax)	0	(0.84)
Profit / Loss(-) after Taxes	(208.34)	1.15

3. RESERVE

Due to losses in the current year, the company has not transferred any amount in any reserve.

4. DIVIDEND

In view of heavy losses company has decided not to declare any dividend.

5. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2015 is ₹34.11 Crores. During the year under review, the Company has not issued shares with differential voting rights or not granted stock options or not issued sweat equity or not purchased its own shares.

Company's accumulated losses have exceeded its entire net worth as on 31.03.2015 and has become Sick Industrial Company in accordance with the provisions of Sick Industrial Companies (Special Provisions) Act, 1985.

6. FINANCE

Cash and Cash equivalent as at 31st March, 2015 is ₹ 12.69 Crore. The Company continues to focus on judicious management of working capital. Working Capital parameters are kept under strict check through continuous monitoring.

6.1 DEPOSITS

During the year, Company has not accepted deposit from the public falling within the ambit of Section 73 of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

6.2 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Detail of Loans, Guarantees and Investments covered

under the provisions of Section 186 of the Companies Act, 2013 are given in the notes of Financial Statements.

7. INDUSTRY AND ECONOMIC SCENARIO & OUTLOOK

Indian economic growth in 2014 rose to 5.2% from 4.7% last year as a result of the improving macro-economic situation. The wholesale and consumer price inflation has fallen to 4.2% and 7.4% from last year's 6.3% and 10.1% on the back of a strong base effect. However, the slow pace of reforms, lack of impetus for infrastructure projects, high interest rates and tightening of fiscal policies adversely impacted the capital goods sector. Industrial production / output was also sluggish. The low economic growth appears to have bottomed out and a gradual increase in economic activity is expected in 2015. With the coming of new Govt. in the Centre it is expected that the economy should grow in the coming years and the demand for and prices of textile products should improve which will enable the Company to regain steady or better performance.

8. FINANCIAL / OPERATIONAL PERFORMANCE

Supreme is manufacturer and exporter of cotton yarn, synthetic yarn, blended yarn, knitted fabric (both grey and processed) and knitted garments. During the year under review, the Company's exports (FOB value) were to the tune of ₹104.28 crore and accounts for about 24.26% of company's revenues. The company has identified two segment yarn segment and garments segment. The yarn segment comprises production of various types of yarn (from cotton, manmade fibers and blend thereof) and yarn processing activities. Garment segment comprises of knitted garments.

9. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has formed requisite CSR Committee and CSR policy was also approved by the Board during the year, as per the requirement of Companies Act, 2013. The details of the CSR Committee and CSR Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

The Report of the Corporate Social Responsibility (CSR) Activities is annexed herewith as "Annexure A".

10. HUMAN RESOURCES

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. Talent Management is a key people planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within our organization. STML has kept a sharp focus on Employee Engagement.

11. BUSINESS RISK MANAGEMENT

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Business Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.



The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The key business risks identified by the Company and its mitigation plans are as under.

Foreign Exchange Risks:-

Around 20% of the Total Revenue of the Company is generated through Export sales. In this way the Company has to deal with foreign currency from time to time. The Company uses various types of foreign currency forward & option contracts to hedge the risks associated with fluctuations in the foreign currency.

Risk related to Personnel:

Our business is increasingly dependent on the skills and competencies of our employees and management team. The general war for talent in our growing economy has created a substantial risk related to the retention of key personnel both in manufacturing and managerial levels. This risk is mitigated through effective HR policies relating to recruitment and retention and a proactive remuneration and rewards policy that is periodically reviewed at the highest management level.

With excellent performance track as well as best HR practices we are able to attract and retain people for growth of our business.

Risk related to Safety:-

The company has taken adequate insurance covers to indemnify the risks associated with the safety of personnel, building, stock and other infrastructure of the Company. These include:

1. Fire Insurance Policies.
2. Marine/Transit Insurance Policies.
3. Theft Insurance Policies.
4. Other Miscellaneous Policies.

The company has also taken steps to strengthen IT security system as well as physical security system at all our locations

Compliance Related Risks:-

The Company is committed to being a responsible corporate citizen and respects the laws and regulations of the country. All the compliances under various laws applicable to the Company, including under Companies Act 1956/2013, Factories Act, Income Tax Act 1961 etc., are followed in Letter & Spirit.

12. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and

regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them from time to time.

13. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Fraud Risk Management Policy (FRM) to deal with instance of fraud and mismanagement, if any. The details of the FRM Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

14. SUBSIDIARY COMPANIES

Company does not have any Subsidiary Company.

15. EXPANSION PLAN

No expansion was done during the Financial Year 2014-15.

16. DIRECTORS/KMP

Mr. Ashok Kumar Singla (DIN No 00285760) and Ms. Simpal Kumari (DIN No 07130429) were appointed on 01.05.2014 and 31.03.2015 respectively as an additional Director during the year to hold the office up to the conclusion of the ensuing Annual general Meeting. Punjab State Industrial & Development Corporation Ltd. (PSIDC) withdrew the nomination of Mr. Ajay Mahajan (DIN No 00648889) w.e.f 30.06.2014, from the Board of the Company, Mr. S.K Ahuja (DIN No 00399501) existing Nominee Director of PSIDC was appointed as a new Chairman of the Company in place of Mr. Ajay Mahajan and Mr. L K Singla (DIN No 03591398) was appointed as a new Nominee Director by PSIDC w.e.f. 03.03.2015. Mr. Inderpal Singh- was appointed as CFO (Key Managerial Personnel as per the requirement of Section 203 of the Companies Act, 2013) of the Company. The appointment of Mr. Ajay Gupta- DIN No 00842248 (Managing Director) and Mr. Robin Vijan (Company Secretary) was approved as KMP.

In the month of May, 2015 Mr. Robin Vijan resigned from the Company Secretary post as well as from KMP of the Company and Ms. Manpreet Kaur appointed as Company Secretary and KMP w.e.f. June 01, 2015. In June, 2015 Mr. Ashok Kumar Singla, Independent Director also resigned from the Directorship of the Company and Ms. Shivali Gupta (DIN 07014359) was appointed as additional Director of the Board of the Company.

Mr. Gautam Gupta (DIN No 02642545) and Mr. A. P. Gupta (DIN No 00421536) - Directors are liable to retire by rotation at the ensuing Annual General Meeting of the Company. In accordance with the provisions of Section 149 of the Companies Act, 2013 and the Rules made there under, approval of the Members will be sought at the ensuing Annual General Meeting of the Company for the appointment of Ms. Simpal Kumari and Ms. Shivali Gupta - Director as an Independent Director of the Company not liable to retire by rotation, for a term of five years.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Declarations by Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 146(6) of the companies Act 2013 and clause 49 of the listing Agreement.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year Five (5) Board Meetings and Four (4) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

17. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the informations and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- i) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there are no material departure;
- ii) that they have, in the selection of the Accounting Policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz. 31.03.2015 and of the profit of the Company for that period;
- iii) that they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956/ Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that they have prepared the annual accounts on a going concern basis;
- v) that proper internal financial controls were in place

and that the financial controls were adequate and were operating effectively;

- vi) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

18. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were 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 a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The statement is supported by a Certificate from MD and CFO. The Company has developed a Related Party Transactions Manual, Standard Operating Procedures for purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

None of the Independent Directors has any pecuniary relationships or transactions vis-à-vis the Company.

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there are not any significant and material orders passed by the Regulators or Courts to the Company.

20. AUDITORS**a. STATUTORY AUDITORS:-**

The Company's Auditors, M/s. Ashish Agarwal & Co., (FRN:010788N) Chartered Accountants, Ludhiana are retiring at the ensuing Annual General Meeting of the Company.

M/s Sanjeev Jethi & Associates (FRN : 023587N), Chartered Accountant, Ludhiana is appointed as Statutory Auditors subject to the approval of the shareholders for the Financial year 2015-16 in place of M/s. Ashish Agarwal & Co., (FRN: 010788N), Chartered Accountant, Ludhiana. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for

reappointment as Auditors of the Company.

Members' attention is invited to the observation made by the Auditors under "Emphasis of matter" appearing in Auditors Reports. The observation made by auditor's in their report alongwith the management replies on it are as follows:

1. *Remark of company in reference of auditor's Qualification in their report in Point No. 5 (i) is that the Company has the practice to confirm balances from the periodical Statements of Account received from all the parties; however, Auditors have not recognized it as an alternative procedure with regard to verification of the balances.*
2. *Remark of company in reference of auditor's Qualification in their report in Point No. 5 (ii) is that amount in question is outstanding export proceeds which are overdue for more than one year and in spite of a lot of efforts by Company, the amount is still outstanding. Although company is trying its best to recover the amount, but for the prudent accounting, degree of risk involved, better transparency and for depicting true and fair picture, it was considered sensible to book the provision.*
3. *Remark of company in reference of auditor's Qualification in their report in Point No. 5 (iii) is that he negative net worth and business loss is temporary phenomena arising due to sub-optimum capacity utilization and unsustainable debt burden. The recoverable amount of assets is more than the carrying value; therefore there is no need to recognize any loss on account of impairment of assets.*
4. *Remark of company in reference of auditor's Qualification in their report in Point No. 5 (iv and v) is that Some of the Banks have categorized the account as NPA and are not booking interest in our Account, hence on the same lines; company is also not booking the same. In case company would have booked this Expenses of Rs. 1241.78 Lacs, our EPS would have been Rs. (32.36).*
5. *Remark of company in reference of auditor's Qualification in their report in Point No. 5 (vi) is that in the absence of valuation by Actuarial Company has made the Valuation of Gratuity on estimated basis on the same guidelines which the Actuarial would have followed.*
6. *Remark of the company in reference of Auditor's Qualification regarding verification of Fixed Assets under Annexure to Auditor's Report in Clause (i) is that the fixed assets of the company are being physically verified regularly. The machinery of the company is consisting of big machines which are very easy to verify and company does not need any specialist to physically verify.*
7. *Remark of the company in reference of Auditor's*

Qualification regarding verification of Fixed Assets under Annexure to Auditor's Report in Clause (ii) is that Company has been doing physical verification as an ongoing process and its scope and coverage is 100% of stocks. Moreover, company is also getting physical verification of all of its stocks from independent Stock Auditors, duly empanelled with SBI, once or twice every year.

8. *The company does not have adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services under Clause (iv) of the Annexure to Auditor's Report.*

Company's Remarks: Company has adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. These systems are in place since the inception of the company.

It is pertinent to note that all the inadequacy of systems referred by the Statutory Auditors were perfect till the last financial year as per their Report of the previous years.

9. *In reference of qualification given under Clause (vii) to Annexure to Auditor's Report, the Management clarifies that due to substantial losses, company has not been able to meet its liabilities on their respective due dates.*

b. COST AUDITORS:-

For the Financial Year 2014-15, Company wasn't required to appoint Cost Auditors, as per the requirement of Companies act, 2013. With the new Costing Rules, now the Company again will be required to appoint Cost Auditor for the Financial Year 2015-16. The Board on the recommendation of Audit Committee, appointed M/s. S.K Verma and Associates (FRN 101072) as Cost Auditors for the Financial Year 2015-16 and the remuneration of the Cost Auditor decided by the Board need to be ratified by the Members in the AGM.

c. SECRETARIAL AUDIT:-

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Rajeev Bhambri & Associates, (Membership No 4327) a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for Financial year 2014-15. The Report of the Secretarial Audit Report is annexed herewith as "Annexure B".

The Board on the recommendation of Audit Committee, appointed M/s. Rajeev Bhambri & Associates as Secretarial Auditors for the Financial Year 2015-16.



21. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from Practicing Company Secretary confirming compliance forms an integral part of this Report.

22. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, 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 C".

24. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure D".

25. LISTING

Shares of the company are listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

26. PARTICULARS OF EMPLOYEES

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Board's report.

Since there is no employee receiving remuneration of ₹ 60 lakh or more, or employed for part of the year and in receipt of ₹ 5 lakh or more a month, there is no information requires to be given under

Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

27. APPRECIATION AND ACKNOWLEDGEMENTS

Your Directors take this opportunity to express gratitude for valuable assistance and co-operation extended to the Company by Financial Institutions, Employees, Commercial Banks and other authorities.

28. CAUTIONARY STATEMENT

Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

For and on behalf of the Board

Place: Ludhiana
Date : 23.06.2015

sd/-
Ajay Gupta
Managing Director
DIN: 00842248

sd/-
Gautam Gupta
Jt. Managing Director
DIN : 02642545



ANNEXURE "A" TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. The CSR Policy of the Company was approved by the Board in the Meeting held on 30.05.2014. A brief outline of the Company's CSR policy, including objectives, areas to be covered, Scope etc is mentioned on the Web Site of the Company.

2. Composition of the CSR Committee:

- i) Mr. Daljeet Singh Sandhu, Chairman
- ii) Mr. Ajay Gupta, Member
- iii) Mr. Kuldeep Singh, Member

3. Details of CSR spend for the financial year:

During the year 2014-15, the Company suffered heavy losses. Due to such heavy losses it was decided by the Board not to incur any expenditure on CSR activity during this year.

CSR POLICY

(Approved by the Board of Directors on May 30, 2014)

The Board in its Meeting held on 30.05.2014 approved the CSR policy with the following objectives.

Supreme Tex Mart Limited (STML) CSR policy intends to:

- I) Strive for economic growth that positively impacts the society at large with a minimal resource footprint.
- ii) Embrace responsibility for the Company's actions and

encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

SCOPE

In accordance with the requirements under the Companies Act, 2013, STML CSR activities will focus on:

- i. Education
- ii. Water Supply including drinking water.
- iii. Health care by providing Indoor medical facilities and medicines
- iv. Employment
- v. Sports and culture.
- vi. Generation of employment
- vii. Infrastructure Support
- viii. Grant/donation/financial assistance/sponsorship to reputed NGOs of the Society/locality doing/involve in up-liftment of the standard of the society.
- ix. Empowerment of women for education/health & self employment.
- x. Relief of victims of Natural Calamities like Earth Quake, Cyclone, Draught and Flood situation in any part of the country.



ANNEXURE “B” TO THE DIRECTORS' REPORT

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2015
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

**The Members,
Supreme Tex Mart Limited,
424, Industrial Area - A,
Ludhiana.**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Supreme Tex Mart Limited (hereinafter called the **Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (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;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) **We 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 laws relating to all labour & industrial laws, The Competition Act, 2012, all environmental laws.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the audit period).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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

- a) *We have observed that Company's accumulated losses have exceeded its entire net worth as on 31.03.2015 and has become Sick Industrial Company in accordance with the provisions of Sick Industrial Companies (Special Provisions)*



- Act, 1985.
- b) *Financial Results for the Quarter ended March 2014 were submitted after due date as per the timeline stipulated in Clause 41 of the Listing Agreement.*
- c) *The statutory payments as required under Employee State Insurance Act, 1948 for the period from November 2014 to March 2015 and The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 for the period from August 2014 to March 2015 has not been made. Income Tax payment of Rs.4.80 crore relating to Financial Year 2012-13 has been outstanding till date. Company has defaulted in payment of interest and repayment of term loans to State Bank of India, Central Bank of India, UCO Bank, SBER Bank and Union Bank of India.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We 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.

Place: Ludhiana
Dated: 23.06.2015

Rajeev Bhambri & Associates
Company Secretary in whole time practice
C.P. No. 9491

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE "A" TO THE SECRETARIAL AUDIT REPORT

To,

The Members
Supreme Tex Mart Limited
424, Industrial Area - A,
Ludhiana.

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

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the 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 followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Ludhiana
Dated: 23.06.2015

Rajeev Bhambri & Associates
Company Secretary in whole time practice
C.P. No. 9491



**ANNEXURE “C” TO THE DIRECTORS' REPORT
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Section 134(3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

1. CONSERVATION OF ENERGY:

With continuous efforts, company keeps on trying to reduce and control the consumption of fuel & electricity.

A	Power and Fuel Consumption		2014-15	2013-14
1	Electricity - Own Generation			
	Unit Produced	KWH in Lac	1.84	4.96
	Unit Produced /Ltr. of Diesel	KWH	3.47	3.68
	Total Amount (Rs.)			
	Cost Per Unit	₹	15.08	14.11
2	Electricity Purchased			
	Unit Purchased	KWH in Lac)	420.63	644.13
	Total Amount			
B	Electricity Consumed Per Kg of Production		2014-15	2013-14
	Yarn	KWH/Kg	2.43	2.29
	Dyeing	KWH/Kg	0.93	1.01
	Garment	KWH/Kg	1.76	2.66

C. Energy Conservation measures:

- i) Improvisation and continuous monitoring of Power Factor and replacement of Week capacitors by conducting periodical checking of capacitors.
- ii) The Company has endeavored to optimize the use of energy resources and taken the adequate steps to avoid the wastage and use the latest production technologies and equipments.

2. TECHNOLOGY ABSORPTION:

Technology absorption, Innovation and Research & Development (R & D) is a continuing Process and a continued emphasis is given on quality improvement and product upgradation.

RESEARCH & DEVELOPMENT (R & D)

(a) Specific Areas in which R & D carried by the Company:

The Company has adopted latest new technology. However, R & D has been carried in the areas of new product development, improvement in the production process and quality of products.

(b) Benefits desired as a result of above R & D:

The efforts have resulted in cost competitiveness.

(c) Future Course of action:

The management is committed to continue R&D to increase market competitiveness.

(d) Expenditure on R & D

	2014-2015	2013-14
a. Capital	NIL	NIL
b. Recurring (Gross)	NIL	NIL
TOTAL		
Total R & D expenditure as percentage of total turnover (%)	NA	NA

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in crore)

Foreign Exchange Earned (FOB value of export)	104.28
Foreign Exchange Used (CIF Value of Imports)	4.97



**ANNEXURE "D" TO THE DIRECTORS' REPORT
EXTRACT OF ANNUAL RETURN**

[Pursuant to Section 92(3) of the Companies Act 2013, and Rule 12(1) of the Companies (Management and Administration Rules, 2014)]

**FORM NO MGT -9
I. Registration and Other Details**

CIN	L17117PB1988PLC016933
Registration Date	25/10/1988
Name of the Company	SUPREME TEX MART LIMITED
Category/Sub- category of the Company	Company limited by shares / Non Government company
Address of the Registered Office and Contact Details	424, Industrial Area "A" Ludhiana Punjab
Whether Listed	Yes
Name, address and contact details of Registrar and Transfer Agents, If any	Ms/-Beetal Financial & Computer Service (P) Limited Address : Beetal House, 3rd Floor 99, Madangir, Bh - Local Shopping Complex, Near Daba Harsukhdas Mandir, New Delhi-110 062

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:

Name and Description of main Products /Services	NIC Code of the Product/Service*	% to total turnover of the Company
Yarns	1313	58.91%
Garments	1410	12.98%
Fabrics	1313	16.36%

* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary / associate	% of shares held	Applicable Section
1.	NIL	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I) Category - Wise Shareholding

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	
A. Promoters									
(1) Indian									
a) individual / HUF	22717418	8021662	30739080	45.05	30739080	0	30739080	45.05	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) state Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	4000000	3350000	7350000	10.77	7350000	0	7350000	10.77	0
e) Banks/ FI	1645222	0	1645222	2.41	1645222	0	1645222	2.41	0
f) Any Others	0	0	0	0	0	0	0	0	0
Sub -Total (A)(1):	28362640	11371662	39734302	58.23	39734302	0	39734302	58.23	0



(2) Foreign										
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0	0
b) Others - Individuals	0	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0	0
e) Any others	0	0	0	0	0	0	0	0	0	0
Sub Total (A)(2):	0	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A)(1) + (A)(2)	28362640	11371662	39734302	58.23	39734302	0	39734302	58.23	0	
B. Public Shareholding										
(1) Institutions	0	0	0	0	0	0	0	0	0	0
a) Mutual Funds/UTI	0	0	0	0	0	0	0	0	0	0
b) Banks /FI	0	0	0	0	0	0	0	0	0	0
c) central Govt.	0	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
i) others (Specify)	0	0	0	0	0	0	0	0	0	0
Sub -Total (B)(1):	0	0	0	0	0	0	0	0	0	0
(2) Non - Institutions										
a) Bodies Corporate										
i) Indian	2288526	3350000	5638526	8.26	4905576	0	4905576	7.19	-1.07	
ii) Overseas	0	0	0	0	0	0	0	0	0	0
b) Individual										
i) Individual Shareholders holding nominal share capital upto 1 lakh	1313378	224014	1537392	2.25	1706306	221014	1927320	2.82	0.57	
ii) Individual Shareholders holding nominal share capital in excess 1 lakh	7668360	40000	7708360	11.30	8119044	40000	8159044	11.96	0.66	
c) others (specify)	0	0	0	0	0	0	0	0	0	0
i) Shares Held by pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0	0
ii) Others foreign Nationals	0	0	0	0	0	0	0	0	0	0
iii) Foreign	0	13274083	13274083	19.45	0	13274083	13274083	19.45	0	
iv) NRI / OCBs	81335	0	81335	0.12	43718	0	43718	0.06	-0.06	
v) Clearing Members / Clearing House	102538	0	102538	0.15	3107	0	3107	0	-0.15	
vi) Trust/HUF	153699	0	153699	0.23	183085	0	183085	0.27	0.04	
vii) Limited Liability Partnerships	0	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporates)	0	0	0	0	0	0	0	0	0	0
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0	0
Sub -Total (B)(2):	11607836	16888097	28495933	41.76	14960836	13535097	28495933	41.76	0	
Total Public Shareholding (B) = (B)(1) + (B)(2)	11607836	16888097	28495933	41.76	14960836	13535097	28495933	41.76	0	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	39970476	28259759	68230235	0	54695138	13535097	68230235	100	0	



ii) **Shareholding of Promoters**

Shareholder Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during 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	
Shukla Gupta	16350	0.02	0	16350	0.02	0	Nil
Ishita Gupta	312000	0.46	0	312000	0.46	0	Nil
Manju Gupta	935732	1.37	0	935732	1.37	0	Nil
Shikha Gupta	1355200	1.99	0	1355200	1.99	0	Nil
Gautam Gupta	3075865	4.51	0	3075865	4.51	0	Nil
Bhavna Gupta	3534665	5.18	0	3534665	5.18	0	Nil
Ajay Gupta	9575445	14.03	8.37	9575445	14.03	8.37	Nil
Sanjay Gupta	11933823	17.49	8.37	11933823	17.49	8.37	Nil
Venus Tex Spin Limited	3350000	4.91	0	3350000	4.91	0	Nil
Gold leaf International (p) limited	4000000	5.86	0	4000000	5.86	0	Nil
Punjab State Industrial Development Corporation Limited	1645222	2.41	0	1645222	2.41	0	Nil
Total	39734302	58.24	16.74	39734302	58.24	16.74	Nil

iii) **Change in Promoters' Shareholding (Please specify, if there is no change)**

	Shareholding at the beginning 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	No Change during the Year			
Date wise Increase / decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment /transfer/bonus/sweat equity etc.)	No Change during the Year			
At the end of the year	No Change during the Year			

iv) **Shareholding Pattern of Top 10 Shareholders (Other Than Directors, Promoters and Holders of GDRs and ADRs)**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/Decrease during 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.Sindia Investment Group Ple Ltd	7000000	10.26	-	7000000	10.26
2. Sinochamp Corporation Ltd	4807143	7.04	-4807143	NIL	NIL
3. Sunnyland Group Ltd	1466940	2.14	4807143	6274083	9.20
4. Whitestone Yarns Pvt. Ltd	3350000	4.90	-1276750	2073250	3.03
5.Rohit Kareer	1431170	2.09	-	1431170	2.09
6.Rajneesh Sharma	1403880	2.05	-	1403880	2.05
7.Ravinder Kumar Sood	1330030	1.94	-	1330030	1.94
8.Vishal Arora	1206711	1.76	-	1206711	1.76
9.Harjinder Singh	789972	1.15	-789000	972	0.00
10.LSE Securities Ltd.	673545	0.98	-176117	497428	0.73
11. Abhay Dattatray Javlekar	0	0	291691	291691	0.42
12. RPS Finvest Private Limited	267901	0.39	-	267901	0.39

**V) Shareholding of Directors and Key Managerial Personnel**

For Each of the Director	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of the total Shares of the company	No. of Shares	% of the total shares of the Company
Mr. Ajay Gupta	9575445	14.03	9575445	14.03
Mr. Gautam Gupta	3075865	4.51	3075865	4.51
Mr. Kuldip Singh	0	0	00	0
Mr. Daljit Singh Sandhu	0	0	0	00
Mr. S.K. Ahuja	0	0	0	0
Mr. A. P. Gupta	0	0	0	0
Mr. Lalit Singla	0	0	0	0
Mr. Ashok Kumar Singla	0	0	0	0
Ms. Simple Kumari	0	0	0	0

For Each of the KMP	Name of the Key Managerial Personnel			
	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
Mr. Ajay Gupta (Managing Director)	9575445	14.03	9575445	14.03
Mr. Robin Vijan (Company Secretary)	Nil	Nil	Nil	Nil
Mr. Inderpal Singh (Chief Financial Officer)	Nil	Nil	Nil	Nil

V) INDEBTNESS

Indebtness of the company including interest outstanding /accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness Crores
Indebtedness at the beginning of the year				
i) Principal Amount	38895.94	1002.48	-	39898.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	38895.94	1002.48	-	39898.42
Change in Indebtness During the Financial year				
Addition	6780.85	211.57	-	6992.42
Reduction	-	-	-	-
Net Change				
Indebtness at the end of the financial Year				
i) Principal Amount	45443.79	1214.05	-	46657.84
ii) Interest due but not paid	233.00	-	-	233.00
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	45676.79	1214.05	-	46890.84



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTOR AND / OR MANAGER:

Sr. No.	Particulars of Remuneration	Name of Managing Director /Whole - Time Director			Total Amounts ₹
		Ajay Gupta	Gautam Gupta	Kuldip Singh	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	2073360	2073360	444000	4590720
		-	-	-	-
		-	-	-	-
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others,	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	2073360	2073360	444000	4590720
	Ceiling as per the Act	6000000	6000000	6000000	18000000

B. REMUNERATION TO OTHER DIRECTORS:

Sr No.	Particulars of Remuneration	Name of Directors						Total Amount (in ₹.)
		Mr. Daljit Singh Sandhu	Mr. S K Ahuja	Mr. AP Gupta	Mr. Lalit Singla	Mr. Ashok Kumar Singla	Ms. Simple Kumari	
	1. Independent Directors Fee for attending board / committee	91000	-	-	-	63000	-	154000
	Total (1)	91000	-	-	-	63000	-	154000
	2. Other Non-Executive Directors Fee for attending board / committee meetings - Commission - Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B) = (1+2)	91000	-	-	-	63000	-	154000
	Total Managerial Remuneration	91000	-	-	-	63000	-	154000
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA	NA	NA

*Please note that the detail includes only sitting fee paid for Board Meeting and other committee Meeting.

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

Sr No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total
		Mr. Robin Vijan (Company Secretary)	Mr. Inderpal Singh (Chief Financial Officer)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	480000	360000	840000
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
6.	Total	480000	360000	840000



VII. PENALTIES /PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Breif Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2014-15 (Rs. in Lacs)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mr. Ajay Gupta, Managing Director)	20.73	NIL	Not Applicable	Net Loss for the year 2014-15 is Rs. 208.34 Crore as compare to Net Profit of Rs. 1.15 Crores for the year 2013-14.
2.	Mr. Gautam Gupta, Joint Managing Director	20.73	NIL	Not Applicable	
3.	Mr. Kuldeep Singh, Whole Time Director	4.44	NIL	Not Applicable	
4.	Mr. Daljit Singh Sandhu, Independent Director	0.91*	Not Applicable	Not Applicable	
5.	Mr. S.K. Ahuja, Chairman & Nominee Director	0.00	Not Applicable	Not Applicable	



6.	Mr. A. P. Gupta, Nominee Director	0.00	Not Applicable	Not Applicable	
7.	Mr. Lalit Singla, Nominee Director	0.00	Not Applicable	Not Applicable	
8.	Mr. Ashok Kumar Singla, Independent Director	0.63*	Not Applicable	Not Applicable	
9.	Ms. Simple Kumari, Independent Director		Not Applicable	Not Applicable	
10.	Mr. Inder Pal Singh, Chief Financial Officer	3.60	NIL	Not Applicable	Net Loss for the year 2014-15 is Rs. 208.34 Crore as compare to Net Profit of Rs. 1.15 Crores for the year 2013-14.
11.	Mr. Robin Vijan, Company Secretary	4.80	NIL	Not Applicable	Net Loss for the year 2014-15 is Rs. 208.34 Crore as compare to Net Profit of Rs. 1.15 Crores for the year 2013-14.

*Sitting fee paid for attending Board Meeting/Committee Meetings

- ii. In the financial year, there was an increase of 1.72% in the median remuneration of employees;
- iii. There were 1,120 permanent employees on the rolls of Company as on March 31, 2015;
- iv. Relationship between average increase in remuneration and company performance:- The company incurred a net Loss for the year 2014-15 is ₹ 208.34 Crore, whereas the increase in median remuneration was 1.72%. The average increase in median remuneration was in line with the performance of the Company
- v.
 - a) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2015 was ₹37.05 crore (₹ 33.43 crore as on March 31, 2014)
 - b) Price Earnings ratio of the Company was (0.18) as at March 31, 2015 and was 28.82 as at March 31, 2014.
 - c) The closing price of the Company's equity shares on the NSE and BSE as of March 31, 2015 was ₹ 5.45 and ₹ 5.43 respectively.
- vi. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 1.72 % whereas there is no increase in managerial remuneration for the same financial year.
- vii. 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 Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- viii. 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
- ix. 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.



CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance:

The Company, while conducting its business has been upholding the core values such as transparency, integrity, honesty, accountability and compliance of laws. In continuation of its efforts towards performance, the Company intends to seize opportunities of tomorrow and create a future that will make it the best Company in its area of operations. This in turn will help to improve the quality of life of the communities it serves, e.g. customers, suppliers, Government, shareholders, local community, etc.

Your company is committed to follow the best & established corporate practices. We are happy to inform you that your company's practices and policies are significantly in conformity with the requirements stipulated by the SEBI.

2. Board Of Directors

a) Size & Composition of Board

The Board is in conformity with clause 49 of listing agreement and the composition as on 31.03.2015 was as under:

Category	No. of directors
Non-Executive Nominee Chairman (PSIDC)	1
Other Non Executive Nominee Directors (PSIDC)	2
Executive Directors	3
Non Executive Independent Director (Including one Woman Independent Director)	3
TOTAL	9

The Chairman of the Board of Directors is Non executive Director.

As required under Section 149(3) of the Companies Act, 2013, Ms. Simple Kumari, a woman Director appointed as Independent Director on the Board.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(l)(C)(ii)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies. The detail of the Composition of the Board, number of directorship and committee position held by each of the directors are given here under:

Name of Directors	Date of appointment	Category	No. of Directorship Held in Indian Public Limited Companies (Including STML)	Committee(s) position (Including STML)	
				Member	Chairman
1.Mr. S.K. Ahuja DIN: 00399501	16.04.2003	Chairman & Non Executive Nominee Director	10	1	-
2.Mr. A.P Gupta DIN: 00421536	29.03.2011	Non Executive Nominee Director	7	--	--
3.Mr. Daljeet Singh Sandhu DIN: 06750304	04.12.2013	Non Executive Independent Director	1	1	3



4. Mr. Ajay Gupta DIN: 00842248	25.10.1988	Executive Director	3	3	-
5. Mr. Gautam Gupta DIN: 02642545	21.01.2010	Executive Director	5	-	-
6. Mr. Kuldip Singh DIN: 05327381	21.07.2012	Executive Director	1	2	-
7. Mr. L K Singla DIN: 03591398	03.03.2015	Non Executive Nominee Director	1	-	-
8. Mr. Ashok Kumar Singla DIN: 00285760	01.05.2014	Non Executive Independent Director	2	2	2
9. Mrs. Simpall Kumari DIN: 07130429	31.03.2015	Non Executive Independent Director	1	1	-

DIRECTORS' PROFILE

Sr. No.	Name of the Director	Profile	Membership/ Chairman ship in Committees
1.	Mr. Ajay Gupta	Mr. Ajay Gupta is a graduate. He has been managing affairs of Supreme Tex Mart Limited and Venus Texspin Limited. He is looking after raw material purchase, sale of finished products, exports and production.	1. Member in Audit Committee 2. Member in Risk Management Committee 3. Member in CSR Committee
2.	Mr. Gautam Gupta	Mr. Gautam Gupta is a graduate. He has been managing the garment and fabric dyeing unit of the STML. He is also actively involved in conceptualization of new projects of the Group.	-
3.	Mr. Kuldip Singh	His qualification is BSC and he is Whole time Director on the Board of the Company having experience of more than 20 years in administration and matters related to labour law.	1. Member in CSR Committee 2. Member in Stake holders relationship Committee
4.	Mr. Daljeet Singh Sandhu	He is Independent Professional Director on the Board of the Company. He is Chartered Accountant by profession having competent professional experience of 20 years of in Accounts & Finance, Auditing, Taxation, etc.	1. Chairman in Stake holders relationship Committee 2. Member in Nomination and Remuneration Committee 3. Chairman in Audit Committee 4. Chairman in CSR Committee
5.	Mr. Ashok Kumar Singla	He is Practicing Company Secretary and Independent Director on the Board of the Company. He is having experience of more than 20 years in Corporate Law matters.	1. Member in Stake holders relationship Committee 2. Chairman in Nomination and Remuneration Committee 3. Member in Audit Committee 4. Chairman of Risk Management Committee



6.	Mr. Sanjay Krishna Ahuja	He is Nominee Director of PSIDC and Chairman of the Company. His qualification is FCA, he is having experience of more than 20 years in Accounts and Finance related matters.	1. Member in Nomination and Remuneration Committee
7.	Mr. Abhay Pal Gupta	He is Nominee Director of PSIDC. His qualification is graduation.	-
8.	Ms. Simpall Kumari	She is Woman Independent Director on the Board of the Company. Her qualification is CS. She is having more than 7 years of experience in Legal and Corporate Law related matter.	1.Member in Risk management Committee
9.	Mr. Lalit Singla	He is Nominee Director of PSIDC. His qualification is graduation. He is having experience in Accounts related matters.	-

b) Board Meeting held during the year:

Date on which Board Meetings were held	Total strength of the Board	No. Of Directors present
May 30, 2014	8	5
August 14, 2014	8	5
November 14, 2014	8	5
February 14, 2015	8	5
March 31, 2015	9	8

c) Directors Attendance Record:

Attendance of Directors at Board Meeting and at Annual General Meeting (AGM)

Name of the Director	Attendance at Board Meeting held on					Attendance at AGM held on 30.09.2014
	30.05.2014	14.08.2014	14.11.2014	14.02.2015	31.03.2015	
1.Mr. Ajay Mahajan (Nomination withdrawn by appointing authority w.e.f. 30.06.2014)	Leave of Absence	NA	NA	NA	NA	NA
2. Mr. S.K. Ahuja	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Present	Absent
3. Mr. A.P Gupta	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Present	Absent
4. Mr. Daleet Singh Sandhu	Present	Present	Present	Present	Present	Absent
5. Mr. Ajay Gupta	Present	Present	Present	Present	present	Present
6. Mr. Gautam Gupta	Present	Present	Present	Present	Present	Present
7. Mr. Kuldip Singh	Present	Present	Present	Present	Present	Absent
8. Mr. Ashok Kumar Singla	Present	Present	Present	Present	Present	Absent
9. Mrs. Simple Kumari (Appointed w.e.f 31.03.2015)	NA	NA	NA	NA	NA	NA
10. Mr. Lalit Singla (Appointed on 03.03.2015)	NA	NA	NA	NA	Present	NA



d) BOARD PROCEDURE

The annual calendar of Board Meetings is the beginning of the financial year. The Agenda is circulated in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. The Board is also kept informed of major events/items and approvals taken wherever necessary.

e) SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

None of the Non-executive director as on March 31, 2015 was holding shares of the company. However, Mr. S.K.Ahuja, Mr. A.P Gupta and Mr. Lalit Singla are nominee Directors of a shareholder namely PSIDC (holding 1645222 Equity Shares).

3. COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

A. TERMS OF REFERENCE AND OTHER DETAIL OF AUDIT COMMITTEE

The audit committee has been constituted as per Section 177 of the Companies Act, 2013 and Clause 49 of the listing Agreement.

Composition and Attendance

During the year ended 31st March, 2015, Four Meetings of the Audit Committee were held on the following dates:

NAME OF THE MEMBER	CATEGORY	Attendance at the Audit Committee Meeting held on			
		30.05.2014	14.08.2014	14.11.2014	14.02.2015
1.Mr. Daljeet Singh Sandhu	Chairman	P	P	P	P
2. Mr. Ajay Gupta	Member	P	P	P	P
3. Mr. Ashok Kumar Singla	Member	P	P	P	P

All the members have requisite financial and management expertise. The Company Secretary acts as the Secretary to the Committee. Minutes of meeting of Audit Committee are circulated to members of the committee and Board kept apprised.

Powers of Audit committee:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee, inter alia, includes the following:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Approve the payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing the management, the annual financial statements and report thereon before the submission to the Board for approval, with particular reference to:
 - ☞ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report.
 - ☞ Any changes in accounting policies and practices.

- ☞ Major accounting entries based on exercise of judgment by management
 - ☞ Qualifications in draft audit report
 - ☞ Signification adjustments arising out of audit.
 - ☞ The going concern assumption
 - ☞ Compliance with accounting standards.
 - ☞ Compliance with Stock Exchange and legal requirements concerning financial statements.
 - ☞ Any related transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of company at large
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - Reviewing with the management, external & internal auditors, the adequacy of internal control system.
 - Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing & seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussions with internal auditors any significant findings and follow up thereon.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - Discussions with the external auditors before the audit commences nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
 - Reviewing the Company's financial and risk management policies.
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - Discussions with the auditors periodically about internal control system , the scope of audit including the observations of the auditors and review the quarterly, half yearly, and annual financial statements before submission to the Board.
 - Ensure compliance of internal control systems.
 - To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 - Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 - **Review the following information:**
 - ☞ Management discussion and analysis of financial condition and results of operations;
 - ☞ Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - ☞ Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - ☞ Internal audit reports relating to internal control weaknesses; and
 - ☞ Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor(s)

The chairman of the Audit Committee shall attend the Annual General Meetings of the Company to provide any clarification on matters relating to audit sought by the members of the company.

b. STAKEHOLDERS' RELATIONSHIP COMMITTEE -

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".



This committee comprises of Sh. Daljeet Singh Sandu, Sh. Ashok Kumar Singla and Sh. Kuldip Singh.

The objective of the Shareholders / Investors Grievance and Share Transfer Committee Cum Management Remuneration Committee is to focus on the shareholders Grievance and to strengthen the investor relations.

During the year ended 31st March, 2015, the company has not received any shareholders complaint from Stock Exchange/SEBI/Department of Company Affairs/Registrar of Companies. One meeting of Shareholders/Investors Grievance and Share Transfer cum Management Remuneration Committee was held on 28.05.2014. No requests for share transfer are pending with the company. As on March 31, 2015, no complaints were outstanding.

Ms. Manpreet Kaur, Company Secretary and Compliance Officer of the Company for complying with requirement of Securities Laws and Listing agreements with Stock Exchanges.

Roles, responsibilities and powers of the Committee are as follow:

- i. To authorize printing of Share Certificates post authorization from the Board of Directors of the Company;
- ii. To issue the Share Certificates under the seal of the Company, which shall be affixed in the presence of, and signed by:
- iii. To effect transfer, transmission, Dematerialization of Shares
- iv. To monitor redressal of stakeholder's complaints/grievances including relating to non receipt of allotment / refund, transfer of shares, non-receipt of balance sheet, non receipt of declared dividends etc.
- v. To authorize to maintain, preserve and keep in its safe custody all books and documents relating to the issue of share certificates, including the blank forms of share certificates.
- vi. To oversee the performance of the Register and Transfer Agents and to recommend measures for overall improvement in the quality of investor services.

C. Nomination and Remuneration Committee -

In compliance with Section 178 of the Companies Act, 2013, the Board has constituted the "Nomination and Remuneration Committee" comprising of the following members:

1. Mr. Daljeet Singh Sandhu
2. Mr. Ashok Kumar Singla
3. Mr. S K Ahuja.

The objectives of constituting of Nomination and Remuneration Committee are as follow:

1. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
 2. The Nomination and Remuneration Committee shall, while formulating the above policy shall ensure that—
- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The details relating to Remuneration Policy and remuneration to Directors as required under Clause 49 of the Listing Agreement, have been given under a separate Section i.e. **POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION.**

d. Corporate Social Responsibility Committee -

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

- To prepare and implementation of CSR Policy and to make it more comprehensive so as to indicate the activities to be

undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

The composition of the Corporate Social Responsibility Committee as at March 31, 2015 is as under:

1. Mr. Daljeet Singh Sandhu
2. Mr. Ajay Gupta
3. Mr. Kuldip Singh

The terms of reference of CSR Committee shall, inter-alia, include the following:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

e. Risk Management Committee

Business Risk Evaluation and Management is an outgoing process with in the Organization. The Company had robust risk Management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI Guidelines; Reviewing risk and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation Management is an ongoing process within the Organization. The Company has a robust risk management fram plan.

f. Independent Directors' Meeting

During the year under review, the Independent Directors met on March 13, 2015, inter alia, to discuss:

- Evaluation of performance of Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

g. Finance Committee - Non Mandatory Committee

The Finance Committee plays an important role discussing the finance requirement and uses of funds, which is essential for sustainable growth. The composition of the Finance committee is as under:

1. Mr. Daljeet singh Sandhu
2. Mr. Ajay Gupta
3. Mr. Gautam Gupta

The Committee has met five meeting during the year i.e. 08.05.2014, 23.05.2014, 04.09.2014, 14.11.2014 & 30.03.2015. All the members were present in all meetings.

4. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.



I. Criteria of selection of Non Executive Directors

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, Professional or business standing;
 - iii. Diversity of the Board.
- e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

ii. REMUNERATION OF DIRECTORS:

The Non Executive Independent Directors shall be entitled to receive remuneration by way of sitting fees, and Non Executive Nominee Directors shall be entitled to reimbursement of expenses for participation in the Board / Committee meetings as detailed hereunder:

- a. A Non Executive Independent Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- b. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

iii. Managing Director - Criteria for selection /appointment

For the purpose of selection of the MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

iv. Remuneration for Managing Director

- i. At the time of appointment or re-appointment, Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and Managing Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:
 - a. the relationship of remuneration and performance benchmarks is clear;
 - b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - c. responsibility required to be shouldered by Managing Director, the industry benchmarks and the current trends;
 - d. the Company's performance vis-à-vis the annual budget achievement and individual performance.

v. Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure / consider the following:



- i. the relationship of remuneration and performance benchmark is clear;
- ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- iii. the remuneration including annual increment is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance.

5. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

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 who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

6. TERMS OF APPOINTMENT & REMUNERATION –Managing Director/ Whole Time director

6.1 Appointment & Remuneration to Mr. Ajay Gupta, Managing Director (DIN 00842248):

Mr. Ajay Gupta was appointed as a Managing Director in the Extra Ordinary General Meeting of the Company dated 15.04.2013, w.e.f 13.02.2013 for a period of three years i.e. 13.02.2013 to 12.02.2016 with the approval of the shareholders.

The term of appointment of Mr. Ajay Gupta is being expired as on 12.02.2016 and on the recommendation/approval of the Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on 30.05.2015 has approved the re-appointment of Mr. Ajay Gupta as Managing Director along with the revision of remuneration payable to him for the period of three years with effect from 13.02.2016 to 12.02.2019, subject to the approval of Shareholder and Central Government.

The detail of proposed remuneration is as under:

Particulars	%age	₹
Basic		175000
House Rent allowance	40	70000
Leave travel Allowance	20	35000
Medical Allowance	20	35000
Conveyance Allowance		12000
Provident Fund		4375
Bonus / Ex-gratia	10	17500
Total Monthly Remuneration		348875

6.2 Appointment & Remuneration to Mr. Gautam Gupta, Joint Managing Director (DIN 02642545):

Mr. Gautam Gupta was appointed as a Joint Managing Director in the Extra Ordinary General Meeting of the Company dated 15.04.2013, w.e.f 13.02.2013 for a period of three years at a monthly remuneration of ₹ 99,780/- his remuneration was increased in the AGM dated 30.08.2013 w.e.f. 01.05.2013 at the basic salary of ₹ 9000/- (Rupees Ninety Thousand Only) per month and other perquisites.

The term of appointment of Mr. Gautam Gupta is being expired as on 12.02.2016 and on the recommendation/approval of



the Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on 30.05.2015 has approved the re-appointment of Mr. Gautam Gupta as Joint Managing director along with the revision of remuneration payable to him for the period of three years with effect from 13.02.2016 to 12.02.2019, subject to the approval of Shareholder and Central Government.

The detail of proposed remuneration is as under:

Particulars	%age	₹
Basic		175000
House Rent allowance	40	70000
Leave travel Allowance	20	35000
Medical Allowance	20	35000
Conveyance Allowance		12000
Provident Fund		4375
Bonus / Ex-gratia	10	17500
Total Monthly Remuneration		348875

6.3 Appointment & Remuneration to Mr. Kuldip Singh, Whole Time Director (DIN 05327381):

The shareholders in their meeting held on 18.08.2012, appointed Mr. Kuldip Singh as a Whole- Time Director of the Company for the period of three years w.e.f. 21.07.2012 on the terms & conditions specified in the resolution and approved by the shareholder which is going to be expired on 20.07.2015. The Nomination & Remuneration Committee has recommended the re-appointment and remuneration of Mr. Kuldip Singh as Whole time Director and the Board also approved the same in their Board Meeting dated 30.05.2015 for a period of three years w.e.f. 21.07.2015 to 20.07.2018, subject to the approval of Shareholder and Central Government.

The detail of proposed remuneration is as under:

Particulars	₹
Basic	14800
House Rent allowance	9082
Leave travel Allowance	888
Medical Allowance	888
Conveyance Allowance	9082
Provident Fund	780
Bonus / Ex-gratia	1480
Total Monthly Remuneration	37000

Details of remuneration paid to the Directors are given in Form MGT - 9

7. DISCLOSURES

A. Related Party Transactions

During the year under review the company has entered into the following transaction, however these are not in conflict with the interest of the company:

- Contract was entered with company's sister concern which is a limited company for sale/purchase of goods at market price.



- b) Building of a sister concern is being used by the company as Registered Office of the company at a very nominal annual rent of Rs.2.40 lacs.

Except as aforesaid, during the financial year 2014-2015 there were no materially significant transactions entered into between the Company and its promoters, directors or the management or relatives, etc. that may have potential conflict with the interests of the Company. Declarations have been received from the senior management personnel to this effect. Company does not have any subsidiary.

B. Compliances by the Company

- a) During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities on matters related to capital markets.
- b) Company has not denied any personnel, access to Audit Committee for informing unethical or improper practice.
- c) Company has complied with all the mandatory requirements of corporate governance.

8. CODE OF CONDUCT

The Company had adopted the Code of Conduct for all the Board members and senior management personnel. Further all the Board members and senior management personnel (as per Clause 49 of the listing Agreement) have affirmed the compliance with the respective Code of Conduct. A declaration to this effect signed by the Managing Director and CFO forms part of this report.

9. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk of fraud and mismanagement Policy (FRM) to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

10. PREVENTION OF INSIDER TRADING

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

All Board Directors and the designated employees have confirmed compliance with the Code.

11. COMMUNICATION WITH THE MEMBERS/SHAREHOLDER

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter given by way of a Press Release to various news agencies/analysts and are published within forty-eight hours in English and Punjabi newspaper. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Annual Report of the Company, the quarterly / half yearly and the annual results and the press releases of the Company are also placed on the Company's website: www.supremetexmart.com and can be downloaded.
- In compliance with Clause 52 of the Listing Agreement, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically on BSE's and NSE. The Company has complied with filing



submissions through BSE's BSE Online Portal.

- A separate dedicated section under 'Corporate Governance' on the Company's website gives information on quarterly compliance reports/communications with the Stock Exchanges and other relevant information of interest to the investors / public.

12. Name and Address of the Compliance Officer:

Ms. Manpreet Kaur
Company Secretary
424, Industrial Area – A
Ludhiana.
Ph. 0161-6614400, 2222719, 9915700175
E-mail – cs@supremetextmart.com

13. GENERAL BODY MEETINGS

The last three Annual General Meetings were held as per detail given below:

<u>FY ending</u>	<u>Date</u>	<u>Day</u>	<u>Time</u>	<u>Held At</u>
31.03.2014	30.09.2014	Tuesday	12.00 Noon	424, Industrial Area-A, Ludhiana
31.03.2013	30.08.2013	Friday	12.00 Noon	424, Industrial Area-A, Ludhiana
31.03.2012	18.08.2012	Saturday	12.00 Noon	424, Industrial Area-A, Ludhiana

24th AGM in 2012: No special Resolution was passed.

25th AGM in 2013: One Special Resolution regarding remuneration of Mr. Gautam Gupta was passed

26th AGM in 2014: Two Special Resolutions regarding Related Party Transactions and alteration of AOA of the Company was passed.

During the year ended 31st March, 2015, no Extra-ordinary General Meeting was held.

14. Postal Ballot:

During the year ended 31st March, 2015, the company has passed resolutions under Section 180 (1) (c) and under Section 180 (1) (a) through postal ballot.

15. GENERAL INFORMATION FOR SHARE HOLDER

a) Annual General Meeting

The Annual General Meeting will be held on Wednesday the 05th August, 2015 at 12.00 noon at Registered Office of the company at 424, Industrial Area – A, Ludhiana.

b) Date of Book Closure

23rd day of July, 2015 to 28th day of July 2015.

(Both days inclusive – for the purpose of AGM/Annual closure of books).

c) Listing

The share of the company is listed on

Bombay Stock Exchange Limited, Mumbai	Scrip code	531934
National Stock Exchange of India Limited	Symbol	SUPREMETEX
	Series	EQ

The Company has paid the Annual Listing fees, for the financial years 2013-14 & 2014-15.

d) Registrar and Transfer Agent:

Shares are transferred through the under noted agent only:

Beetal Financial & Computer Services (P) Limited,
Beetal House, 3rd Floor,
99, Madangir, BH-Local Shopping Complex
Near Dada Harsukhdas Mandir,
New Delhi – 110062.

Phone 011- 29961281 – 82

Contact Person Mr.Punit Mittal

E-mail beetal_99@sify.com

**e) Market Price Data for the year 2014-15:**

Month	NSE (Nifty)		BSE (Sensex)	
	HIGH	LOW	HIGH	LOW
April, 2014	7.25	6.90	5.93	4.55
May, 2014	7.20	5.75	6.25	4.41
June, 2014	6.50	5.50	6.94	5.14
July, 2014	6.65	5.90	6.98	5.68
August, 2014	6.90	5.60	6.99	5.61
September, 2014	8.65	5.20	8.69	5.20
October, 2014	18.60	7.80	18.60	7.71
November, 2014	25.45	16.15	25.65	16.30
December, 2014	17.40	9.50	17.85	9.85
January, 2015	20.10	11.15	20.10	11.10
February, 2015	10.85	6.60	10.79	5.88
March, 2015	7.65	5.00	7.66	5.06

f) %age of Shareholding

Promoters		
Private	38089080	55.82
PSIDC	1645222	2.41
Indian Public	15178132	22.25
NR/OCB	13317801	19.52
Grand Total	68230235	100.00

g) Distribution Schedule as on 31st March, 2015.

Shareholding of Nominal Value of Rs.	Number of Share holders	%age to Total	No. of Shares	Amount in ₹	%age to Total
Up to 5000	1148	69.41	390200	1951000	0.57
5001 to 10000	163	9.85	272255	1361275	0.40
10001 to 20000	114	6.89	346531	1732655	0.51
20001 to 30000	51	3.08	262279	1311395	0.38
30001 to 40000	12	0.73	85,712	428560	0.13
40001 to 50000	30	1.81	284109	1420545	0.42
50001 to 100000	47	2.84	672233	3361165	0.99
100001 and above	89	5.38	65916916	329584580	96.61
Total	1654	100	68230235	341151175	100.00

Dematerialization of shares and liquidity:

Percentage of Shares as on 31.03.2015 held in

Physical form : 19.84

Electronic form with NSDL : 53.06

Electronic form with CDSL : 27.11

The Company's shares are traded on the Bombay Stock Exchange Limited and on The National Stock Exchange of India Limited.

h) The quarterly results and information regarding next Board Meetings is submitted to Stock Exchanges and is published in the newspapers. It is also posted on the website of the company, viz. www.supremetextmart.com.

i) The financial year of the company under review is from 1st April 2014 to 31st March 2015.

j) Plant Location:

Spinning Unit 1 - Village Kanganwal, P.O. Jugiana, Ludhiana,

Spinning Unit 2 - Village Kanganwal, P.O. Jugiana, Ludhiana,

Dyeing Unit - B-72, Phase VIII, Focal Point, Ludhiana

Garment Unit - Village Paharuwal, Ludhiana.



- k) Address for the Correspondence:**
Supreme Tex Mart Limited
424, Industrial Area-A, Ludhiana - 141003.
Phones: 0161-6614400, 2222719 Fax: 0161-2609949
E-mail: cs@supremetexmart.com
Website: www.supremetexmart.com

DECLARATION

- I, Ajay Gupta, Managing Director of Supreme Tex Mart Limited, hereby declare that
- Company has adopted code of conduct for its Directors and the Senior Management personnel and the same is posted on the company's website.
 - All the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(1) (D) (ii) of the Listing Agreement entered into with the stock exchanges, for the year ended March 31, 2015.

For **Supreme Tex Mart limited**

Place: Ludhiana
Date: June 23, 2015

Sd/-
(Ajay Gupta)
Managing Director
00842448

CERTIFICATE

We hereby further certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2015 and that to the best of their 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.
- b. 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.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and We have effective internal audit & control system commensurate with the size & nature of our business;
- d. We are committed to indicate to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year, if any;
 - ii. significant changes in accounting policies during the year, if any, and that the same shall be disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
- iv. We have disclosed all the requisite information to Audit Committee & Auditors;
- e. There was no matter regarding non-compliance by the company of any provision of listing agreement, also there were no penalties, strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years;
- f. Secretarial Audit Report regarding reconciliation of shares is being sent regularly to Stock Exchanges.

For Supreme Tex Mart Limited

Place: Ludhiana
Date : 23.06.2015

sd/-
Ajay Gupta
Managing Director
DIN: 00842248

sd/-
Inderpal Singh
Chief Financial Officer



Certificate on Compliance From Practicing Company Secretary with the conditions of Corporate Governance under clause 49 of the Listing Agreement

THE MEMBERS OF
SUPREME TEX MART LIMITED

We have examined the compliance of conditions of Corporate Governance by Supreme Tex Mart Limited ("the Company"), for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For Rajeev Bhambri & Associates
Practicing Company Secretaries
C P. No.9491**

**Place: Ludhiana
Dated: 23.06.2015**

**Sd/-
(Rajeev Bhambri)
M. No. 4327**



INDEPENDENT AUDITORS' REPORT

1. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Supreme Tex Mart Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Profit and Loss Statement, the Cash Flow Statement for the year then ended and a summary of 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 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. AUDITORS' 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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. Emphasis on matter

a) The Company has incurred a net loss of ₹.20834.44 lacs during the year ended 31st March, 2015, which exceeds the net worth of the company, and as of that date, the company's current liabilities exceeded its current assets by ₹.3445.82 lacs and its total liabilities exceeded its total assets by ₹.769.69 lacs. The lead bank (SBI) and member banks i.e. Central Bank of India and UCO Bank have not restructured their total debts upto 31st March 2015. These events cast significant doubt on the Company's ability to continue as a going concern. The appropriateness of the going concern assumption is dependent on the company's ability to establish consistent profitable operations and generate positive cash flows as well as raising adequate finance to meet its short term and long term obligations.

b) The management of the company has



represented to us that they have devalued its inventory to the tune of Rs.5308.66 lacs as an exceptional item. The quantity and Valuation of Inventory has been verified by an independent Stock Auditor. Accordingly we are relying on his report and management's representation regarding stock valuation.

5. BASIS FOR QUALIFIED OPINION

Further we report that

i. The company has not arranged to make available the confirmations and/or reconciliations to verify the balances stated in the financial statements in respect of:

- a. Trade Receivables ₹7409.47 lacs(Net of provision)
- b. Loans and Advances: ₹4214.23 lacs
- c. Trade payables: ₹6962.64 lacs,

We have also not been able to perform any alternative procedures with regard to verification of the aforesaid balances and thereby have been unable to obtain sufficient appropriate audit evidence regarding the aforesaid accounts .We are unable to comment upon the difference, if any, which may arise upon the receipt of confirmations and/or the carrying out of such reconciliation.

ii. The company has made provision for doubtful debts of Rs. 2786.42 Lacs for which no suitable basis has been provided to us.

iii. The management of the company has represented to us that the recoverable amount of assets within the meaning of Accounting Standard 28 "Impairment of Assets" is more than their carrying value and as such no amount needs to be recognized in the financial statements for impairment loss. In the absence of the workings of impairment having been prepared and made available to us for our review, we are unable to comment on whether the company needs to make a provision in respect of impairment loss on such assets and the amount of such provision.

iv. The Company has not provided for the Interest on borrowings amounting to Rs. 1241.78 lacs and penal interest of Rs.21.08lacs pertaining to year ended on 31st March, 2015.

v. The earning (loss) per share for the year ended March 31, 2015 would have been Rs.(30.99) against reported earning (loss) per share of Rs.(30.54).

vi. Provision for Gratuity is made on an estimated basis, without Actuarial valuation, which is not in

accordance with Accounting Standard -15 on Employee Benefits.

6. QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us subject to our comments in paragraph 5 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 March 31, 2015, and its profit and its cash flows for the year ended on that date.

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of subsection (11) of Section 14 of the Act, we give in the Annexure a statement on the matters specified in Paragraphs 3 and 4 of the order, to the extent applicable.

8. 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 Profit and Loss Statement, 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 except with the requirement of Accounting Standard (AS)-15 on "Employee Benefit" notified by the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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 as referred to in Note Note 27 to the financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - (iii) The company is not required to transfer any amount to the Investor Education and Protection Fund.

For Ashish Agarwal & Co
Chartered Accountants
F.R.N.: 010788N

sd/-
ASHISH AGARWAL
Partner
M.No.:089579

Place: Ludhiana
Date: 30th May, 2015

Annexure to the Auditor's Report

The Annexure referred to in our independent Auditors Report to the members of the company on the financial statements for the year ended 31st March 2015, we report that

- (i)
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) Fixed assets have been physical verified by the management during the year and no material discrepancies were indentified on such verification. In our opinion company does not have any reasonable program having regard to the size of the company and the nature of its assets.
- (ii)
 - a. The Management has conducted physical verification of inventory at reasonable intervals during the year. However the Scope and coverage of physical verification needs to enhanced to make it commensurate with the size and nature of the business of the company.
 - b. The procedures of physical verification of inventory followed by the management needs to be strengthened to make it reasonable and adequate in relation to the size of the company.
 - c. The company is maintaining proper records of inventory and material discrepancies were noticed on physical verification which have been properly dealt with in the books of account;

- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- (iv) The Company does not have adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly revived the books of accounts maintained by the company pursuant to the rules made by Central Government under sub-section (1) of section 148 of the Companies Act 2013, related to the manufacture of products of the company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)
 - (a) The company has not been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax and any other statutory dues with the appropriate authorities.

In our opinion and according to the information and explanation given to us, undisputed dues in respect of provident fund, employees' state insurance and income tax which were outstanding at the year end for a period of more than six months from the date they become payable are as follow:

Nature of Statute	Nature of Dues	Amount (Rs. In lacs)	Period to which the amounts relates	Due date	Date of Payment
Income Tax Act, 1961	Income Tax	480.12	FY 2012-13	30/11/2013	Not yet paid
-----	Employee State Insurance	0.85	August 2014	21/09/2014	09/04/2015
Employees' State Insurance Act, 1948	Employee State Insurance	1.40	August 2014	21/09/2014	21/04/2015
Employees' State Insurance Act, 1948	Employee State Insurance	0.43	September 2014	21/10/2014	22/04/2015
Employees' Provident Fund and Miscellaneous Provision Act, 1952	Provident Fund	3.87	August 2014	20/09/2014	15/04/2015
Employees' Provident Fund and Miscellaneous Provision Act, 1952	Provident Fund	3.40	August 2014	20/09/2014	Not yet paid
Employees' Provident Fund and Miscellaneous Provision Act, 1952	Provident Fund	4.52	September 2014	20/10/2014	Not yet paid

- b. According to the information and explanation given to us, the disputed statutory dues aggregating to Rs.4.15 lacs that has not been deposited on account on matters pending before the appropriate authority in respect of Service tax and central Sales Tax are given below:

Name of the Statute	Nature of Dues	Disputed Amount (Rs. In lacs)	Period to which the amounts relates	Forum Where Dispute is pending
Central Sales Tax	Penalty	1.20	2012-13	Joint director cum Deputy Excise and Taxation Commissioner (Appeal)
Central Sales Tax	Penalty	1.13	2013-14	Joint director cum Deputy Excise and Taxation Commissioner (Appeal)
Service Tax	Service Tax	0.88	2004-05, 2005-06	Commissioner of Customs (Appeal)

- c. According to information and explanation given to us the company is not required to transfer any amount to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under.

- (viii) In our opinion and according to information and explanation given to us, the accumulated losses at the end of financial year are more than fifty percent of its net worth. Further, the company has incurred cash losses of Rs.15626.66 during the financial year covered under audit.
- (ix) According to information and explanation given to us, the company has default in repayment of dues to banks and financial institutions. The detail of default are as under:

Sr. No.	Particulars	Amount (Rs. in Lacs)	Nature of dues	Period of default of repayment
1.	State Bank of India	596.57	Interest (Term loan)	01.08.2014 to 31.03.2015 (8 months)
		784.00	Principal	
2.	Central Bank of India	179.63	Interest (Term loan)	01.07.2014 to 31.03.2015 (9 months)
		423.00	Principal	
3.	UCO Bank	3.14	Interest (Term loan)	01.02.2015 to 31.03.2015 (2 months)
		18.75	Principal	
4.	State Bank of India	661.95	Interest (working capital)	01.07.2014 to 31.03.2015 (9 months)
5.	Union Bank of India	19.10	Interest (working capital)	01.03.2015 to 31.03.2015 (1 month)
6.	Central Bank of India	56.46	Interest (working capital)	01.07.2014 to 31.03.2015 (9 months)
7.	SABER Bank	157.07	Interest (working capital)	01.09.2014 to 31.03.2015 (7 months)

- a) Interest includes interest accrued on long term and short term borrowing not provided in the statement of profit and loss (Refer note No.43)
- (x) The Company had given guarantee to bank & financial institutions for loans taken by others to the extent of Rs. 440 lacs, the terms and conditions where of were prejudicial to the interest of the company to the extent company had not complied with the relevant provisions of Companies Act. However the said guarantee was withdrawn during the year.
- (xi) According to the information and explanation given to us, during the year the company has not taken any term loan;
- (xii) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the period covered by our audit.

For Ashish Agarwal & Co
Chartered Accountants
F.R.N.: 010788N

sd/-
ASHISH AGARWAL
Partner
M.No.: 89579

Place: Ludhiana
Date: 30th May, 2015



BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in ₹)

PARTICULARS	Notes	As At March 31,	
		2015	2014
I. EQUITY AND LIABILITIES			
A) Shareholder's Fund			
(a) Share Capital	2	340556075	340556075
(b) Reserve & Surplus	3	(417525305)	1682347632
		(76969230)	2022903707
B) Non Current Liabilities			
(a) Long term Borrowings	4	2272763862	1775693499
(b) Deferred Tax Liability (net)	5	303496030	303496030
© Long Term Provisions	6	26234869	20417461
		2602494761	2099606990
C) Current Liabilities			
(a) Short term Borrowings	7	2176040745	1831915958
(b) Trade Payable	8	696264998	1291849516
(c) Other Current Liabilities	9	454570750	631294941
(d) Short term provisions	6	46620690	52154220
		3373497183	3807214635
		5899022715	7929725332
II. ASSETS			
A) Non-Current Assets			
(a) Fixed Assets			
i) Tangible Assets	10	2638698611	3139502078
ii) Intangible Assets	11	2067346	3086042
Expenditure on Power Lines	12	-	-
Capital Work-in-Progress		88537	3255677
(b) Long Term Loans and Advances	13	56885796	80499570
© Other Non-Current Assets	14	172367195	63942289
		2870107485	3290285656
(B) Current assets			
(a) Inventories	15	1601482903	2288454456
(b) Trade Receivables	16	740947288	1429591222
(c) Cash and cash equivalents	17	126853729	65104137
(d) Short-term loans and advances	13	405831755	517159392
(e) Other Current Assets	14	153799553	339130469
		3028915228	4639439676
		5899022715	7929725332
Significant Accounting Policies & Notes on Financial Statements	1-49		

For and on behalf of the Board

As per our report of even date

sd/-
Ajay Gupta
Managing Director
DIN: 00842248

sd/-
Gautam Gupta
Jt. Managing Director
DIN : 02642545

sd/-
Robin Vijan
Company
Secretary

sd/-
Inderpal Singh
Chief Financial
Officer

For **Ashish Aggarwal & Co.**
(FRNo.010788N)
Chartered Accountants

sd/-
Ashish Aggarwal
Partner
M.No. 089579

Place: Ludhiana
Date : 30th May, 2015



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (Amount in ₹)

PARTICULARS	Notes	As At March 31,	
		2015	2014
INCOME			
Revenue from Operations	18	4302181157	8313044195
Less Excise Duty		4011579	8802047
Revenue from Operations (net)	18	4298169578	8304242148
Other Income	19	1042000	2326593
Total Revenue		4299211578	8306568741
EXPENSES			
Cost of Material Consumed	20	3067778119	5277007252
Purchases of Stock-in-Trade	21	414259910	623939588
Changes in Inventories of finished goods & work in progress and Stock in Trade	22	79765901	86784649
Employee Benefit Expenses	23	155040804	241508102
Finance Costs	24	417351446	501548898
Depreciation and Amortization Expenses	25	520779460	266064187
Other Expenses	26	1196801197	1306633008
Total Expenses		5851776837	8303485684
PROFIT/(LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS & TAX		(1552565259)	-
Exceptional Items		(530866778)	-
PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEMS & TAX		(2083432037)	-
Extraordinary Items		-	-
Profit/(Loss) before Tax		(2083432037)	3083057
a) Current Tax		-	620000
b) MAT Credit Entitlement		-	587477
c) Wealth Tax		13629	30445
d) Deferred Tax		-	(12534476)
e) Taxes of Earlier Years		-	4025000
Profit/(Loss) for the Year From Continuing Operations		(2083445666)	11529565
PROFIT/(LOSS) FOR THE YEAR		(2083445666)	11529565
Earning per Share (of Rs. 10/- each)			
(1) Basic & Diluted		(30.54)	0.17

Significant Accounting Policies and Notes to Accounts 1 to 49

For and on behalf of the Board

As per our report of even date

For **Ashish Aggarwal & Co.**
(FRNo.010788N)

Chartered Accountants

sd/-
Ajay Gupta
Managing Director
DIN: 00842248

sd/-
Gautam Gupta
Jt. Managing Director
DIN : 02642545

sd/-
Robin Vijan
Company
Secretary

sd/-
Inderpal Singh
Chief Financial
Officer

sd/-
Ashish Aggarwal
Partner
M.No. 089579

Place: Ludhiana
Date : 30th May, 2015



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in ₹)

PARTICULARS	for the year ended March 31,	
	2015	2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax & Extra Ordinary items	(2083432037)	3083057
Adjustments for		
- Depreciation	520779460	266064187
- Bad Debts Written off	9109344	10775183
- Insurance claim written off		7657374
- Miscellaneous balances written off	1760	11916487
- Provisions for doubtful debts	278641552	(816032)
- Interest received		(11803996)
- Interest and Financial charges	417351445	513352894
- Profit(-)/Loss on sale of Fixed Assets	2151596	(359580)
Operating profit/Loss before working capital charges	1228035157	796786517
Adjustments for	(855396880)	799869574
- Increase(-)/Decrease in Trade and Other Receivables	613642901	(847299234)
- Increase(-)/Decrease in Inventories	686971553	336509960
- Increase/Decrease(-) in Trade and Other Liabilities	(769161602)	473077876
- Cash Generated from operations	531452852	(37711398)
Taxes Paid	(323944028)	762158176
Net Cash from operating activities (A)	(3781060)	(5476304)
	(327725088)	756681872
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Asset	(43202505)	(101590459)
Sale of Fixed Assets	8833480	573700
Interest/Dividend Received	0	11803996
Net cash used in investing activities (B)	(34369025)	(89212763)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	497070363	(404426561)
Proceeds from Short Term Borrowings	344124787	181620399
Interest Paid	(417351445)	(513352894)
Proceeds from Issue of Share Capital	0	219316320
Proceeds from Share Application money	0	(206731301)
Net Cash from Financing Activities	423843705	(723574037)
NET INCREASE IN CASH & CASH EQUIVALENTS	61749592	(56104928)
CASH & CASH EQUIVALENTS AS ON 01.04.2014	65104137	121209065
CASH & CASH EQUIVALENTS AS ON 31.03.2015	126853729	65104137

For and on behalf of the Board

As per our report of even date

sd/-
Ajay Gupta
Managing Director
DIN: 00842248

sd/-
Gautam Gupta
Jt. Managing Director
DIN : 02642545

sd/-
Robin Vijan
Company
Secretary

sd/-
Inderpal Singh
Chief Financial
Officer

For **Ashish Aggarwal & Co.**
(FRNo.010788N)
Chartered Accountants

sd/-
Ashish Aggarwal
Partner
M.No. 089579

Place: Ludhiana
Date : 30th May, 2015

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**1. SIGNIFICANT ACCOUNTING POLICIES:****A Basis of Preparation of financial statements:**

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements have been prepared to comply with the generally accepted Accounting Principles in India, the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013.

B Use of Estimates

The preparation of financial statements, in conformity with the generally accepted accounting principals, require estimates and assumptions to be made that effect the reported amount of assets and liabilities as of the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

C Revenue Recognition**a) Sales**

Sales comprise sale of goods, services and export incentives. Revenue from sale of goods is recognized;

- i) When all significant risk and rewards of ownership is transferred to the buyer and the company retains no effective control of the goods transferred to a degree usually associated with ownership and
- ii) No significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods.
- iii) The revenue in respect of Export incentives is recognized on the post export basis.

b) Interest :

Interest income is recognized on a time proportion basis taking in to account the amount outstanding.

c) Insurance and other claims:

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

D Employee Benefits:**a) Short Term Employee Benefits:**

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the profit and loss account of the year in which the related service is rendered.

b) Post Employment Benefits:**i) Defined Contribution Plans:****Provident Fund:**

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is charged to the profit and loss account.

ii) Defined Benefit Plans**Gratuity:**

Provision for gratuity liability to employees is made on estimated basis and not in accordance with Accounting Standard (AS-15).

Leave Encashment:

Provision for leave encashment is made on estimated basis and not in accordance with Accounting Standard (AS-15)

E) Tangible fixed Assets:

- i) Fixed Assets are stated at historical cost less accumulated depreciation.
- ii) Cost of fixed assets comprises its purchase price and any attributable expenditure (both direct and indirect) for bringing an asset to its working condition for its intended use.
- iii) Subsequent expenditure related to an item of fixed asset is added to book value only if increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses are charged to statement of profit and loss for the period during which such expenses are incurred.
- iv) Gains of losses arising from de-recognition of fixed assets are measured as difference between net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

F) Intangible Assets:

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amount of amortization.

G) Depreciation :

- i) Depreciation on fixed assets is provided on straight line method in accordance with and in the manner specified in the Schedule II to the Companies Act, 2013
- ii) Depreciation on assets costing ₹5000/- or less is charged @ 100%.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

H) Amortization :

- i) The leasehold land is amortized over the period of lease.
- ii) Intangible assets are amortized on straight line method over their estimated useful life.

I) Inventories:

Inventories are valued at cost or net realizable value, whichever is lower. The cost, in respect of various items of inventory is assigned by using the following cost formula;

- i) Raw Materials on FIFO basis plus direct expenses.
- ii) Stores and spares at weighted average basis plus direct expenses.
- iii) Work in process at raw material cost plus conversion cost depending upon the stage of completion.
- iv) Finished Goods at raw material cost plus conversion cost, excise duty if applicable and other overheads incurred to bring the goods to their present condition and location.

j) Cenvat :

Cenvat credit of excise duty paid on inputs, capital assets and input services is recognized in accordance with the Cenvat Credit Rules, 2004.

K) Subsidy :

Government grants available to the company are recognized when there is a reasonable assurance of compliance with the conditions attached to such grants and where benefits in respect thereof have been earned and it is reasonably certain that the ultimate collection will be made. Government subsidy in the nature of promoter's contribution is credited to Capital Reserve. The Government subsidy received for specific asset is reduced from the cost of the said asset.

L) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

M) Segment Information:

Segment information is prepared in conformity with accounting policies adopted for

preparing and presenting the financial statements of the enterprises as a whole.

N) Operating Leases:

Assets acquired on leases wherein a significant portion of the risk and rewards of the ownership are retained by the lessor are classified as operating lease. Lease rental paid for such leases are recognized as expense on systematic basis over the term of lease.

O) Foreign Currency Transactions

- (i) Foreign currency transactions are recorded on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction except export sales which are recorded at a rate notified by the customs for invoice purposes as the said rate approximate the actual rate at the date of transaction. The exchange fluctuation arising as a result of negotiation of export bill is accounted for as difference in exchange rates. The amount of such differences in exchange rate is included under the head turnover.
- (ii) Monetary items denominated in a foreign currency are reported at the closing rate as at the date of balance sheet. Non-monetary items which are carried at fair value denominated in a foreign currency are reported at the exchange rate that existed when such values were determined.
- (iii) The premium or discount arising at the inception of a forward exchange contracts is amortized as expense or income over the life of contract. Exchange difference on such a contract is recognized in the statement of profit and loss in the reporting period in which the exchange rate changes. Profit or loss arising on cancellation or renewal of such contract is recognized as income or expense in the period in which such profit or loss arises.
- (iv) The exchange difference to the extent of loss, arising on forward contract to hedge the transactions in the nature of firm commitment and highly probable forecast transactions is recognized in the profit and loss account. The profit if any arising thereon is ignored.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

P) Accounting for taxes on income:

The accounting treatment followed for taxes on income its to provide for Current Tax and Deferred Tax. Current Tax is the aggregate amount of Income Tax Determined to be payable in respect of taxable income for a period. Deferred Tax is the tax effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Q) Earning per share:

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into account the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all dilutive potential equity shares into equity shares.

R) Impairment of assets

At each balance sheet an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.

S) Provisions and Contingent Liabilities

- (i) Provision is recognized (for liabilities that can be measured by using a substantial degree of estimation) when:
 - (a) the Company has a present obligation as a result of a past event;
 - (b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
 - (c) the amount of the obligation can be reliably estimated.
- (ii) Contingent liability is disclosed in case there is:
 - (a) Possible obligation that arises from past event and existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future event not wholly within the control of the enterprise : or
 - (b) a present obligation arising from a past events but is not recognized
 - i) when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - ii) a reliable estimate of amount of the obligation cannot be made.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Amount in ₹)

PARTICULARS	As at March 31,	
	2015	2014
2. SHARE CAPITAL		
Authorized		
90000000 (Previous Year 90000000) Equity Shares of ₹5 each	450000000	450000000
Issued		
68230235 (Previous Year 68230235) Equity Shares of ₹5 each fully paid up	341151175	341151175
	595100	595100
	340556075	340556075

a. Reconciliation of the number of shares outstanding

	As at March 31,			
	2015		2014	
	No.	Amount	No.	Amount
At the beginning of the period	68230235	341151175	64574963	322874815
Issued during the period	-	-	3655272	18276360
	68230235	341151175	68230235	341151175

b. Terms/rights attached to equity shares

The company has one class of equity shares having a par value of ₹5 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholder.

C. Details of shareholders holding more than 5% shares in the company

	As at March 31,			
	2015		2014	
	No. of Shares	%holding in the class	No. of Shares	%holding in the class
Equity shares of ₹5 each fully paid				
India Investment Group Pte Ltd.	7000000	10.26%	7000000	10.26%
Sinochamp Corporation Ltd.	-	0.00%	4807143	7.05%
Gold Leaf International Pvt. Ltd.	4000000	5.86%	4000000	5.86%
Sanjay Gupta	11933823	17.49%	11933823	17.49%
Ajay Gupta	9575445	14.03%	9575445	14.03%
Bhavna Gupta	3534665	5.18%	3534665	5.18%
White Stone Yarns Pvt. Ltd.	2073250	3.04%	3350000	4.91%
Venus Tex Spin Ltd.	3350000	4.91%	3350000	4.91%
Sunny Land Group Ltd	6274083	9.20%	-	-

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Amount in ₹)

	As at March 31,	
	2015	2014
3. RESERVE & SURPLUS		
a) Capital Reserve		
Balance as per last financial statements	3000000	3000000
b) Securities Premium Account		
Balance as per last financial statements	1035607501	834567541
Add: Premium on issue of fully paid equity shares	-	201039960
Closing Balance	1035607501	1035607501
c) General Reserve		
Balance as per last financial statements	38829209	38829209
d) Surplus/(deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	604910922	593381357
Add (Less) : Profit/(Loss) for the year	(2083445666)	11529565
Less : Adjustment of Depreciation	(16427271)	-
Net Surplus in the Statement of Profit and Loss	(1494962015)	604910922
Total Reserves and Surplus	(417525305)	1682347632

4. LONG TERM BORROWINGS

	(Amount in ₹)			
	Non current portion		Current maturities	
	As at March 31,		As at March 31,	
	2015	2014	2015	2014
Secured				
Term Loans				
Indian rupee loan from banks	2151086769	1682773452	216051245	380816196
Other loans and advances				
Indian rupee loan from banks	1159793	419302	928745	1110206
From financial institutions	-	-	-	307070
Unsecured				
From directors	20516555	-	-	-
From related parties (including inter corporate loans)	100000745	92500745	-	-
	2272763862	1775693499	216979990	382233472
Amount disclosed under the head "Other Current Liabilities" (note 9)			(216979990)	(382233472)
Net amount	2272763862	1775693499	-	-
Unsecured Long-term Borrowings include				
-Loans from Gautam Terry Tech Ltd. in which company's managing directors are members	92500745	92500745	-	-
-Loans from Gautam Gupta (Promoter Contribution)	20516555	-	-	-
-Loans from Avnisha Gupta (Relative of managerial Personnel)	7500000	-	-	-



- a. Indian rupee term loan amounting to ₹ 8400.00 lacs from State Bank of India carries interest @ 13.10% p.a. net of TUFs subsidy. The loan is repayable in 96 monthly installments, which consists 30 monthly installments of ₹ 42.00 lacs each, next 30 monthly installments of ₹ 98.00 lacs each, next 35 monthly installments of ₹ 116.66 lacs each and last one monthly installment of ₹ 116.90 lacs along with interest. These installments have been started from 01.12.2010. *
- b. Indian rupee term loan amounting to ₹ 7500.00 from Punjab National Bank has been restructured w.e.f 01.07.2014. The original rate of interest with repayment schedule and revised rate of interest with repayment schedule is given below :

Loan Amount (₹ lacs)	Original				Revised			
	Interest Rate	EMI (₹ lacs)	Period	Nos	Interest Rate	EMI (₹ lacs)	Period	Nos
7500.00	8% (net of TUFs)	37.50	01/12/10 to 01/05/13	30	6.5% (net of TUFs)	37.50	01/12/10 to 01/05/13	30
		87.50	01/06/13 to 01/11/15	30		87.50	01/06/13 to 01/05/14	12
		104.16	01/12/15-01/05/18	35		87.00	01/06/14	1
		104.40	01/06/18	1		5.82	01/07/14 to 01/03/15	9
						10.91	01/04/2015 to 01/04/2017	24
						43.65	01/05/2017 to 01/04/2018	12
						50.20	01/05/2018 to 01/04/2019	12
						54.56	01/05/2019 to 01/04/2020	12
						58.93	01/05/2020 to 01/04/2021	12
						61.11	01/05/2021 to 01/04/2023	24
						63.29	01/05/2023 to 01/04/2024	12
						69.84	01/05/2024 to 01/07/2024	3

These Installments have been commencing from 01.12.2010 and subsequently got restructured w.e.f 01.07.2014

- c. Indian rupee term loan amounting to ₹ 1350.00 from Punjab National Bank has been restructured w.e.f 01.07.2014. The original rate of interest with repayment schedule and revised rate of interest with repayment schedule is given below :

Loan Amount (₹ lacs)	Original				Revised			
	Interest Rate	EMI (₹ lacs)	Period	Nos	Interest Rate	EMI (₹ lacs)	Period	Nos
1350.00	8.84% (net of TUFs)	14.06	01/01/2011 to 01/12/2018	96	6.5% (net of TUFs)	14.06	01/01/2011 to 01/06/2014	42
						14.38	01/07/14	1
						0.83	01/08/2014 to 01/04/2015	9
						1.55	01/05/2015 to 01/04/2017	24

Loan Amount (₹ lacs)	Original				Revised			
	Interest Rate	EMI (₹ lacs)	Period	Nos	Interest Rate	EMI (₹ lacs)	Period	Nos
						6.21	01/05/2017 to 01/04/2018	12
						7.14	01/05/2018 to 01/04/2019	12
						7.76	01/05/2019 to 01/04/2020	12
						8.38	01/05/2020 to 01/04/2021	12
						8.69	01/05/2021 to 01/04/2022	24
						9.00	01/05/2022 to 01/04/2023	12
						9.93	01/05/2023 to 01/07/2023	3

These Installments have been commencing from 01.01.2011 and subsequently got restructured from 01.07.2014



- d. Indian rupee term loan amounting to Rs.2319.94 lacs from Punjab National Bank has been restructured w.e.f 01.07.2014 The original rate of interest with repayment schedule and revised rate of interest with repayment schedule is given below :

Loan Amount (' lacs)	Original				Revised			
	Interest Rate	EMI (' lacs)	Period	Nos	Interest Rate	EMI (' lacs)	Period	Nos
2319.94	9.65%	30.21	01/04/2012 to 01/08/2018	77	11.50%	30.21	01/04/2012 to 01/05/2014	26
						30.62	01/06/14	1
						1.86	01/07/2014 to 01/03/2015	9
						3.49	01/04/2015 to 01/02/2017	24
						13.94	01/03/2017 to 01/02/2018	12
						16.03	01/03/2018 to 01/02/2019	12
						17.43	01/03/2019 to 01/02/2020	12
						18.82	01/03/2020 to 01/02/2021	12
						19.52	01/03/2021 to 01/02/2023	24
						20.22	01/03/2023 to 01/02/2024	12
						22.31	01/03/2024 to 01/05/2024	3

- These Installments have been commencing from 01.04.2012 and subsequently got restructured from 01.07.2014
- e. Indian rupee term loan amounting to ₹900.00 lacs from UCO Bank carries interest @ 7.70% p.a. net of TUFS subsidy. The loan is repayable in 96 monthly installments of ₹9.37 lacs each along with interest commencing from 01.12.2010. *
- f. Indian rupee term loan amounting to ₹1295.00 lacs from Allahabad Bank has been restructured w.e.f 01.07.2014 The original rate of interest with repayment schedule and revised rate of interest with repayment schedule is given below :

Loan Amount (' lacs)	Original				Revised			
	Interest Rate	EMI (' lacs)	Period	Nos	Interest Rate	EMI (' lacs)	Period	Nos
1295.00	13.59% (net of TUFS)	12.00	01/04/2010 to 01/03/2019	108	9.74% (net of TUFS)	12.00	01/04/2010 to 01/05/2014	50
						11.00	01/06/14	1
						0.76	01/07/2014 to 01/03/2015	9
						1.43	01/04/2015 to 01/03/2017	24
						5.70	01/04/2017 to 01/03/2018	12
						6.56	01/04/2018 to 01/03/2019	12
						7.13	01/04/2019 to 01/03/2020	12
						7.70	01/04/2020 to 01/03/2021	12
						7.98	01/04/2021 to 01/03/2023	24
						8.27	01/04/2023 to 01/03/2024	12
						9.27	01/04/2024 to 01/06/2024	3

- These Installments have been commencing from 01.04.2010 and subsequently got restructured from 01.07.2014 *
- g. Indian rupee term loan amounting to ₹1250.00 lacs from Allahabad Bank has been restructured w.e.f 01.07.2014 The original rate of interest with repayment schedule and revised rate of interest with repayment schedule is given below :

Loan Amount (' lacs)	Original				Revised			
	Interest Rate	EMI (' lacs)	Period	Nos	Interest Rate	EMI (' lacs)	Period	Nos
1250.00	10.09% (net of TUFS)	13.02	01/01/2011 to 01/12/2018	96	10.19% (net of TUFS)	13.02	01/01/2011 to 01/03/2014	39
						13.22	01/04/14	1
						0.81	01/07/2014 to 01/03/2015	9
						1.52	01/04/2015 to 01/03/2017	24
						6.08	01/04/2017 to 01/03/2018	12
						6.99	01/04/2018 to 01/03/2019	12
						7.59	01/04/2019 to 01/03/2020	12
						8.20	01/04/2020 to 01/03/2021	12
						8.51	01/04/2021 to 01/03/2023	24
						8.81	01/04/2023 to 01/03/2024	12
						9.72	01/04/2024 to 01/06/2024	3

- These Installments have been commencing from 01.04.2010 and subsequently got restructured from 01.07.2014 *



- h. Indian rupee term loan amounting to ₹4500.00 lacs from Central Bank of India carries interest @ 8.75% p.a. net of TUFs subsidy. The loan is repayable in 96 monthly installment of ₹ 47.00 lacs each along with interest commencing from 01.07.2013*.
- i. Indian rupee term loan amounting to ₹1560.00 lacs from Punjab National Bank carries interest @ 11.50% p.a. raise during 2014-15 on account of Interest on Working Capital Limit with Bank The loan is repayable in 96 monthly installments, which consists 9 monthly installments of ₹ 1.73 lacs each, next 12 monthly installments of ₹6.50 lacs each, next 12 monthly installments of ₹11.70 lacs each, next 12 monthly installments of ₹15.60 lacs each, next 12 monthly installments of ₹18.20 lacs each, next 12 monthly installment of ₹ 22.75 lacs each, next 24 monthly installment of ₹23.40 lacs each, next 3 monthly installment of ₹28.60 lacs each commencing from 01.07.2016 and interest on this term loan of ₹1560.00 lacs will also be funded till 30.06.2016 by raising another term loan and repayment will commence from 01.07.2016
- j. Indian rupee term loan amounting to ₹1229.00 lacs from Punjab National Bank carries interest @ 11.50% p.a. raise during 2014-15 by funding Interest on Term Loans with Bank of ₹8850.00 lacs, amount of this term loan of ₹1229.00 Lacs will further increase by funding interest on existing term loans of ₹8850.00 lacs till 31.12.2015. Then after repayments will starts from 01.07.2016 as per below repayment schedule :

Period	2016- 17	2017- 18	2018- 19	2019- 20	2020- 21	2021- 22	2022- 23
No. of EMIs	9	12	12	12	12	12	12
% Each Month of principal amount	0.28%	0.42%	0.63%	0.83%	1.04%	1.25%	1.46%
Period	2023- 24	2024-25					
No. of EMIs	12.00	3.00					
% Each Month of principal amount	1.46%	4.17%					

- k. Indian rupee term loan amounting to ₹42.47 lacs from Allahabad Bank carries interest @ 14.35% p.a. raise during 2014-15 by funding Interest on Term Loans with Bank of ₹2545.00 lacs, amount of this term loan of ₹142.47 Lacs will further increase by funding interest on existing term loans of ₹2545.00 lacs till 31.12.2015. Then after repayments will starts from 01.07.2016 as per below repayment schedule :

Period	2016- 17	2017- 18	2018- 19	2019- 20	2020- 21	2021- 22	2022- 23
No. of EMIs	9	12	12	12	12	12	12
% Each Month of principal amount	0.28%	0.42%	0.63%	0.83%	1.04%	1.25%	1.46%
Period	2023- 24	2024-25					
No. of EMIs	12.00	3.00					
% Each Month of principal amount	1.46%	4.17%					

- l. Indian rupee term loan amounting to ₹.210.00 lacs from Punjab & Sind Bank carries interest @ 11.50% p.a. raise during 2014-15 on account of Interest on Working Capital Limit with Bank The loan is repayable in 96 monthly installments, which consists 9 monthly installments of ₹0.23 lacs each, next 12 monthly installments of ₹0.88 lacs each, next 12 monthly installments of ₹1.57 lacs each, next 12 monthly installments of ₹2.10 lacs each, next 12 monthly installments of ₹2.45 lacs each, next 12 monthly installment of ₹3.06 lacs each, next 24 monthly installment of ₹3.15 lacs each, next 3 monthly installment of ₹3.85 lacs each commencing from 01.07.2016.
- m. Indian rupee term loan amounting to ₹48.00 lacs from Punjab & Sind Bank carries interest @ 11.50% p.a. raise during 2014-15 on account of Interest on term loan with Bank of ₹210.00 lacs, amount of this term loan of ₹48.00 Lacs will further increase by funding interest on term loan of ₹210.00 lacs till 30.06.2016. Then after repayments will starts from 01.07.2016 as per below repayment schedule :



Period	2016- 17	2017- 18	2018- 19	2019- 20	2020- 21	2021- 22	2022- 23
No. of EMIs	9	12	12	12	12	12	12
% Each Month of principal amount	0.28%	0.42%	0.63%	0.83%	1.04%	1.25%	1.46%
Period	2023- 24	2024-25					
No. of EMIs	12.00	3.00					
% Each Month of principal amount	1.46%	4.17%					

- n. Indian rupee term loan amounting to ₹1092.00 lacs from IDBI Bank carries interest @ 11.50% p.a. raise during 2014-15 on account of Interest on Working Capital Limit with Bank, amount of this term loan will be raised to ₹1500.00 lacs in 2015-16. Then loan will be repayable in 96 monthly installments, which consists 9 monthly installments of ₹1.67 lacs each, next 12 monthly installments of ₹ 6.25 lacs each, next 12 monthly installments of ₹11.25 lacs each, next 12 monthly installments of ₹15.00 lacs each, next 12 monthly installments of ₹17.50 lacs each, next 12 monthly installment of ₹21.88 lacs each, next 24 monthly installment of ₹22.50 lacs each, next 3 monthly installment of ₹27.50 lacs each commencing from 01.07.2016.
- o. Indian rupee term loan amounting to ₹65.04 lacs from IDBI Bank carries interest @ 11.50% p.a. raise during 2014-15 on account of Interest on term loan with Bank of ₹1092.00 lacs, amount of this term loan of ₹65.04 Lacs will further increase by funding interest on term loan of ₹210.00 lacs till 30.06.2016. Then after repayments will starts from 01.07.2016 as per below repayment schedule

Period	2016- 17	2017- 18	2018- 19	2019- 20	2020- 21	2021- 22	2022- 23
No. of EMIs	9.00	12.00	12.00	12.00	12.00	12.00	12.00
% Each Month of principal amount	0.28%	0.42%	0.63%	0.83%	1.04%	1.25%	1.46%

- * All the above mentioned term loans are secured by first pari-passu charge over fixed assets and second pari-passu charge over current assets of the company. The loans are also secured by equitable mortgage of residential house of Directors Mr. Ajay Gupta and Mr. Gautam Gupta located at 445 Sant Nagar Ludhiana. Further, the loans have been guaranteed by the personal guarantee of Executive Directors of the company.
- p. Other loan and advance represents term loan on vehicles. This loan from HDFC Bank is taken during the financial year 2013-14 and carries interest @12.55% p.a. The loan is repayable in 23 monthly installments of ₹0.15 lacs including interest. Another loan from HDFC Bank is taken during the financial year 2013-14 and carries interest @13.65% p.a. The loan is repayable in 24 monthly installments of ₹0.34 lacs including interest. This loan from UCO Bank is taken during the financial year 2012-13 and carries interest @10.45% p.a. The loan is repayable in 36 monthly installments of ₹0.54 lacs including interest. Loan from financial institution is taken during the financial year 2011-12 and carries interest 10.94% p.a. The loan is repayable in 35 monthly installments of ₹0.32 lacs including interest. This Loan from ICICI bank is taken during 2014-15 and carries interest @10.24% p.a. The loan is repayable in 60 monthly installments of ₹0.63 lacs including interest These loans are secured by way of hypothecation of respective vehicle. Further the loans have been guaranteed by the personal guarantee of Managing Director of the company.

Staus of Continuing defaults as at year end

Bank Name	Intt. Rate	DP	Outstanding	no. of Installment overdue	Overdue	Interest Overdue	Principal Overdue
SBI*	0.15	498400000	591778478	8	93378478	14978478	78400000
CBI*	0.14	346600000	393521929	9	46921929	4621929	42300000
UCO Bank	0.13	41250000	43438821	2	2188821	313821	1875000

* The SBI and CBI has not charged interest of ₹580.21 lacs as respective banks has declared accounts as NPA.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Amount in ₹)

	As at March 31,	
	2015	2014
5. Deferred Tax Liability (net)		
Deferred tax liability		
Impact of difference between Income Tax depreciation and depreciation/amortization charged for financial reporting	317240092	317240092
Gross deferred tax liability	317240092	317240092
Impact of unabsorbed depreciation arising under Income Tax Act, 1961	11148462	11148462
Impact of expenditure charged to the statement of Profit and Loss in the current year but not allowed for Tax purposes on payment basis	2595600	2595600
Gross deferred tax asset	13744062	13744062
Net Deferred Tax Liability	303496030	303496030

During the year company has not created the deferred tax asset against Business loss, as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

6. Provisions

	Long Term		Short term	
	As At March 31,		As at March 31,	
	2015	2014	2015	2014
Provision for Employee Benefits				
Provision for gratuity (note 37)	19759888	16796669	-	-
Provision for leave benefits	6474981	3620792	-	2670301
	26234869	20417461	-	2670301
Other Provisions				
Provision for current tax	-	-	112933620	112933620
Less: prepaid taxes	-	-	(66356561)	(63480146)
Provision for wealth tax	-	-	49884	36255
Less: prepaid taxes	-	-	(6254)	(5810)
	-	-	46620689	49483919
	26234869	20417461	46620690	52154220

7. Short-term Borrowings
Secured
Working Capital Loans
From Banks

	As at March 31,	
	2015	2014
Foreign Currency Loans	-	400596
Indian Rupee Loans	2175151839	1823766955
	2175151839	1824167551

Unsecured
Working Capital Loans
From NBFCs

Indian Rupee Loans	888906	7748407
	888906	7748407
	2176040745	1831915958

Working Capital Loans from banks are secured by first pari-passu charge over current assets and second pari-passu charge over fixed assets of the company. The loan is also secured by equitable mortgage of residential



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Amount in ₹)

house of Directors Mr. Ajay Gupta and Mr. Gautam Gupta located at 445 Sant Nagar Ludhiana. Further, the loans have been guaranteed by the personal guarantee of Executive Directors of the company and corporate guarantee of Gold Leaf International Pvt. Ltd.

The detail of amount & period of default of interest on short term borrowings

Bank name	Overdue Interest Amount (₹)	Overdue Since
State bank of India	5195963	01/07/2014
Union Bank of India	1910189	01/03/2015
Central Bank of India	486740	01/07/2014
Saber bank	15706759	01/09/2014

* The SBI and CBI has not charged interest of ₹609.99 and ₹51.59 lacs as respective banks has declared accounts as NPA. (Amount in ₹)

		As at March 31,	
		2015	2014
8. Trade Payables			
Trade payables (including acceptances)			
-Total outstanding dues to micro, small and medium enterprises (note 33)		-	-
-Others			
	TOTAL	696264998	1291849516
		696264998	1291849516
Trade payables (including acceptances) includes			
Dues to Gautam Terry Tech Ltd. in which company's managing directors are members		56168528	36817083

		As at March 31,	
		2015	2014
9. Other Current Liabilities			
Current maturities of long-term borrowings (note 4)		216979990	382233472
Interest accrued and due on borrowings#		23820041	28622415
Income received in advance from customers		82980657	15010888
Investor Education and Protection Fund will be credited by following amounts (as and when due)			
Unpaid Dividend		-	-
Other Payables		-	-
Service Tax Payable		86570	109384
TDS/TCS Payable		702394	2255509
Employee Related Expenses Payable		31403438	38169164
Electricity Expenses Payable		18401065	19073221
Security Payable		68000	68000
Expenses Outstanding		3587328	7908970
Others@		76541267	137843918
		454570750	631294941

#Interest accrued and due includes ₹199 lacs (Previous Year Nil) which relates to defaults in repayment of interest on bank loans.

@ Other includes cheques Issued but not yet cleared as on 31st March,2015 amounting to ₹76541267 (PY ₹ 137843918) out of which cheques of ₹31693641 has been cleared and remaining cheques has not been presented for payment upto the date of signing of balance sheet i.e. 30th May,2015



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

10. Tangible Assets

	Freehold Land	Leasehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Total
Cost or valuation									
At 1 st April, 2013	118438428	19637591	817375061	3362196985	4657847	16562722	8142139	10178074	4357188847
Additions	95157600	66781	4150151	16552504	290829	396859	201194	193496	117009214
Disposals	-	-	-	(1010304)	-	(225477)	-	-	(1235781)
At 31st March, 2014	213596028	19704372	821525212	337799185	4948476	16734104	8343333	10371570	4472962280
Additions	3255677			40411414	15910	2612847	73797		46369645
Disposals				(15443512)					(15443512)
At 31st March, 2015	216851705	19704372	821525212	3402707087	4964386	19346951	84171130	10371570	4503888413
Depreciation									
At 1 st April, 2013	-	1186321	140503872	909711047	2859154	6284180	3296359	6358995	1070199928
Charge for the year	-	198984	26482295	234200728	270374	1410221	296463	1422871	264281936
Disposals	-	-	-	(959789)	-	(61873)	-	-	(1021662)
At 31st March, 2014	-	1385305	166986167	1142951986	3129528	7632528	3592822	7781866	1333460202
Charge for the year		199161	28962424	485581503	264150	2297318	1777409	678799	519760764
Disposals				(4458437)					(4458437)
At 31st March, 2015	-	1584466	195948591	1624075052	3393678	9929846	5370231	8460665	1848762529
Adjustment with opening Retained Earnings									
Charge for the year			340885		5397		1648988	860740	16427271
Disposals									
At 31st March, 2015	-	0	340885	13571262	5397	0	1648988	860740	16427271
Net Block									
At 31 st March, 2014	213596028	18319067	654539045	2234787199	1818948	9101576	4750511	2589704	3139502078
At 31 st March, 2015	216851705	18119906	625235736	1765060773	1565311	9417105	1397911	1050165	2638698611

Gross block ₹157929936 (Previous Year ₹157929936)
 Depreciation charge for the year ₹5250492 (Previous Year ₹5250492)
 Accumulated depreciation ` 5659657 (Previous Year ₹ 33076856)
 Adjustment with Opening Retained Earnings ₹ 215335 (Previous Year ₹ 0)
 Net book value ₹118978086 (Previous Year ₹124853080)

b. The company has provided depreciation on computer equipment used for ERP @20% on straight line basis, as useful life of such equipment has been estimated to be not more than five years.

c. The company has charged the depreciation, on Plant & Machinery (Humidification Plat, Draw Frame, Speed Frame, Blow Room, Ring Frame, Carding Machinery) installed at Spinning Unit -2 by assuming economic useful life 13 years as the machinery installed are technology based, which is going to be absorbed in 13 years as per technician and on Plant & Machinery (Stoll Machinery) installed at Apparel & Knits Units by assuming economic useful life 10 years as the machinery installed are technology based, which is going to be absorbed in 10 years as per technician, w.e.f 01.04.2014 in accordance with Schedule II of the Companies Act, 2013. With this effect Depreciation has been increased by ₹7,18,05,726/- and profits ar lower by the like amount.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in ₹.)

11. Intangible Assets

Computer software

Gross block

At 1st April, 2013

8841499

Purchase

-

At 31st March, 2014

8841499

Purchase

-

At 31st March, 2015

8841499

Amortization

At 1st April, 2013

4022551

Charge for the year

1732906

At 31st March, 2014

5755457

Charge for the year

1018696

At 31st March, 2015

6774153

Net Block

At 31st March, 2014

3086042

At 31st March, 2015

2067346

Intangible assets which comprises of software have been amortized @20% on straight line basis, as useful life of the such software has been estimated to be not more than five year.

12. Expenditure on power lines

Gross block

At 1st April, 2013

2052063

Additions

-

At 31st March, 2014

2052063

Additions

-

At 31st March, 2015

2052063

Amortization

At 1st April 2013

2002718

Charge for the year

49345

At 31st March, 2014

2052063

Charge for the year

-

At 31st March, 2015

2052063

Net Block

At 31st March, 2014

-

At 31st March, 2015

-

The company has paid the above mentioned amount to Punjab State Electricity Board for expenditure on power lines. As future economic benefits associated with the installation of such power lines will flow to the company, the same have been reflected in this note. The company has amortised these lines @20% on straight line basis as the useful life is estimated to be five years.

13. Loans and Advances

(Amount in ₹.)

	Non-current		Current	
	As at March 31,		As at March 31,	
	2015	2014	2015	2014
Capital advances				
Unsecured, considered good	15590910	50347602	-	-
(A)	15590910	50347602	-	-
Security deposit				
Unsecured, considered good	41294886	30151968	24500	24500
(B)	41294886	30151968	24500	24500



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in ₹)

Advances recoverable in cash				
Unsecured, considered good	-	-	303949803	342909596
(C)	-	-	303949803	342909596
Other loans and advances				
Loans and advances to employees	-	-	9659971	1723431
Advances to suppliers	-	-	92197481	172501865
(D)	-	-	101857452	174225296
Total (A+B+C+D)	56885796	80499570	405831755	517159392

14. Other Assets

	Non Current		Current	
	As At March,31		As At March 31	
	2015	2014	2015	2014
Prepaid expenses	-	-	2439793	6365803
Interest accrued on fixed deposits	-	-	4504648	9955340
Balances with statutory/ government authorities	-	-	117748183	101078192
Mat credit entitlement*	155942289	63942289	-	92000000
Others#	-	-	29106929	129731134
	155942289	63942289	153799553	339130469

*Classification of Mat credit entitlement into non-current and current assets has been done on the basis of estimates made by management

Others includes Cheques in hand amounting to ₹2,70,96,000/- (previous year ₹12,67,68,127) out of which Cheques amounting to ₹22200000 has been cleared and balance cheques has not been cleared upto the date of signing of Balance Sheet.

	(Amount in ₹)	
	As at March 31,	
	2015	2014
15. Inventories (valued at lower of cost and net realisable value)		
Raw Materials (note 21)	1123588400	1725801589
Work-in-Progress (note 22)	115476569	121073186
Finished Goods (note 22)	328415706	402584990
Stores and Spares	34002228	38994691
	1601482903	2288454456

The company have devalued its inventory of ₹7442 lacs to ₹2133 lacs i.e. ₹5309 lacs has been written off during the FY 2014-15. Out of ₹2133 lacs inventory, ₹1967 lacs has been sold off during the year and balance amounting to ₹166 lacs is still in hand and included in raw materials. The Quantity and value of the same has been verified by the independent stock auditor.

	(Amount in ₹)	
	As at March 31,	
	2015	2014
16. Trade receivables (considered good unless otherwise stated)		
Receivables outstanding for a period exceeding six months from the due date of payment		
Unsecured		
Considered good	300137864	81413893
Considered doubtful	278641552	-
Less: Allowance for doubtful debts	278641552	-
(A)	300137864	81413893
Other receivables		
Unsecured		



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Considered good	440809424	1348177329
(B)	440809424	1348177329
Total (A + B)	740947288	1429591222

Trade receivables (considered good unless otherwise stated) includes

Dues from Venus Tex Spin Ltd.	7002414	133242304
Dues from Ganeshgee Textile Trading Ltd.	12760978	13350978
Dues from Gttl in which company's managing directors are members	2415482	4015482

17. Cash and bank balances

	Non Current		Current	
	As At March, 31		As At March, 31	
	2015	2014	2015	2014
Cash and cash equivalents				
Balance with banks:				
On current accounts	-	-	15788361	5316063
On unpaid dividend accounts	-	-	-	-
Cash on hand	-	-	23550828	5702916
Other bank balances	-	-	39339189	11018979
Margin money deposit	16424906	-	87514540	54085158
Total	16424906	-	87514540	54085158
	16424906	-	126853729	65104137

Margin money deposits given as security

Margin money deposits with a carrying amount of ₹103939446 (Previous Year ₹54085158) are subject to first charge to secure the company's inland letter of credit limits with banks

(Amount in ₹)

18. Revenue from Operations:-

	for the year ended March 31	
	2015	2014
Sale of Products		
Finished goods	3485849672	7224851654
Traded goods	415010138	640150650
Other Operating Revenue		
Job work charges	291657843	224979240
Waste sales	28674709	98274205
Export Incentives	69314350	120885539
Difference in exchange rate*	11674445	3902907
Revenue from Operations (gross)	4302181157	8313044195
Less: Excise Duty	4011579	8802047
Revenue from Operations (net)	4298169578	8304242148

*Difference in exchange rate relating to turnover is included in 'Revenue from operations'. Other exchange differences have been disclosed separately under the note 27 relating to 'Other expenses'.

(Amount in ₹)

	for the year ended March 31	
	2015	2014
Details of Products Sold		
Finished goods sold		
Yarn	2248890255	4089744366
Fabrics	679229703	2445564177
Garments	557729714	689543111
	3485849672	7224851654
Traded goods sold		
Manmade fibres	94717655	419869287
Cotton	13184143	18228788

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015** (Amount in Rupees)

	(Amount in ₹)	
	for the year ended March 31	
	2015	2014
Yarn	283276769	192322817
Fabrics	23831571	9729758
	415010138	640150650
	3900859810	7865002304
19. Other Income		
Interest income on Insurance claim	-	-
Profit on sale of fixed assets(net)	-	909580
Excess provision written back	-	816032
Other receipts	1042000	600981
	1042000	2326593
20. Cost of Raw Material Consumed		
Inventory at the beginning of the year	1725801589	1980375201
Less: Revaluation of Inventory	530866778	-
Purchases	2996431708	5022433640
	4191366519	7002808841
Less: inventory at the end of year	1123588400	1725801589
Cost of raw material consumed	3067778119	5277007252
Details of cost of Raw Material Consumed		
Manmade fibres	380678099	439168638
Cotton	967595464	1808200151
Yarn	721561891	699692694
Fabrics	994396484	2325165719
Garments	3546181	4780050
	3067778119	5277007252
Details of Purchases of Raw Material		
Manmade fibres	370779650	430103879
Cotton	877034748	1561924903
Yarn	517236665	908117985
Fabrics	1227834464	2117506823
Garments	3546181	4780050
	2996431708	5022433640
Details of Inventory of Raw Material		
Manmade fibres	83307985	93206434
Cotton	209513908	300074624
Yarn	287623770	782547475
Fabrics	543142737	549973056
	1123588400	1725801589
21. Details of Purchase of Traded Goods		
Manmade fibres	93713668	409403272
Cotton	24207933	18372145
Yarn	276246901	186505635
Fabrics	20091408	9658536
	414259910	623939588



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Amount in ₹)

22. (Increase)/Decrease in Inventories

	For the Year end March 31,		
	2015	2014	Increase/ Decrease
Inventories at the end of the year			
Work-in-progress	115476569	121073186	5596617
Finished goods	328415706	402584990	74169284
	443892275	523658176	79765901
Inventories at the beginning of the year			
Work-in-progress	121073186	78845012	(42228174)
Finished goods	402584990	531597813	129012823
	523658176	610442825	86784649
(Increase)/Decrease in Inventories	79765901	86784649	

(Amount in ₹)

	for the year ended March 31	
	2014	2015
Details of Inventory		
Work-in-Progress		
Yarn	82277637	56806234
Fabrics	6980476	4039830
Processed fabrics	-	-
Garments	25333269	59180138
Other	885187	1046984
	115476569	121073186
Finished Goods		
Yarn	241858573	315531926
Fabrics	1135529	8324936
Processed fabrics	6033695	19774248
Garments	43043155	49488352
Other	36344754	9465528
	328415706	402584990
23. Employee Benefit Expense		
Salaries, wages and bonus	129737292	209325432
Contribution to provident and other funds	15871898	30054621
Staff welfare expenses	9431614	2128049
	155040804	241508102
24. Finance Cost		
Interest		
-Term loans	157685641	212432502
-Working capital	232279928	244791148
Bank charges	27385877	44325248
	417351446	501548898
25. Depreciation and Amortization Expense		
Depreciation/Amortization on Tangible Assets		
Leasehold land	199161	198984
Building	28962424	26482295
Plant and machinery	485581503	234200728
Furniture & fixtures	264150	270374
Vehicles	2297318	1410221
Office equipment	1777409	296463
Computer equipment	678799	1422871
	519760764	264281936
Amortization of Intangible Assets		
Computer software	1018696	1732906

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015** (Amount in ₹)

Amortization of Expenditure on Power Lines	1018696	1732906
Total	-	49345
	520779460	266064187

(Amount in ₹)

26. Other expenses	for the year ended March 31	
	2015	2014
Manufacturing Expenses		
Consumption of stores and spares	98324189	163740926
Consumption of packing material	54002136	84250228
Consumption of dyes and chemicals	277237525	239047631
Power and fuel	374224415	554150187
Freight and cartage inward	1410778	1870499
Testing charges	60563	1351565
Value added tax	152314	218676
Water disposal charges	91682	64589
Repairs to Plant and machinery	5192787	5762215
	810696389	1050456516
Administrative & Other Expenses		
Lease Rent	240000	240000
Rates and taxes	570775	688713
Insurance	5309108	8247515
Repairs to building	906229	1465117
Travelling and conveyance	992726	768374
Printing and stationery	1344560	2093979
Telephone and postage	3072311	1913178
Legal and professional	6054653	3862753
Fees & subscription	1395629	2708390
Director's meeting fees	180895	228106
Director's travelling	204100	355800
Auditors remuneration	626204	459901
Directors remuneration	4113720	4177700
Vehicle maintenance	5484557	6212422
Bad debts written off	9109344	10775183
Provision for Doubtful Debts	278641552	-
Loss on sale of fixed assets (net)	2151596	-
Insurance claim written off	-	7657374
Charity and donation	12000	10000
Difference in exchange rate	(13371028)	50700453
Miscellaneous balances written off	1760	11916487
Miscellaneous administrative expenses	584925	883880
	307625616	115365325
Selling Expenses		
Freight and octroi outward	64176747	108446430
Advertisement	176316	79458
Commission	11591874	29320536
Rebate and Discount	2185728	2211705
Service Tax	79333	317892
Sale Promotion Expenses	269194	435146
	78479192	140811167
	1196801197	1306633008
Payment to auditor		
As auditor:		
Audit fee	224720	224720



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Amount in ₹)

Tax audit fee	84270	84270
In other capacity:		
Other services (certification fees)	26404	68315
Reimbursement of expenses	66090	82596
Taxation Matters	224720	
	626204	459901

27. Contingent Liabilities:

- (a) Bank guarantee outstanding - -
- (b) Bills discounted with banks against irrevocable letter of credit 64252804 240863002
- (c) The Income Tax Assessments of the company have been completed upto the assessment year (A.Y. 2012-13) for which no demand has been created. However assessment for the A.Y. 2013-14 and A.Y 2014-15 are still pending.
- (d) The Company has filed an appeal against the order of AETC, ICC before Joint director cum Deputy Excise and Taxation commissioner (Appeal) against imposition of Penalty of ₹2.78 lacs. Based on the decision of Appellate authorities and the interpretations of other relevant provision, the company has been legally advised that the penalty raised is likely to be deleted and accordingly no provision is considered necessary.
- (e) The Company has filed an appeal against the order of Assistant Commissioner Central Excise division before Commissioner (Appeal) against collection of Service tax of ₹0.88 lacs alongwith interest and penalty of ₹0.94 lacs. Based on the decision of Appellate authorities and the interpretations of other relevant provision, the company has been legally advised that the penalty raised is likely to be deleted and accordingly no provision is considered necessary.

28. Transfer Pricing

The company has entered into specified domestic transactions with related parties. The management is of the opinion that the company maintains necessary documents as prescribed by the Income Tax Act, 1961 to prove that these domestic transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense.

- 29.** Other expenses includes provisions for doubtful debts of ₹2786.42 lacs & bad debts written off of ₹91.09 lacs for the year ended March 31, 2015.

(Amount in ₹)

for the year ended March 31	
2015	2014

30. Capital and Other Commitments:

- (a) The company has executed bonds in favour of President of India under section 59(2) and 67 of the Customs Act, 1962 and Central Excise Act, 1944 for fulfillment of obligation under the said Acts.
- | | | |
|--|----------|----------|
| | 10000000 | 10000000 |
|--|----------|----------|

- 31.** The current assets, loans and advances are having the value at which they are stated in the balance sheet, if realized in the ordinary course of business.

- 32.** The company has leased facilities under cancellable and non cancellable operating leases arrangements with a lease term ranging from one to five years, which are subject to renewal at mutual consent thereafter, The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expenses recognized during the year amounts to ₹240000. The future minimum lease payments in respect of non-cancellable operating leases as at 31st March, 2015 are:
The company has leased facilities under cancellable and non cancellable operating leases arrangements with a lease term ranging from one to five years, which are subject to renewal at mutual consent thereafter, The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expenses



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Amount in Rupees)

recognized during the year amounts to ₹240000. The future minimum lease payments in respect of non-cancellable operating leases as at 31st March, 2015 are:

	(Amount in ₹)	
	As at March 31	
	2015	2014
a) not later than one year	240000	240000
b) later than one year but not later than five years	960000	960000
c) later than five years	-	-

33. a) The Company has identified Micro, Small and Medium Enterprises on the basis of information made available. There are no dues to Micro and Small Enterprises, that are reportable under the Micro, Small and Medium Enterprises Development Act 2006

b) The detail of amount outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the company are as under:

Sr. Particular		
1. Principle amount due and remaining unpaid	-	-
2. Interest due on (1) above and the unpaid interest	-	-
3. Interest paid on all delayed payments under the MSMED Act	-	-
4. Payments made beyond the appointed day during the year.	-	-
5. Interest due and payable for the period of delay other than (3) above	-	-
6. Interest accrued and remaining unpaid	-	-
7. Amount of further interest remaining due and payable in succeeding years	-	-

34. Related Party Disclosure

Related party disclosure is in accordance with the Accounting Standards (AS) 18 on "Related Party Disclosure" notified by the Companies (Accounting Standards) Rules, 2006:-

A. Name of related parties and description of relationship:

a) Key Management Personnel		Designation	
Sh. Ajay Gupta		Managing Director	
Sh. Gautam Gupta		Joint Managing Director	
Sh. Robin Vijan		Company Secretary	
Sh. Inderpal Singh		Chief Financial Officer	

(b) Relatives of key management personnel having transactions with the company

	Ajay Gupta	Gautam Gupta
Wife	Smt. Shikha Gupta	Smt. Avnisha Gupta

(c) Enterprises over which persons having controlling interest in company / key management personnels along with their relatives are able to exercise significant influence:

Partnership Firm
Group Companies

-Gttl
-Venus Tex Spin Ltd
-Gautam Terry Tech Ltd.
-Goldleaf International Pvt. Ltd.*
-Cimero Industrial Enterpris Ltd.*
-Ganeshgee Textile Trading Ltd.

* No transaction has taken place during the year



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in ₹)

- (d) Personal Guarantees of Directors and relatives of Directors for loans Obtained from banks
Personal Guarantees of Directors and relatives of Directors are to the amount of outstanding loans obtained from the banks (Refer Note 8)
- (e) corporate Guarantee of M/s Goldleaf International Pvt. Ltd.
Corporate Guarantee are to the amount of outstanding loans obtained from the banks (Refer Note 7)

(e) Transaction with Related parties

Particulars	March 31, 2015			March 31, 2014		
	Enterprises owned or significantly influenced by key management personnel or their relatives	Key management personnel	Relatives of Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Key management personnel	Relatives of Management Personnel
A) Transactions during the year						
i) sale of finished goods						
GAUTAM TERRY TECH LTD	28174433	-	-	153395143	-	-
VENUS TEX SPIN LTD.	217598638	-	-	820856075	-	-
GTTL	-	-	-	3326110	-	-
GANESHGEE TEXTILE TRADING LTD	-	-	-	12775626	-	-
Total	245773071	-	-	990352954	-	-
ii) Purchase of goods						
GAUTAM TERRY TECH LTD	291765188	-	-	100654070	-	-
VENUS TEX SPIN LTD.	637830850	-	-	833724796	-	-
Total	929596038	-	-	934378866	-	-
iii) Rent						
VENUS TEX SPIN LTD.	240000	-	-	240000	-	-
Total	240000	-	-	240000	-	-
v) Unsecured loan Received						
GAUTAM GUPTA (KMP)	-	20516555	-	-	-	-
GAUTAM TERRY TECH LTD	-	-	7500000	92500745	-	-
AVNISH GUPTA	-	-	-	-	-	-
Total	-	20516555	7500000	92500745	-	-
vi) Unsecured loan repaid						
AJAY GUPTA (KMP)	-	-	-	50000000	-	-
GAUTAM GUPTA (KMP)	-	-	-	79841390	-	-
Total	-	-	-	129841390	-	-
vii) Managerial Remuneration						
AJAY GUPTA	-	2056860	-	2064000	-	-
GAUTAM GUPTA	-	2056860	-	2113700	-	-
Total	-	4113720	-	4177700	-	-
viii) Contribution to provident and other funds (PF)						
AJAY GUPTA	-	16500	-	9360	-	-
GAUTAM GUPTA	-	16500	-	9360	-	-
ROBIN VJAN	-	16500	-	9360	-	-
INDERPAL SINGH	-	13960	-	9360	-	-
Total	-	63480	-	37440	-	-
ix) Salary Paid						
ROBIN VJAN	-	463500	-	469986	-	-
INDERPAL SINGH	-	346020	-	350640	-	-
Total	-	809520	-	820626	-	-
x) Sale of land & Building						
SHIKHA GUPTA	-	-	-	-	-	4896000
VENUS TEXSPIN LTD	-	-	-	36730040	-	-
Total	-	-	-	36730040	-	4896000



Particulars	March 31, 2015			March 31, 2014		
	Enterprises owned or significantly influenced by key management personnel or their relatives	Key management personnel	Relatives of Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Key management personnel	Relatives of Management Personnel
(B) Balancesheet Outstanding at the end of the year						
(i) Unsecured Loans						
GAUTAM TERRY TECH LTD	92500745	-	-	92500745	-	-
GAUTAM GUPTA	-	20516555	-	-	-	-
ANVISHA GUPTA	-	-	7500000	-	-	-
Total	92500745	20516555	7500000	92500745	-	-
(ii) Trade receivables						
VENUS TEX SPIN LTD.	7578839	-	-	133242304	-	-
GTTL	2415482	-	-	4015482	-	-
GANESHGEE TEXTILE TRADING LTD	12760978	-	-	13350978	-	-
Total	22755299	-	-	150608764	-	-
(iii) Trade payables						
GAUTAM TERRY TECH LTD.	56166528	-	-	36817083	-	-
Total	56166528	-	-	36817083	-	-

Note: The remuneration to the key managerial personnel does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

- C. No amount has been provided as doubtful debts or advances/written off or written back in the year in respect of debts due from or to above said related parties.
- D. Related party relationship is as identified by the Management and relied upon by the Auditors'.
- E. Transactions with enterprises controlled by KMP has been made against advance payments. Therefore, provisions of Section 185 of Companies Act, 2013 are not applicable to the company.



35. The Company has accrued following export incentives of ₹72833377 during the year .
(b) Incentive under Focus Market License of ₹14481199 (Previous year ₹24932001)
(c) Incentive under Duty Drawback of ₹ 58352178 (Previous year ₹ 90966692)

36. Earning Per Share (EPS):

The calculation of Earning per share as disclosed in the statement of profit and loss has been computed in accordance with Accounting Standard - 20 on "Earning per share" notified by the Companies (Accounting Standard) Rules, 2006

- Weighted Average Number of equity shares (No.)	68230235	68230235
- Profit for the year attributable to equity shareholders	(2083432037)	11529565
- Nominal value of equity share	5/-	5/-
- Earning Per Equity Share – Basic	(30.54)	0.17
- Earning Per Equity Share – Diluted	(30.54)	0.17

37. Employee Benefits

The summarized position of post-employment benefits and long term employee benefits recognized in the statement of profit and loss and balance sheet in accordance with AS[15] is as under:-

a) Changes in the present value of the defined benefit obligation

	31 st March, 2015		31 st March, 2014	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present Value of obligation as at the beginning of the year	19858118	3620792	9348804	3266354
Interest Cost	1588649	454409	747905	409832
Current Service Cost	2911465	2166273	4889063	2147680
Benefits Paid	(837038)	(1982385)	(2710709)	(2911546)
Actuarial Loss/gain on obligation			7583055	708472
Present value of obligation as at the close of the year	23521194	4259089	19858118	3620792

b) Change in Fair Value of Plan Assets

	31 st March, 15	31 st March, 14
	Gratuity (Funded)	Gratuity (Funded)
Fair Value of Plan Assets as at the beginning of the year		
Expected return on plan assets	3061449	5407295
Employer's Contributions	1536895	364863
Benefits Paid	-	-
Actuarial Loss/gain on obligations	(837038)	(2710709)
Fair Value of Plan Assets as at the close of the year	3761306	3061449

Reconciliation of the change in Fair Value of Plan Assets in respect of unfunded leave encashment is not applicable

c) Amount recognized in Balance Sheet

	31 st March, 2015		31 st March, 2014	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Estimated Present value of obligations as at the end of the year	23521194	4259089	19858118	3620792
Fair value of Plan Assets as at the end of the year	3761306	-	3061449	-
Net Liability as at the end of the year (Unfunded deficit)/Surplus	19759888	4259089	16796669	3620792

d) Expenses Recognized in Statement of Profit and Loss

	31 st March, 2015		31 st March, 2014	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	2911465	2166273	4889063	2147680
Interest Cost	1588649	454409	747905	409832
Expected return on Plan Assets	(1536895)	-	(364863)	-
Net Actuarial (Gain)/Loss recognized in the year	-	-	7583055	708472
Total expenses recognized in Statement of profit and loss	2963219	2620682	12855160	3265984



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in ₹)

e) Principal actuarial assumption at the balance sheet date (expressed as weighted average)

	31 st March, 2015		31 st March, 2014	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Discount Rate	8.00%	8.00%	8.00%	8.00%
Expected rate of return on Plan Assets	9.15%	N.A.	9.15%	N.A.
Expected Rate of Salary Increase	7.00%	7.00%	7.00%	7.00%
Method used	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit

f) The estimates of future salary increases, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

g) The financial assumption considered for the calculations are as under:

Discount Rate: The discount rate has been chosen by reference to market yield on government bonds as on date of valuation. Expected Rate of Return: on the basis of previous trends Salary increase: On the basis of past data provided by the company

h) Short term employee's benefits

Short term leave encashment liability

i) Contribution to Provident Fund

-	2670301
7924160	9361628

As at March 31

2015	2014
-------------	-------------

38. Derivative Instruments and unhedged foreign currency exposure

a) Derivatives outstanding as at the balance sheet date

Forward contract to sell US\$

- 5885692

Forward contract to sell Pound £

- 2605392

Note: The purpose of these forward contracts is to hedge highly probable foreign currency sales.

b) The foreign currency exposures remaining unhedged at the year end

Against Creditors of Import

827217 2780538

[In US Dollars]

Equivalent approximate in `

48357956 167002509

39. In accordance with the Accounting Standard (AS) – 28 on "Impairment of Assets", the company has assessed as on balance sheet date, whether there are any indications (listed in paragraphs 8 to 10 of the Standard) with regard to impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account

40. Trade receivables of ₹7409.47 lacs, Trade payables of ₹6962.64 lacs and advances of ₹4214.23 lacs (Previous year ` 32889.48) are subject to confirmation & Reconciliation.

41. Vat Refund amounting to ₹136.94 lacs for the F.Y 2010-11 against which appeal is pending before Deputy Excise and Taxation Commissioner, whether it is to be realised or not depend on the decision of the Assessing Authority.

42. The company has Export Incentives recoverable as at March 31, 2015 which is included under other current assets, under :

(a) Incentive under Focus Market License of ₹25469076 (Previous year ₹25719557)

(b) Incentive under Duty Drawback of ₹22051004 (Previous year ₹40170441)

The company is in the process of negotiation with various parties for sales of licenses mentioned in (a), the management believes that the amount recorded in books is fully recoverable and no adjustments are deemed necessary by the management in the financial statement in this regard.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Amount in ₹)

NOTE	PARTICULARS	31.03.2015	31.03.2014
43.	The Company has accumulated losses of ₹14949.62 lacs as on 31st March,2015. The loan accounts with consortium banks has turned NPA and some of the member banks (Punjab National Bank, Allahabad Bank, Punjab & Sind Bank & IDBI Bank) has restructured its debt whereas union bank of India is in process of restructuring its debt. The Lead Bank (State Bank of India) and other members banks i.e. Central Bank of India and UCO Bank have not restructured their debt upto 31st March 2015. Although these events are conditions indicate material uncertainty that may cast significant doubt about the company's ability to continue on going concern. Based on detailed evaluation of its current situation and plans formulated and active discussions with JLF, the management is confident of raising adequate finance for its revival. Accordingly the financial statements have been prepared on the basis that company is going concern and that no adjustments are required to the carrying value of the assets and liabilities.		
44.	The interest accrued on long term and short term borrowings amount to ₹1241.78 lacs (₹1056.78 accrued to SBI for the period from Nov'14 to March 15, & ₹185.01 accrued to CBI for the period from Jan'15 to March '15) has not been provided the statement of profit and loss account as these loans has been categorized as NPA as on 31st March 2015.		
45.	CIF value of imports		
	Raw materials	-	11092546
	Components and spare parts	9579680	8958707
	Capital goods	40164795	326214
		49744475	20377467
46.	Expenditure in foreign currency		
	Director's travelling	-	-
	Commission	5156495	7526397
		5156495	7526397
47.	Earnings in foreign currency		
	FOB value of exports	1042820445	2298731080
		1042820445	2298731080
48.	Value of raw materials, components and spare parts consumed (including traded goods)		
		31st March, 2015	31st March, 2014
		% of total	% of total
		consumption	consumption
		(in ₹)	(in ₹)
	Raw materials		
	Imported	-	11092546
	Indigenous	3482038029	5889854294
		3482038029	5900946840
	Components and spare parts		
	Imported	9579680	8958707
	Indigenous	419984170	478080078
		429563850	487038785
49.	Previous year's figures have been recast/regrouped whenever necessary to make these comparable with current year's figures.		

For and on behalf of the Board

As per our report of even date

sd/-
Ajay Gupta
Managing Director
DIN: 00842248

sd/-
Gautam Gupta
Jt. Managing Director
DIN : 02642545

sd/-
Robin Vijan
Company
Secretary

sd/-
Inderpal Singh
Chief Financial
Officer

For **Ashish Aggarwal & Co.**
(FRNo.010788N)
Chartered Accountants

sd/-
Ashish Aggarwal
Partner
M.No. 089579

Place: Ludhiana
Date : 30th May, 2015

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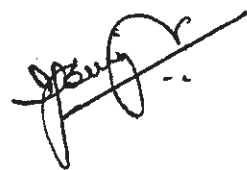
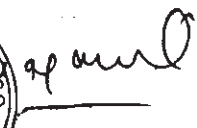


SUPREME TEX MART LIMITED

Regd. Off.: 424, Industrial Area-A, Ludhiana - 141003

Ph: 0161-2600593, 2222719 Fax: 0161-2609949, 2510584 CIN No: L17117PB1988PLC016933

E-mail: info@supremetexmart.com Website: www.supremetexmart.com

FORM B (Pursuant to Clause 31(a) of the Listing Agreement)

1	Name of the company	Supreme Tex Mart Limited
2	Annual financial statements for the year ended	March 31, 2015
3	Type of Audit qualification	Qualified
4	Frequency of observation	First Time
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	As per Annexure A attached herewith
	Additional comments from the board/audit committee chair:	Not applicable
5	Signed by-	
	1. Mr. Ajay Gupta (00842248)	 Managing Director
	2. Mr. Inder Pal Singh	CFO 
	3. M/s Ashish Agarwal and Co. Chartered Accountant, Ludhiana FRN 010788N	Auditor of the company  
	4. Mr. Daljit Singh Sandhu	Audit Committee Chairman 

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Annexure A

OBSERVATIONS OF STATUTORY AUDITORS AND REPLY FROM MANAGEMENT

1. *The company has not arranged to make available the confirmations and/or reconciliations to verify the balances stated in the financial statements in respect of:*

- a. *Trade Receivables Rs.7409.47 lacs(Net of provision)*
- b. *Loans and Advances: Rs.4214.23 lacs*
- c. *Trade payables: Rs.6962.64 lacs,*

We have also not been able to perform any alternative procedures with regard to verification of the aforesaid balances and thereby have been unable to obtain sufficient appropriate audit evidence regarding the aforesaid accounts. We are unable to comment upon the difference, if any, which may arise upon the receipt of confirmations and/or the carrying out of such reconciliation.

Company's Remarks: The Company has the practice to confirm balances from the periodical Statements of Account received from all the parties; however, Auditors have not recognized it as an alternative procedure with regard to verification of the balances.

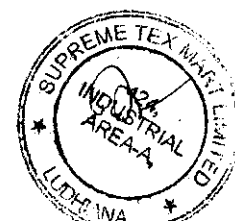
2. *The Company has made provision for doubtful debts of Rs.2786.42 crore for which no suitable basis has been provided to us.*

Company's Remarks: The amount in question is outstanding export proceeds which are overdue for more than one year and in spite of a lot of efforts by Company, the amount is still outstanding. Although company is trying its best to recover the amount, but for the prudent accounting, degree of risk involved, better transparency and for depicting true and fair picture, it was considered sensible to book the provision.

3. *The management of the company has represented to us that the recoverable amount of assets within the meaning of Accounting Standard 28 "Impairment of Assets" is more than their carrying value and as such no amount needs to be recognized in the financial statements for impairment loss. In the absence of the workings of impairment having been prepared and made available to us for our review, we are unable to comment on whether the company needs to make a provision in respect of impairment loss on such assets and the amount of such provision.*

Company's Remarks: The negative net worth and business loss is temporary phenomena arising due to sub-optimum capacity utilization and unsustainable debt burden. The recoverable amount of assets is more than the carrying value; therefore there is no need to recognize any loss on account of impairment of assets.

4. *The Company has not provided for the Interest on borrowings amounting to Rs. 1241.78 lacs and penal interest of Rs.21.08 lacs pertaining to year ended on 31st March, 2015. The earning (loss) per share for the year ended March 31, 2015 would have been Rs.(30.99) against reported earning (loss) per share of Rs.(30.54).*



SUPREME TEX MART LIMITED

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Ph: 0161-2600593, 2222719 Fax: 0161-2609949, 2510584 CIN No: L17117PB1988PLC016933

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Company's Remarks: Some of the Banks have categorized the account as NPA and are not booking interest in our Account, hence on the same lines; company is also not booking the same. In case company would have booked this Expenses of Rs. 1241.78 Lacs, our EPS would have been Rs. (32.36).

5. *Provision for Gratuity is made on an estimated basis, without Actuarial valuation, which is not in accordance with Accounting Standard -15 on Employee Benefits.*

Company's Remarks: In the absence of valuation by Actuarial Company has made the Valuation of Gratuity on estimated basis on the same guidelines which the Actuarial would have followed.

6. *In our opinion company does not have any reasonable program having regard to the size of the company and the nature of fixed assets.*

Company's Remarks: The fixed assets of the company are being physically verified regularly. The machinery of the company is consisting of big machines which are very easy to verify and company does not need any specialist to physically verify.

7. *The Management has conducted physical verification of inventory at reasonable intervals during the year. However the Scope and coverage of physical verification needs to be enhanced to make it commensurate with the size and nature of the business of the company. The procedures of physical verification of inventory followed by the management needs to be strengthened to make it reasonable and adequate in relation to the size of the company. The company is maintaining proper records of inventory and material discrepancies were noticed on physical verification which have been properly dealt with in the books of account.*

Company's Remarks: Company has been doing physical verification as an ongoing process and its scope and coverage is 100% of stocks. Moreover, company is also getting physical verification of all of its stocks from independent Stock Auditors, duly empanelled with SBI, once or twice every year.

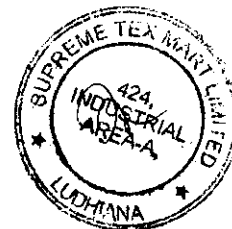
8. *The company does not have adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.*

Company's Remarks: Company has adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. These systems are in place since the inception of the company.

It is pertinent to note that all the inadequacy of systems referred by the Statutory Auditors were perfect till the last financial year as per their Report of the previous years.

9. *Regarding the outstanding amount of undisputed statutory dues including provident fund, employees' state insurance, and income-tax and default in repayment of dues to Banks:*

Company's Remarks: Due to substantial losses, company has not been able to meet its liabilities on their respective due dates.



SUPREME TEX MART LIMITED

Reg. Off: 424, INDUSTRIAL AREA "A", LUDHIANA- 141003
Ph: 0161-6614400 Fax: 0161-2609949, CINNO: L17117PB1988PLC016933
Website: www.supremetextmart.com; EMAIL: info@supemetextmart.com

NOTICE

NOTICE is hereby given that 27th Annual General Meeting of the members of SUPREME TEX MART LIMITED will be held at the Registered Office of the Company at 424, Industrial Area – A, Ludhiana on Wednesday, the 05th day of August, 2015 at 12 Noon to transact the following Businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and Audited Balance Sheet as at 31st March 2015 and Profit and Loss Account for the year ended on that date, together with Auditors' Report thereon.
2. To appoint a Director in place of Mr. Gautam Gupta (DIN 02642545) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. A P Gupta (DIN 00421536) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors for the year 2015-16 and to fix their remuneration:

"RESOLVED THAT pursuant to the provisions of Sections 139 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act, if any and the Rules framed thereunder, as amended from time to time, and pursuant to the recommendation of the Audit Committee, M/s **Sanjeev Jethi & Associates**, Chartered Accountants, Ludhiana (FRN **023587N**), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 28th Annual General Meeting, at such remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

5. To appoint Ms. Simpal Kumari (DIN: 07130429) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other

applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Simpal Kumari (DIN: 07130429), in respect of whom the Company has received a notice in writing along with deposit of Rs. 100,000/- from a Member proposing her as a candidate for the office of director under the provisions of Section 160 of the Companies Act, 2013, and who is eligible for appointment as an independent Director, be and is hereby appointed as an independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 32nd Annual General Meeting of the Company in the calendar year 2020.

6. To appoint Ms. Shivali Gupta (DIN: 07014359) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Shivali Gupta (DIN: 07014359), in respect of whom the Company has received a notice in writing along with deposit of Rs. 100,000/- from a Member proposing her as a candidate for the office of director under the provisions of Section 160 of the Companies Act, 2013, and who is eligible for appointment as an independent Director, be and is hereby appointed as an independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 32nd Annual General Meeting of the Company in the calendar year 2020."

7. To Ratification of Remuneration to Cost Auditor and in this regard to consider and, if thought fit, to pass with or without modification(s), the following Resolution as

an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Cost Records and Audit) Amendment Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force), the remuneration payable during the year 2015-16 to M/s. S.K. Verma and Associates as Cost Auditors having F.R.N.101072 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2015-16 amounting to Rs.60000/- as also the payment of service tax as applicable and re-imburement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

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

“**RESOLVED THAT** in pursuance of Section 196, 197,198 & 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 subject to the approval of Central Government, if required, the consent of the members of the Company be and is hereby given for the reappointment of Mr. Ajay Gupta(DIN 00842248) as a Managing Director of the Company w.e.f. 13.02.2016 for a period of three years i.e. 13.02.2016 to 12.02.2019 on the remuneration as per detail given below:

Particulars	%age	₹
Basic		175000
House Rent allowance	40	700 00
Leave travel Allowance	20	35000
Medical Allowance	20	35000
Conveyance Allowance		12000
Provident Fund		4375
Bonus / Ex .gratia	10	17500
Total Monthly Remuneration		348875

FURTHER RESOLVED THAT the said remuneration and perquisites shall be subject to Schedule V of the Companies act, 2013 and in case of tenure, there is a loss or the profits is inadequate in the financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Ajay Gupta in the financial year as minimum remuneration.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to vary/alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors and acceptable to Mr. Ajay Gupta.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to comply all legal and procedural formalities required for the appointment of the Managing Director and to do all acts, matters, things and deeds as may deemed necessary for the above said matter.”

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

“**RESOLVED THAT** in pursuance of Section 196, 197,198 & 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 subject to the approval of Central Government, if required, the consent of the members of the Company be and is hereby given for the reappointment of Mr. Gautam Gupta(DIN 02642545) as a Joint Managing Director of the Company w.e.f. w.e.f. 13.02.2016 for a period of three years i.e. 13.02.2016 to 12.02.2019 on the remuneration as per detail given below:

Particulars	%age	Rs.
Basic		175000
House Rent allowance	40	70000
Leave travel Allowance	20	35000
Medical Allowance	20	35000
Conveyance Allowance		12000
Provident Fund		4375
Bonus / Ex-gratia	10	17500
Total Monthly Remuneration		348875

FURTHER RESOLVED THAT the said remuneration and perquisites shall be subject to Schedule V of the Companies act, 2013 and in case of tenure, there is a loss or the profits is inadequate in the financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Gautam Gupta in the financial year as minimum remuneration.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to vary/alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors and acceptable to Mr. Gautam Gupta.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to comply all legal and procedural formalities required for the appointment of the Whole - Time Director and to do all acts, matters, things and deeds as may deemed necessary for the above said matter.”

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

“**RESOLVED THAT** in pursuance of Section 196, 197,198 & 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 subject to the approval of Central Government, if required, the consent of the members of the Company be and is hereby given for the reappointment of Mr. Kuldip Singh(DIN 05327381) as a whole-time director of the Company w.e.f. 21.07.2015 for a period of three years i.e. 21.07.2015 to 20.07.2018 on the remuneration as per detail given below:

Particulars	Rs.
Basic	14800
House Rent allowance	9082
Leave travel Allowance	888
Medical Allowance	888
Conveyance Allowance	9082
Provident Fund	780
Bonus / Ex-gratia	1480
Total Monthly Remuneration	37000

FURTHER RESOLVED THAT the said remuneration and perquisites shall be subject to Schedule V of the Companies act, 2013 and in case of tenure, there is a loss or the profits is inadequate in the financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Kuldip Singh in the financial year as minimum remuneration.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to vary/alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors and acceptable to Mr. Kuldip Singh.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to comply all legal and procedural formalities required for the appointment of the Whole- Time` Director and to do all acts, matters,

things and deeds as may deemed necessary for the above said matter.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 188 and all other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, consent of the Company be and is hereby accorded for entering into related party transactions by the Company with effect from April 1st 2015 up to maximum per annum amounts as appended below:

Maximum Value Of Contract/ Transaction (Per Annum) w.e.f. 1st April 2015			
Name of the Related Parties	Sale, Purchase or Supply of any Goods Materials	Selling or otherwise disposing of, or, buying property of any kind	Leasing of property of any kind
1. Venus Tex Spin Ltd.	100.00	-	0.03
2. Gautam Terrytech Ltd.	20.00	-	-
3. Ganeshgee Textiles Trading Ltd.	15.00	-	0.12

RESOLVED FURTHER THAT to give effect to this resolution the Board of Directors and/or any committee thereof be and is hereby authorized to do all acts, deeds, things, as may be necessary in its absolute discretion deem necessary, proper desirable and to finalize any documents and writings related thereto.”

By Order of the Board of Directors
For **Supreme Tex Mart Limited**
Sd/-

Place: Ludhiana
Date: 23.06.2015

Ajay Gupta
Managing Director
(DIN 00842248)

NOTES:

- 1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and the proxy need not be a member of the company. Proxy Form, in order to be effective, must be delivered at the Regd. office of the Company atleast 48 hours before the scheduled time of the meeting. The blank Proxy Form is enclosed.**

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of total share capital of company carrying voting rights. A Member holding more than ten percent of total share capital of Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person as shareholder.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of item nos. 5 to 11 of Special Business is annexed hereto and forms part of this Notice.
3. The Register of Members and Share Transfer Books of the company will remain closed from Thursday, the 23rd July, 2015 to Tuesday, the 28th July, 2015 (both days inclusive).
4. Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Share Transfer Agents of the company. However, members holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants (DPs).
5. Members are requested to send their queries on the accounts and operations of the Company, if any, so as to reach the Registered Office of the Company at least seven days before the meeting to enable the company to have relevant information ready at the meeting.
6. Members are requested to bring their Attendance slips along with their copy of Annual Report to the Annual General Meeting.
7. Members may also note that the equity shares of the company have been included in the list of securities for compulsory trading in dematerialized form under ISIN No. INE 651G01027. Shareholders are, therefore, advised to dematerialize their shareholding to avoid inconvenience in future. They are requested to send their Dematerialization Request Form (DRF)

through their Depository Participant (DP).

8. Members are requested to quote their Registered Folio Number or Demat Account Number & Depository Participant (D.P.) ID Number on all correspondence with the Company.
9. Members who are holding shares in more than one folio are requested to intimate to the Company the detail of all folio numbers for consolidation into a single folio.
10. Details under clause 49 of the listing agreement with the Stock Exchange in respect of Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of notice. The Directors have furnished the requisite declarations for their appointment/reappointment.
11. The 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 detail of PAN to their Depository Participants with whom they maintain their Demat Account(s). Members holding shares in physical form can submit their PAN to Company.
12. Relevant Documents referred to in the accompanying notice and the statements are available for inspection by the members at registered office of Company on all working days during business hours upto the date of Annual General Meeting.
13. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, Members have been provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services Ltd, on all resolutions set forth in this Notice.
14. Notice of the 27th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slips is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes through electronic mode unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 27th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent through the permitted mode.

PROCESS AND MANNER FOR E-VOTING:**The instructions for shareholders voting electronically are as under:**

- (i) The voting period shall commence on Friday, 31st July, 2015 at 9.30 A.M. and end on Tuesday, 04th August, 2015 at 05.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday 29th July, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha -numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ? Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ? In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RAA0000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your

password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN-150626008 for Supreme Tex Mart Limited to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholder
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at

www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board of Directors
For **Supreme Tex Mart Limited**

(xx) The Company has appointed Mr. Rajeev Bhambri, Practicing Company Secretary (Membership No. FCS – 4327 & C.P. No. 9491) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

Place: Ludhiana

Date: 23.06.2015

Sd/-

Ajay Gupta

Managing Director

(DIN 00842248)

(xxi) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

(xxii) The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.supremetexmart.com two (2) days of the passing of the resolutions at the 27th AGM of the Company to be held on Wednesday, 05th day of August 2015.

15. The Ministry of Corporate Affairs ("MCA") has vide Circular Nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011, respectively, taken a 'Green Initiative in Corporate Governance', by allowing paperless compliances through electronic mode, allowing to send documents such as Notice convening General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report, etc. and any other Notice/Documents, henceforth in electronic form in lieu of the paper form.

We strongly urge you to support your Company's concern for this 'Green Initiative' by opting for electronic mode of communication. You are requested to please register your e-mail ID with your Depository Participant (DP), if you hold the Company's shares in electronic form, under intimation to the Registrar & Share Transfer Agents through your registered e-mail ID. However, if you hold the shares in physical form then you may register your e-mail ID with Registrar & Share Transfer Agents of the Company by sending a letter under your Registered Signature at the below mentioned address:

Beetal Financial & Computer Services (P) Limited,
Beetal House, 3rd Floor, 99, Madangir,
BH-Local Shopping Complex
Near Dada Harsukhdas Mandir,
New Delhi – 110062.

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 5

Ms. Simal Kumari (holding DIN 07130429) joined the Board as an Additional woman Director on March 31, 2015 pursuant to relevant provisions of Companies Act 2013, and hold office upto the date of the 27th Annual General Meeting of the Company. She is having more than 7 years experience in Company Law related matters.

The Company has received notice in writing under the provisions of section 160 of the Companies Act, 2013, from a Member along with a deposit of ₹. 1,00,000/- each proposing the candidature of her for the office of Independent Woman Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013

The resolution seeks the approval of members for the appointment of Ms. Simal Kumari as an Independent Woman Director of the Company for a period of five years pursuant to section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. She will not be liable to retire by rotation.

In the opinion of the Board of Directors, Ms. Simal Kumari, the Independent Woman Director proposed to be appointed, fulfill the conditions specified in the Act and the Rules made thereunder. The Board considers that their continued association would be of immense benefit to the Company.

No Director, Key Managerial Personnel or their relatives, except Ms. Simal Kumari, to whom the resolution relate/s, is interested or concerned in the resolution

The Board recommends the resolution set forth in item no. 5 for the approval of members.

ITEM NO. 6

Ms. Shivali Gupta (holding DIN 07014359) joined the Board as an Additional Directors on June 23, 2015 pursuant to relevant provisions of Companies Act 2013, and hold office upto the date of the 27th Annual General Meeting of the Company. She is having more than 4 years experience in Company Law related matters.

The Company has received notice in writing under the provisions of section 160 of the Companies Act, 2013, from a Member along with a deposit of ₹. 1,00,000/- each proposing the candidature of her for the office of Independent Woman Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013

The resolution seeks the approval of members for the appointment of Ms. Shivali Gupta as an Independent Woman Director of the Company for a period of five years pursuant to section 149 and other applicable provisions of the Companies Act, 213 and the Rules made thereunder. She will not be liable to retire by rotation.

In the opinion of the Board of Directors, Ms. Shivali Gupta, the Independent Woman Director proposed to be appointed, fulfil the conditions specified in the Act and the Rules made thereunder. The Board considers that their continued association would be of immense benefit to the Company.

No Director, Key Managerial Personnel or their relatives, except Ms. Shivali Gupta, to whom the resolution relate/s, is interested or concerned in the resolution

The Board recommends the resolution set forth in item no. 6 for the approval of members.

ITEM NO.7

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s S K Verma & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ended March 31, 2016. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule under Companies (Audit and Auditors) Amendments Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors during the year 2015 as set out in the Resolution for the aforesaid services to be rendered by them.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the said Resolution.

ITEM NO.8

Mr Ajay Gupta (DIN - 00842248), aged about 50 years, is holding Directorship of the Company since 1988. He is an Industrialist and having experience of more than 27 years in the textile industry. He has expertise in yarn manufacturing and specialized knowledge in the field of cotton. The Shareholders vide resolution dated 15.04.2013 had re-appointed Mr. Ajay Gupta as Managing Director of the Company for a period of three year from 13.02.2013 at the basic salary of Rs. 90,000 (Rupees Ninety thousand only) per month with other perquisites. The term of the appointment of Mr. Ajay Gupta as Managing Director shall be expired on 12.02.2016.

Keeping in view the efforts made by Mr. Ajay Gupta towards the growth of the Company and on the recommendation/approval of the Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on 30.05.2015 has approved the re-appointment of Mr. Ajay Gupta as Managing Director along with the revision of remuneration payable to him for the period of three years with effect from 13.02.2016 as stated in the resolution.

Mr. Ajay Gupta also holds directorship in Venus Tex Spin Limited, Cimero Industrial Enterprise Limited, Gold Leaf International Private Limited and Gautam Terrytech Limited. He is member of Audit Committee, Risk Management Committee and Stakeholders relationship Committee. He holds 9575445 equity shares of ₹. 5/- each of the Company. The said re-appointment and payment of remuneration is pursuant to Section 196, 197, 198, and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject payable to Mr. Ajay Gupta as Managing Director of the Company for the period of 3 years w.e.f. 13.02.2016 to 12.02.2019 as per the details mentioned in the resolution.

As per Section II of PART II of Schedule V of the Companies Act, 2013 the following information is given below:

I. GENERAL INFORMATION

1.	Nature of the Industry	Manufacturing of Textile Yarn		
2.	Date of Commencement of Business	Not Applicable		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
4.	Financial Performance based on given indicators	(₹. in Crore)		
		Particulars	2014-15	2013-14
		Turnover (including export)	429.81	830.42
		Export Turnover	104.28	229.87
		Profit before Tax (PBT)	(208.34)	0.31
		Profit after Tax (PAT)	(208.34)	1.15
5.	Foreign Investment	NIL		

II. INFORMATION ABOUT THE APPOINTEE

Background Detail	Mr. Ajay Gupta, aged about 50 years, is Graduate. He joined business of textile & yarn in 1988. He is an Industrialist, having more than 27 years experience in the Textile Industry
Past Remuneration	₹ 20.73 lac has paid annually during the tenure 01.04.2012 to 31.03.2015 with the approval of Shareholders. The Company has been paying the remuneration upto ₹ 20.73 lac p.a. to him since last 3 years.
Recognition or awards	None

Job profile and his suitability	He has rich experience in yarn manufacturing and specialized knowledge in the field of procurement of cotton, the main raw material.
Remuneration proposed	The detail of the proposed remuneration payable to Mr. Ajay Gupta is given in the resolution. The increase in remuneration is proposed by considering the average increment of the employees/ senior management of the Company on yearly basis
Comparative remuneration profile with respect to Industry, size of the company profile of the position and person etc	The remuneration proposed is reasonable, as compared with the industry standards for a director of similar profile.
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Mr. Ajay Gupta, Promoter and Managing Director, KMP of the company and holding 95,75,445 equity shares. His relative Mr. Gautam Gupta, is Joint Managing Director of the Company

III. OTHER INFORMATION

Reasons of loss or inadequate profits	The company incurred a loss of ₹208.34 Crore during the year . The higher interest cost, general reversionary trend in the textile industry, global slowdown, ambiguous government policies and unprecedented volatility in prices of cotton and yarn has squeezed the margins of the Company.
Steps taken or proposed to be taken for improvement	The Company has taken various initiatives viz. product innovation, reduction of various costs, better market penetration and improvement in realisation etc.
Expected increase in productivity and profits in measurable terms	It is expected that the performance of Company will get better during the next financial year as initiatives taken by the Company for increase its productivity and efficiency. The turnover and profitability will also improve, but are not measurable as the same are influenced by various factors such as market prices of yarn, raw material and cost of various inputs etc.

MEMORANDUM OF INTEREST: None of the Promoter, KMP, Directors and their relative except the appointee and relatives of the appointee, is concerned or interested in this resolution.

ITEM NO.9

Mr Gautam Gupta (DIN- 02642545), aged about 27 years, has been Director of the Company since 2009. He is a graduate by his Educational qualification. He is an Industrialist and having good experience in yarn, fabric manufacturing business. The Shareholders vide resolution dated 15.04.2013 had appointed Mr. Gautam Gupta as Joint Managing director of the Company for a period of three year from 13.02.2013 for a period of three years at a monthly remuneration of ₹99,780/- (Rupees Ninety Nine thousand Seven Hundred Eighty only) his remuneration was increased in the AGM dated 30.08.2013 w.e.f. 01.05.2013 at basic salary of ₹90,000/- (Rupees Ninety Thousand only) per month with other perquisites. The term of appointment of Mr. Gautam Gupta as Joint Managing Director shall be expired on 12.02.2016.

Keeping in view the initiatives taken by Mr Gautam Gupta towards the development of the Company and on the recommendation/approval of the Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on 30.05.2015 has approved the re-appointment of Mr. Gautam Gupta as Joint Managing director along with the revision of remuneration payable to him for the period of three years with effect from 13.02.2016 as stated in the resolution.

Mr. Gautam Gupta also holds directorship in Venus Texspin Limited, Cimero Industrial Enterprises Ltd., Gold Leaf International Pvt. Ltd. He holds 30,75,865 equity shares of ₹5/- each of the Company.

The said re-appointment and payment of remuneration is pursuant to Section 196, 197, 198, and 203 read with Schedule

V and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of Central Government, required if any.

Accordingly, the approval of the Members is solicited for re-appointment & fixation of remuneration payable to Mr. Gautam Gupta as Joint Managing Director of the Company for the period of 3 years w.e.f. 13.02.2016 to 12.02.2019 as per the details mentioned in the resolution.

As per Section II of PART II of Schedule V of the Companies Act, 2013 the following information is given below:

The Point (I) "General Information" and Point (III) "Other Information" are same as stated above in the explanatory statement of Item No. 8.

II. INFORMATION ABOUT THE APPOINTEE

Background Detail	Mr. Gautam Gupta, aged about 27 years, is Graduate and after completion of his Graduation, he joined his family business. He is an Industrialist and having good experience in yarn, fabric Manufacturing. Mr. Gautam Gupta has been working as Joint Managing Director of the Company since 2013.
Past Remuneration	Mr. Gautam Gupta was appointed as a Joint Managing Director in the Extra Ordinary General Meeting of the Company dated 15.04.2013, w.e.f 13.02.2013 for a period of three years at a monthly remuneration of Rs. 99,780/- his remuneration was increased in the AGM dated 30.08.2013 w.e.f. 01.05.2013 The Company has paid the remuneration of Rs. 20.73 lac p.a. to him last year.
Recognition or awards	None
Job profile and his suitability	He has rich experience in yarn manufacturing and specialized knowledge in the field of procurement of cotton, the main raw material.
Remuneration proposed	The detail of the proposed remuneration payable to Mr. Gautam Gupta is given in the resolution. The increase in remuneration is proposed by considering the average increment of the employees/ senior management of the Company on yearly basis.
Comparative remuneration profile with respect to Industry, size of the company profile of the position and person etc	The remuneration proposed is reasonable, as compared with the industry standards for a director of similar profile.
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Mr. Gautam Gupta, Promoter and Joint Managing Director of the company and holding 30,75,865 equity shares. His relative Mr. Ajay Gupta, is Managing Director of the Company

MEMORANDUM OF INTEREST: None of the Promoter, KMP, Directors and their relative except the appointee and relatives of the appointee, is concerned or interested in this resolution.

ITEM NO.10

The shareholders in their meeting held on 18.08.2012, appointed Mr. Kuldip Singh as a Whole- Time Director of the Company for the period of three years w.e.f. 21.07.2012 on the terms & conditions specified in the resolution and approved by the shareholder which is going to be expired on 20.07.2015. The Nomination & Remuneration Committee has recommended the re-appointment of Mr. Kuldip Singh as Whole time Director w.e.f. 21.07.2015 for a period of three years and the Board also approved the same in their Board Meeting dated 30.05.2015.

Mr. Kuldip Singh is not having Directorship in any other company.

The said re-appointment and payment of remuneration is pursuant to Section 196, 197, 198, and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of Central Government, required if any.

Accordingly, the approval of the Members is solicited for re-appointment & fixation of remuneration payable to Mr. Kuldip Singh as Whole Time Director of the Company for the period of 3 years w.e.f. 21.07.2015 to 20.07.2018 as per the details mentioned in the resolution.

As per Section II of PART II of Schedule V of the Companies Act, 2013 the following information is given below:

The Point (I) "General Information" and Point (III) "Other Information" are same as stated above in the explanatory statement of Item No. 8

II. INFORMATION ABOUT THE APPOINTEE

Background Detail	Mr. Kuldip Singh, age 57 years, is B.Sc, & holding diploma in Personnel Management and Industrial Relation. He is having more than 30 years rich experience in Management of Human Resources and associated with the Company since last 8 years. He was working as Whole Time Director of the Company since 2012.
Past Remuneration	The company paid a remuneration of Rs. 4.44 Lacs paid during FY 2014-15
Recognition or awards	None
Job profile and his suitability	He has rich experience in Management of Human Resources and Personnel Management.
Remuneration proposed	The detail of the proposed remuneration payable to Mr. Kuldip Singh is given in the resolution.
Comparative remuneration profile with respect to Industry, size of the company profile of the position and person etc	The remuneration proposed is reasonable, as compared with the industry standards for a director of similar profile.
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	None

Now, the Board recommended the given resolution for your approval.

No Director, Key Managerial Personnel or their relatives, except Mr. Kuldip Singh, to whom the resolution relate(s), is interested or concerned in the resolution

ITEM NO.11

The Provisions of Section 188 (1) of the Companies Act, 2013 states that related party transactions require a Company to obtain prior approval of the Board of Directors and in case the Paid up Share Capital of the Company is Rs. 10.00 Crores or more, the prior approval of Shareholders by way of Special Resolution.

Further, third provision to Section 188 (1) provides that nothing shall apply to any transaction entered into by the Company in its ordinary course of business other than transactions which are not at arm's length basis.

The provisions of Section 188 (3) also provide that any Contract or Arrangement entered into u/s. 188 (1) may be ratified by the Board, or as the case may be, by the Shareholders at a General Meeting within three months from the date on which such contract or arrangement was entered into.

Although the transactions with related parties will be made at Arm's Length Basis, however, the sale/purchase rates may vary because of quantity discounts, cash discount or any other commercial conditions.

In the light of the same, the Board of Directors of your Company has approved the proposed transactions along with annual limits that your Company may entered into with related parties (as defined under 2013 Act) for the Financial Year 2015-16 and beyond and the approval of shareholders have been sought by way of Special resolution.

All prescribed disclosures required to be given under provisions of the 2013 Act and the Companies (Meetings of Board and its Powers) Rules, 2014 are given herein below in a tabular format for kind perusal of the members.

Maximum Value Of Contract/ Transaction (Per Annum) w.e.f. 1st April 2015			
Name Of The Related Parties	Sale, Purchase or Supply of any Goods Materials	Selling or otherwise disposing of, or, buying property of any kind	Leasing of property of any kind
1. Venus Tex Spin Ltd.	100.00	-	0.03
2. Gautam Terrytech Ltd.	20.00	-	-
3. Ganeshgee Textiles Trading L td.	15.00	-	0.12

Members are hereby informed that pursuant to second proviso of Section 188 (1) of the 2013 Act, no member of the Company shall vote on such Special Resolution to approve any Contract or Arrangement which may be entered into by the Company, if such Member is a Related Party.

The Board of Directors of your Company has approved this item in the Board Meeting held on 30th May, 2015 and recommends the resolution as set out in the accompanying notice for the approval of members of the Company as a Special Resolution.

Except Promoter Directors, no other Director is concerned or interested in the Resolution.

By Order of the Board of Directors
For **Supreme Tex Mart Limited**

Place: Ludhiana
Date: 23.06.2015

Sd/-
Ajay Gupta
Managing Director
(DIN 00842248)

Information pursuant to clause 49 of the Listing Agreement in respect of Directors seeking Appointment/ Re-appointment at the 27th Annual General Meeting:-

SUPREME TEX MART LIMITED

Name of Director	Mr. Ajay Gupta (00842248)	Mr. Gautam Gupta (02642545)	Mr. Kuldip Singh (05327381)	Mr. Abhay Pal Gupta (00421536)	Ms. Simpal Kumari (07130429)	Ms. Shivali Gupta (07014359)
Date of Birth	02.02.1965	12.04.1988	30.05.1958	30.03.1970	01.01.1981	26.02.1987
Expertise	Management	Management	Personnel & HR Management	Management	Corporate Matters	Corporate Matters
Qualification	Graduate	Graduate	BSc, Diploma in Personnel Management and Industrial Relation	B.E Mechanical	B.Com, CS	B.Com, CS
Shareholding in company	9575445 Equity Shares of Rs. 5/- each.	3075865 Equity Shares of Rs. 5/- each.	Nil	NIL	Nil	Nil
Present / Past Occupation	Managing Director of Supreme Tex Mart Ltd.	Joint Managing Director of Supreme Tex Mart Ltd.	Whole time Director in Supreme Tex Mart Ltd.	Assistant General Manager PSIDC	Company Secretary	Practising Company Secretary
Relationship inter-se	Paternal Uncle of Mr. Gautam Gupta	Paternal Nephew of Mr. Ajay Gupta	NA	NA	NA	NA
Directorship in other Companies	1.Venus Texspin Ltd. 2.Cimero Industrial Enterprises Ltd. 3.Gold Leaf International Pvt. Ltd. 4. Gautam Terrytech Limited	1.Venus Texspin Ltd. 2.Cimero Industrial Enterprises Ltd. 3.Gold Leaf International Pvt. Ltd.	NIL	1. Thapar Ispat Limited 2. Brincage Tools Private Limited 3.Ranbro Brakes India Limited 4. Milk Specialties Ltd. 5. Globus Industries & Services Ltd. 6. DwarikaDish Spinners Ltd.	NIL	NIL
Membership/ Chairman Ship in the Committees of the Board in other Companies	NIL	NIL	NIL	NIL	NIL	NIL

SUPREME TEX MART LIMITED

Reg. Off: 424, INDUSTRIAL AREA "A", LUDHIANA- 141003
Ph: 0161-6614400 Fax: 0161-2609949, CINNO: L17117PB1988PLC016933
Website: www.supremetexmart.com; EMAIL: info@supemetexmart.com

ATTENDANCE SLIP

Please fill in attendance slip and hand it over at the entrance of the factory.

Name and address of the shareholder:
No. of shares held:

Folio No.:

I hereby record my presence at the Annual General Meeting of the Company held on Wednesday, the 05th day of August, 2015 at 12 noon at 424, Industrial Area-A, Ludhiana.

SIGNATURE OF THE SHAREHOLDERS OR PROXY

PROXY FORM

Name of the member(s) : _____ Registered Address: _____
DP ID*: _____ Folio No. : _____
Client ID* : _____ No. of Share(s) held: _____

I/We, being the member/members of **SUPREME TEX MART LIMITED**, hereby appoint:

1. Name _____ 2. Name _____ 3. Name _____
Address _____ Address _____ Address _____
E-mailid _____ E-mail id _____ E-mailid _____
Signature _____ or failing him/her Signature _____ or failing him/her Signature _____

Resolution No.	Resolution	I/We assent to the Resolution	I/We dissent to the Resolution
Ordinary Business		For	Against
1.	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.		
2.	To appoint a Director in place of Mr. Gautam Gupta (DIN 02642545) who retires by rotation and being eligible offers himself for re-appointment.		
3.	To appoint a Director in place of Mr. A P Gupta (DIN00421536) who retires by rotation and being eligible offers himself for re-appointment.		
4.	Appointment of Statutory Auditor and fixing their remuneration.		
Special Business			
5.	Appointment of M s. Simple Kumari (DIN-07130429) as an Independent Director.		
6.	Appointment of Ms. Shivali Gupta (DIN -07014359) as an Independent Director.		

7.	Ratify the remuneration of Cost Auditor for FY 2015-16		
8	Reappointment and Remuneration of Mr. Ajay Gupta (DIN No. 00842248) as Managing Director w.e.f. 13.02.2016 for a period of 3 years		
9.	Reappointment and Remuneration of Mr. Gautam Gupta (DIN No. 02642545) as Joint Managing Director w.e.f. 13.02.2016 for a period of 3 years		
10.	Reappointment and Remuneration of Mr. Kuldip Singh (DIN No. 05327381) as Managing Director w.e.f. 21.07.2015 for a period of 3 years		
11.	Related Party transaction under Section 188 of the Companies Act, 2013		

as my/our proxy to attend and vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held on Wednesday, the 05th August, 2015 at 12 Noon and at any adjournment thereof in respect of such resolutions as are indicated below:

Affix Revenue Stamp

Signed this ___ day of _____ 2015. Signature _____

* Applicable for investors holding shares in electronic form.

Notes:

- (i) A Member entitled to attend & vote at the meeting is entitled to appoint a proxy to attend & vote on poll instead of himself/herself.
- (ii) The proxy form duly signed across the revenue stamp of Re. 1/- should reach the Company's Regd. Office at least 48 hours before the scheduled time of the meeting.