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

STML/2016-17/
Dated 05.09.2016

The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001

Scrip Code: "531934"

STML/2016-17/
Dated 05.09.2016

National Stock Exchange of India Ltd.
5th Floor, Exchange Plaza,
Bandra Kurla Complex
Bandra (E), Mumbai – 400051

Trading Symbol – "SUPREMETEX"

SUB: ANNUAL REPORT OF THE COMPANY FOR YEAR 2015-16

Dear Sir(s),

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, please find enclosed herewith the copy of Annual Report of the Company for the year 2015-16.

Please take it on record and acknowledge the receipt.

Thanking you.

Yours Truly,
For Supreme Tex Mart Limited

SUPREME TEX MART LTD. 424, Industrial Area A LUDHIANA

Manpreet Kaur
Company Secretary & Compliance Officer

Encl: As above

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28th Annual Report 2015-2016

SUPREME TEX MART LIMITED

MANAGEMENT

BOARD OF DIRECTORS

Mr. Sanjay Ahuja	Chairman
Mr. A.P. Gupta	
Mr. Ajay Gupta	Managing Director
Mr. Gautam Gupta	Jt. Managing Director
Mr. Kuldip Singh	Whole Time Director
Ms. Simpal Kumari	
Mr. Bhupinder Singh Mann	
Ms. Kajal Rai	

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

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
Ph. 0161-5082524, 5086524, 5087524,
Fax No. 0161-5083524, 5088524
CIN: L17117PB1988PLC016933

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

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 28th Annual Report on the business and operations of the Company together with the audited Financial Accounts for the year ended March 31, 2016. The Management Discussion and Analysis has also been incorporated into this report.

1. HIGHLIGHTS OF PERFORMANCE

- The net sale for the year is ₹ 362.35 Crores as compared to ₹ 429.92 Crores of previous year.
- The Net Loss for the year ended 31.03.2016 is ₹ 178.84 Crore as compare to Net Loss of ₹ 208.34 Crores for the previous year.

2. FINANCIAL RESULTS

Amount in Crores

Particulars	Year ending 31.03.2016	Year ending 31.03.2015
Net Turnover	**362.35**	**429.92**
Profit before Depreciation	**(108.42)**	**(61.34)**
Profit / Loss(-) before Tax	**(178.84)**	**(208.34)**
Less Provision for Tax (including deferred and fringe benefit tax)	**0**	**0**
Profit / Loss(-) after Taxes	**(178.84)**	**(208.34)**

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, 2016 is ₹ 34.11 Crores. During the year under review, the Company has not issued shares with differential voting rights or granted stock options or issued sweat equity or purchased its own shares.

Company's accumulated losses have exceeded its entire net worth as on 31.03.2016 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, 2016 is ₹ 12.65 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 any 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

As regards Indian economy, after years of diminutive growth the reform momentum has picked up in India..The Indian economy grew at 7.6 per cent in 2015-16 due to improvement in the performance of both services as well as manufacturing sectors. The government expects it to expand at above 8% in 2016-17. India's overall textile exports had remained almost flat at $40 billion in 2015-16 from $41.6 billion in the previous financial year, a result of sluggish economic conditions Globally. It also fell short of the year's target of $47.5 billion set by the government. With a host of incentives and a Rs 6,000 crore package announced in the recent to boost textile and apparel exports, the government has set a higher target for year 2016-17.

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 ₹65.69 crore and accounts for about 18.13% of company's revenues. The company has identified two segments 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, 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 listing agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 1948, Income Tax Act 1961 etc., are followed in Letter & Spirit.

12. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has designed and implemented a process driven framework for Internal Financial Controls . For the year ended on March 31, 2016, the Board is of the opinion that the Company has sound Internal Financial Controls commensurate with the size, scale and complexity of its business operations. During the year, such controls were testedand no material weakness in their operating effectiveness was observed. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/ or improved controls whenever the effect of such gaps would have a material effect on the Company's operations.

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 2015-16.

16. DIRECTORS/KMP

During the year, Mr. Bhupinder Singh Mann (DIN No 01211549) was appointed on 12.08.2015 as an additional Independent Director and his appointment as Independent director was being regularized by shareholder in their Extra Ordinary General meeting dated 21.09.2015. Punjab State Industrial & Development Corporation Ltd. (PSIDC) withdrew the nomination of Mr. Lalit Kumar Singla (DIN No 03591398) w.e.f. 10.02.2016, from the Board of the Company,

Mr. Daljit Singh Sandhu (DIN 06750304) and Ms. Shivali Gupta (DIN 07014359), Independent Director also resigned from the Directorship of the Company as on 17.07.2015 and 31.10.2015 respectively. Mr. Sanjay Kumar Aggarwal (DIN 00085082) was appointed as additional Independent Director of the Board of the Company as on 14.11.2015 and had also resigned on 16.02.2016 from the Directorship of the Company.

During the year, Mr. Robin Vijan resigned from the Company Secretary post as well as from KMP of the Company as on 30.05.2015 and Ms. Manpreet Kaur appointed as Company Secretary and KMP w.e.f. June 01, 2015

Mr. Kuldip Singh (DIN No 05327381) and Mr. Ajay Gupta (DIN No 00842248) - 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, which came into effect from April 1, 2014, approval of the Members will be sought at the ensuing Annual General Meeting of the Company for formalizing the appointment of Ms. Kajal Rai (DIN 07366983) Director as an Independent Director of the Company not liable to retire by rotation, for a term of five years.

Board Evaluation

The Board has carried out an annual evaluation of its own performance, the directors and also committees of the Board based on the guideline formulated by the Nomination & Remuneration Committee. Board composition, quality and timely flow of information, frequency of meetings, and level of participation in discussions were some of the parameters considered during the evaluation process. A note on the familiarizing programme adopted by the Company for the orientation and training of the Directors and the Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Corporate Governance Report which forms part of this Report.

Further, a Separate Meeting of the Independent Directors of the Company was held once during the year on 14.11.2015 which also reviewed the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole.

Declarations by Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

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 Six (6) 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.

Key Managerial Personnel

During the year 2015-16, the Company had three Key Managerial Personnel viz. Mr. Ajay Gupta, Managing Director & Mr. Inder Pal Singh, Chief Financial Officer and Mr. Robin Vijan, Company Secretary (upto 30.05.2015). On 30th May, 2015, Mr. Robin Vijan resigned and Ms. Manpreet Kaur was appointed as Company Secretary of the Company in place.

In compliance with Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resume of all the Directors proposed to be appointed / re-appointed are attached along with the Notice to the ensuing Annual General Meeting.

17. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information 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 departures;

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. 31.03.2016 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. Hence the Company is not required to disclose details of the related party transactions in Form AOC – 2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

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:-

M/s. Nanda & Bhatia, (FRN : 004342N), Chartered Accountants, Ludhiana, had been appointed as Statutory Auditors of the Company period in Extra Ordinary general meeting held on 21.09.2015 till the conculsion of next Annual Genral Meeting. Now, the auditors submitted their resignation as on 26th August, 2016 as they are unable to continue with the company and not offer themselves as Statutory Auditor of the company.

The Board recommended the appointment M/s Datta Singla & Co., Chartered Accountants, Mandi Gobindgarh, (Firm Reg. No S06185N) be appointed as the Statutory Auditors of the Company for a period of 5 years, subject to ratification of their appointment by the members at every annual general meeting. The shareholders at the ensuing annual general meeting will consider the appointment of the Statutory Auditors. The Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

M/s. Datta Singla & Co., Chartered Accountants, Mandi Gobindgarh, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

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' Qualification in their report in Point No. 5 (i) is that* as the banks classified the accounts of the company as Non-performing Assets, so the Company has not provided for the interest on borrowings.
2. *Remark of company in reference of auditor' Qualification in their report in Point No. 5 (ii) is that* the Company has not provided interest of ₹ 3535.28 lacs on borrowings as the lenders have categorized the account as NPA. In case the Company, would book this expenses of ₹ 3535.28 lacs, the Earning per share (EPS) would have been ₹(31.38).
3. *Remark of company in reference of auditor' Qualification in their report in Point No. 5 (iii) 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.
4. *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 th*e 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.
5. *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 (i) & (ii) 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.

b. Cost Auditors:-

The Board of Directors has on the recommendation of Audit Committee, approved the appointment of M/s S.K. Verma and Associates, Cost Accountants, Khanna (Firm Registration No. 101072), as the Cost Auditors of the company for the year 2016-2017 at a remuneration of ₹ 60000/- plus out of pocket expenses. The proposed remuneration of the Cost Auditors would be approved by the members in the ensuing AGM.

For the year 2015-16, the Cost Audit report shall be duly filed within prescribed time.

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 2015-16. 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 2016-17.

21. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2015 AND DATE OF THE REPORT

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2015) and the date of the Report.

22. CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report.. The requisite certificate from the Practicing Company Secretary of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

23. 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.

24. 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".

25. 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".

26. LISTING

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

27. 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 ₹ 1.20 Crore 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,

28. 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.

29. 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

	Sd/-	Sd/-
Place: Ludhiana	**(AJAY GUPTA)**	**(GAUTAM GUPTA)**
Dated: 31.08.2016	**Managing Director**	**Jt. Managing Director**
	00842248	**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 website of the Company.
2. **Composition of the CSR Committee:**
   i) Mr. Bhupinder Singh Mann, Chairman
   ii) Mr. Ajay Gupta, Member
   iii) Ms. Simple Kumari, Member
3. **Details of CSR spend for the financial year:**

   During the year 2015-16, 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)

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, 2016

[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-141003

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 31st March, 2016 ('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 31st March, 2016, to the extent applicable and 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) SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time

(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;

(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, inter alia:

- All labour & industrial laws;
- The Competition Act, 2012;
- All environmental laws;
- Textiles (Consumer Protection) Regulations, 1988;
- Textiles (Development and Regulation) Order, 2001;
- Textiles Committee Act, 1963;
- Additional Duties of Excise (Textiles and Textiles Articles) Act, 1978.
- Indian Boilers Act, 1923

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India to the extent of its applicability.

(ii) The Listing Agreement entered into by the Company with the BSE Limited & NSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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) The company has not provided for the interest of borrowings from banks which have not charged interest on accounts classified as non-performing assets. This notional amount of interest as calculated by taking last rate of interest charged by the bank comes to ₹ 3525.28 Lacs.

b) The earnings (loss) per share for the year ended 31st March 2016 would have been ₹ (31.38) as against reported earnings (loss) per share of ₹ (26.21).

c) The provision for gratuity and leave encashment is made on an estimated basis, without Actuarial Valuation, which is not in accordance with the Accounting Standard – 15 on Employee Benefits.

d) Company has defaulted in payment of statutory payments as required under Employee State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Income Tax Act, 1961.

e) Company has defaulted in payment of interest and repayment of term loans to State Bank of India, Central Bank of India, SBER Bank, Punjab National Bank, IDBI Bank, Allahabad Bank and Union Bank of India.

f) **Company has applied to Central Government for seeking approval for reappointment and payment of remuneration to Mr.Ajay Gupta – MD, Mr.Gautam Gupta - Jt.MD and Mr.Kuldeep Singh –whole Time Director, which is still awaited.**

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.

We further report that during the audit period the Company has been following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. as detailed below:-

Due to erosion of total net worth, Company had filed reference under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 which was registered vide No. 100/2015 by Board for Industrial and Financial Reconstruction.

Sd/-
Rajeev Bhambri & Associates
Company Secretary in whole time practice
C.P. No. 9491
Place: Ludhiana
Dated: 12.08.2016
Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE' and forms an integral part of this report.

'ANNEXURE'

To,
The Members
Supreme Tex Mart Limited
424, Industrial Area - A,
Ludhiana-141003

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 as we have relied upon the Audit done by Statutory Auditors as required under Companies Act, 2013.
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.

Sd/-
Rajeev Bhambri & Associates
Company Secretary in whole time practice
C.P. No. 9491
Place: Ludhiana
Dated: 12.08.2016

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.

			2015-16	2014-15
A	**Power and Fuel Consumption**			
1	**Electricity - Own Generation**			
	Unit Produced	KWH in Lac	1.68	1.84
	Unit Produced /Ltr. of Diesel	KWH	3.44	3.47
	Total Amount (₹)			
	Cost Per Unit	₹	13.29	15.08
2	**Electricity – Purchased**			
	Unit Purchased	KWH in Lac)	550.74	420.63
	Total Amount			

			2015-16	2014-15
B	**Electricity Consumed Per Kg of Production**			
	Yarn	KWH/Kg	2.09	2.43
	Dyeing	KWH/Kg	0.71	0.93
	Garment	KWH/Kg	3.97	1.76

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

(₹ In Crore)

		2015-16	2014-15
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)

	2015-16	2014-15
Foreign Exchange Earned (FOB value of export)	65.69	104.28
Foreign Exchange Used (CIF Value of Imports)	2.87	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 Services (P) Limited Address:- Beetal House, 3rd Floor 99, Madangir, Bh- Local Shopping Complex, Near Daba Harsukhdas Mandir, New Delhi - 110062

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	30739080	0	30739080	45.05	30734409	0	30734409	45.04	-0.01
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) state Govt.	0	0	0	0	0	0			0
d) Bodies Corporate	7350000	0	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):	**39734302**	**0**	**39734302**	**58.23**	**39729631**	**0**	**39729631**	**58.22**	**- 0.01**
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0

b) Others - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any others	0	0	0	0	0	0	0	0	0
Sub Total (A)(2):	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A)= (A)(1) + (A)(2)	**39734302**	**0**	**39734302**	**58.23**	**39729631**	**0**	**39729631**	**58.22**	**-0.01**
B. Public Shareholding									
(1) Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
b) Banks /FI	0	0	0	0	0	0	0	0	0
c) central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) others (Specify)	0	0	0	0	0	0	0	0	0
Sub -Total (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non - Institutions									
a) Bodies Corporate									
i) Indian	4905576	0	4905576	7.19	3851567	0	3851567	5.65	-1.54
ii) Overseas	0	0	0	0					0
b) Individual									
i) Individual Shareholders holding nominal share capital upto 2 lakh	1706306	221014	1927320	2.82	4060070	261014	4321084	6.33	3.51
ii) Individual Shareholders holding nominal share capital in excess 2 lakh	8119044	40000	8159044	11.96	7319718	0	7319718	10.73	-1.23
c) others (specify)	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
ii) Others foreign	0	0	0	0	0	0	0	0	0

Nationals									
iii) Foreign Bodies	0	13274083	13274083	19.45	12614719	0	12614719	18.49	-0.96
iv) NRI / OCBs	43718	0	43718	0.06	58212	0	58212	0.09	0.03
v) Clearing Members / Clearing House	3107	0	3107	0	111033	0	111033	0.15	0.15
vi) Trust/HUF	183085	0	183085	0.27	224271	0	224271	0.33	0.06
vii) Limited Liability Partnerships	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporates)	0	0	0	0	0	0	0	0	0
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Sub -Total (B)(2):	**14960836**	**13535097**	**28495933**	**41.76**	**28239590**	**261014**	**28500604**	**41.78**	**0**
Total Public Shareholding (B)= (B)(1) + (B)(2)	**14960836**	**13535097**	**28495933**	**41.76**	**28239590**	**261014**	**28500604**	**41.78**	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**54695138**	**13535097**	**68230235**	**100**	**67969221**	**261014**	**68230235**	**100.0000**	**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	931061	1.36	0	-0.01
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	39729631	58.22	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
Manju Gupta				
At the beginning of the year		1.37	935732	1.37
Date wise Increase / decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment /transfer/bonus/sweat equity etc.)		- 0.01	- 4671	- 0.01
At the end of the year		1.36	931061	1.36

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	
1.Sindia Investment Group Pte Ltd	7000000	10.26	6274083	12614719	18.49
2. Sunnyland Group Ltd	6274083	9.20	-6274083	0	0
3.Whitestone Yarns Pvt. Ltd	2073250	3.03	-1556450	516800	0.76
4.Rohit Kareer	1431170	2.09	-	1431170	2.09
5.Rajneesh Sharma	1403880	2.05	-	1403880	2.05
6.Ravinder Kumar Sood	1330030	1.94	-	1330030	1.94
7.Vishal Arora	1206711	1.76	-	1206711	1.76
8. LSE Securities Ltd.	497428	0.73		577485	0.85
9. Competent Finman Pvt. Ltd	50000	0.07	386265	436265	0.64
10.Comfort Securities Ltd	55266	0.08	334683	389949	0.57
11. Creative Vision Industries Private Limited	187027	0.27	196400	383427	0.5

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. Kuldeep Singh	0	0	0	0
Mr. Daljit Singh Sandhu	0	0	NA	NA
Mr. S.K. Ahuja	0	0	0	0
Mr. A. P. Gupta	0	0	0	0
Mr. Lalit Singla	0	0	NA	NA
Mr. Ashok Kumar Singla	0	0	NA	NA
Ms. Simple Kumari	0	0	0	0
Mr. Bhupinder Singh Mann	0	0	0	0
Ms. Shivali Gupta	NA	NA	NA	NA
Mr. Sanjay Kumar Aggarwal	NA	NA	NA	NA

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 upto 30.05.2015)	Nil	Nil	Nil	Nil
Ms. Manpreet Kaur (Company Secretary w.e.f. 01.06.2015)	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 in Crores
Indebtedness at the beginning of the 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**
Change in Indebtness During the Financial year				
Addition	3448.95	-		**3448.95**
Reduction	-	8.88-	-	**8.88**
Net Change				
Indebtness at the end of the financial Year				
i) Principal Amount	47519.14	1205.17	-	**48724.31**
ii) Interest due but not paid	1606.60	-	-	**1606.60**
iii) Interest accrued but not due	-	-	-	**-**
Total (i+ii+iii)	**49125.74**	**1205.17**	**-**	**50330.91**

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, specify…	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. Sanjay Kumar Aggarwal	Mr. Bhupinder Singh Mann	Ms. Shivali Gupta	Mr. Ashok Kumar Singla	Ms. Simple Kumari	
	1. Independent Directors Fee for attending board/committee meetings · Commission · Others, please specify*	35000	-	42000	21000	21000	77000	154000
	Total (1)	35000	-	42000	21000	21000	77000	**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)	NIL	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	Total Managerial Remuneration	**35000**	**-**	**42000**	**21000**	**21000**	**77000**	**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.
**No remuneration an sitting fees paid to Mr. S. K. Ahuja, Mr. A. P. Gupta and Lalit Kumar Singla as Nominee Director.

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 upto 30.05.2015)	**Ms. Manpreet Kaur (Company secretary w.e.f. 01.06.2015)**	**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	74944 - - 	282985 - - 	360000 - - 	717929 - -
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
6.	**Total**	**74944**	**282985**	**360000**	**717929**

VII. PENALITIES /PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	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

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the composition as on 31.03.2016 was as under:

Category	No. of directors
Non-Executive Nominee Chairman (PSIDC)	1
Other Non Executive Nominee Directors (PSIDC)	1
Executive Directors	3
Non Executive Independent Director (Including one Woman Independent Director)	2
TOTAL	**7**

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015) 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 in listed entities (Including STML)	Committee(s) position in listed entities (Including STML)	
				Member	Chairman
1.Mr. S.K. Ahuja (DIN 00399501)	16.04.2003	Chairman & Non Executive Independent Director	2	-	1
2.Mr. A.P Gupta (DIN 00421536)	29.03.2011	Non Executive /Nominee Director	3	--	--
3.Mr. Ajay Gupta (DIN 00842248) (reappointed as on 13.02.2016)	13.02.2013	Executive Director	1	1	_
4.Mr. Gautam Gupta (DIN 02642545) (reappointed as on 13.02.2016)	21.01.2010	Executive Director	1	_	_
5.Mr. Kuldip Singh (DIN 05327381) (reappointed as on 21.07.2015)	21.07.2012	Executive Director	1	1	--
6.Mr. Bhupinder Singh Mann (DIN 01211549)	12.08.2015	Independent Director	1	2	2
7. Mrs. Simple Kumari (DIN 07130429)	31.03.2015	Additional Independent Director	1	2	-

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.	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.	Member in Stake holders relationship Committee
4.	Bhupinder Singh Mann	He is Independent Director on the Board of the Company. He is Businessman by profession having competent industry experience of 20 years.	1. Chairman in Stake holders relationship Committee 2. Chairman in Audit Committee
5.	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.	-
6.	Mr. Abhay Pal Gupta	He is Nominee Director of PSIDC. His qualification is graduation.	-
7.	Ms. Simpal 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 Audit committee 2. Member in stakeholders Relationship committee

b) Board Meetings held during the year:

Date on which Board Meetings were held	Total strength of the Board	No. Of Directors present
May 30, 2015	9	6
June 23, 2015	8	5
August 12, 2015	9	6
November 14, 2015	9	5
January 19 2016	9	4
February 13, 2016	8	7

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. 2015	23.06. 2015	12.08. 2015	14.11. 2015	19.01. 2016	13.02. 2016	
1. Mr. S.K. Ahuja	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Present	Absent
2. Mr. A.P Gupta	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Present	Absent
3. Mr. Daleet Singh Sandhu (resigned w.e.f. 17.07.2015)	Present	Present	NA	NA	NA	NA	NA
4. Mr. Ajay Gupta	Present	Present	Present	Present	Present	Present	Present
5. Mr. Gautam Gupta	Present	Present	Present	Present	Present		Present
6. Mr. Kuldeep Singh	Present	Present	Present	Present	Present	Present	Present
7. Mr. Ashok Kumar Singla (resigned w.e.f. 10.06.2015)	Present	NA	NA	NA	NA	NA	NA
8. Mrs. Simple Kumari	Present	Present	Present	Present	Leave of Absence	Present	Present
9. Mr. Lalit Singla (nomination withdrawn on 10.02.2016)	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	NA	Absent
10. Mr. Bhupinder Singh Mann (appointed as on 12.08.2015)	NA	NA	Present	Present	Present	Present	Present
11. Shivali Gupta (Appoined as on 10.06.2015 and resigned from 31.10.2015)	NA	NA	Present	NA	NA	NA	NA
12. Mr. Sanjay Kumar Aggarwal (Appointed as on 14.11.2015 and resigned from 16.02.2016)	NA	NA	NA	Leave of Absence	Leave of Absence	Leave of Absence	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, 2016 was holding shares of the company. However, Mr. S.K.Ahuja and Mr. A.P Gupta 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 COMMITTE

The audit committee has been constituted as per Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Composition and Attendance

During the year ended 31st March, 2016, 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			
		30.05.2015	12.08.2015	14.11.2015	13.02.2016
Mr. Bhupinder Singh Mann	Chairperson/ independent director	N.A.	P	P	P
Ms. Simpal Kumari	Member/ independent/ woman director	P	P	P	P
Mr. Ajay Gupta	Member/ Executive Director	P	P	P	P
Daljit Singh Sandhu (Resigned as on 17.07.2015)	Chairperson / Independent Director	P	N.A.	N.A.	N.A.

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.

Terms of reference:

The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost auditors, the performance of internal auditors and the Company's risk management policies. The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.

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

b. STAKEHOLDERS' RELATIONSHIP COMMITTEE -

The Board has formed an investors' Grievance Committee named as Stakeholder's Relationship Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Rules made thereunder to specifically look into the redressal of investors' complaint like transfer of shares, non receipt of balance sheet or non receipt of credit of shares into the Demat account etc. The Committee also approves issue of duplicate share certificate(s) and other related matters and oversees and reviews all matters connected with the share transfer.

This committee comprises of Bhupinder Singh Mann, Simpal Kumari and Kuldeep Singh

During the year ended 31st March, 2016, the company has not received any shareholders complaint from Stock Exchange/SEBI/Department of Company Affairs/Registrar of Companies. During the year , the committee met five(5) times on 30.05.2015, 12.08.2015, 04.09.2015, 14.11.2015 and 13.02.2016 at which all the members were present.. No requests for share transfer are pending with the company. As on March 31, 2016, 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.

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. Kuldip Singh
2. Mr. Bhupinder Singh Mann
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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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, 2016 is as under:

1. Mr. Bhpinder Singh Mann
2. Mr. Ajay Gupta
3. Ms. Simple Kumari

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.

During the year, there is no committee meeting.

e. **Risk Management Committee**

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a 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 risks 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 plan.

f. Independent Directors' Meeting

During the year under review, the Independent Directors met on November 14, 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. Bhupinder Singh Mann
2. Mr. Ajay Gupta
3. Mr. Gautam Gupta

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.

1. **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.

1. **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:

i. 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;

ii. 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.

2. **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.

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.

Remuneration Policy for the Senior Management Employees

I. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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

I. Appointment & Remuneration to Mr. Ajay Gupta, Managing Director (DIN 00842248, Mr. Gautam Gupta, Joint Managing Director (DIN 02642545) and Mr. Kuldip Singh, Whole Time Director), (DIN 05327381)

The Board of Directors of the Company in its meeting held on 30.05.2015 had approved the re-appointment of Mr. Ajay Gupta as Managing Director, Mr. Gautam Gupta as Joint Managing Director for a period of 3 (three) years with effect from 13.02.2016 respectively with the revised Salary structure consolidated monthly remuneration of ₹ 348875/- per month for each and Mr. Kuldip Singh as Whole Time Director of the Company, for a period of 3 (three) years with effect from 21.07.2015 at existing consolidated monthly remuneration of ₹ 37,000/- per month and the same was duly approved by means of Special Resolution passed by the Members of the Company at Annual General Meeting held on 05th August, 2015.

As per provision of Companies Act, 2013, there is requirement of Central Government approval for the remuneration paid to the Executive Directors as the Company incurred losses last year, which is still pending with Central Government.

II. REMUNERATION OF DIRECTORS

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:

a) 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 ₹2.40 lacs.

Except as aforesaid, during the financial year 2015-2016 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015) have affirmed the compliance with the respective Code of Conduct. A declaration to this effect signed by the Managing Director 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/SHAREHOLDERS

- 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 / SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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. Names and Address of the Compliance Officer:

Ms. Manpreet Kaur
Company Secretary
424, Industrial Area – A
Ludhiana-141003
Ph. 0161-5082524, 5086524, 5087524
Fax No. 0161-5083524, 5088524
E-mail – cs@supremetexmart.com

13. GENERAL BODY MEETINGS

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

FY ending	Date	Day	Time	Held At
31.03.2014	**30.09.2014**	**Tuesday**	**12.00 Noon**	**424, Industrial Area-A, Ludhiana**
31.03.2015	**05.08.2015**	**Wednesday**	**12.00 Noon**	**424, Industrial Area-A, Ludhiana**

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

25th AGM in 2013: Four Special Resolutions regarding remuneration and reappointment of Mr. Ajay Gupta, Mr. Gautam Gupta and Mr. Kuldip Singh and Related Party Transactions were passed

During the year ended 31st March, 2016, one Extra-ordinary General Meeting was held as on 21.09.2015.

14. Postal Ballot:

During the year ended 31st March, 2016, the company has not conducted any Postal Ballot .

15. GENERAL INFORMATION FOR SHAREHOLDER

a) **Annual General Meeting**

The Annual General Meeting will be held on Friday the 30th September, 2016 at 12.00 noon at Registered Office of the company at 424, Industrial Area – A, Ludhiana.

b) **Date of Book Closure**

24th day of September, 2016 to 29th day of September, 2016.
(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 2014-15 & 2015-16

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 2015-16:**

Month	NSE (Nifty)		BSE (Sensex)	
	HIGH	LOW	HIGH	LOW
April, 2015	6.35	4.70	6.45	4.57
May,2015	5.45	3.65	5.50	3.63
June, 2015	3.95	2.95	4.18	3.13
July, 2015	7.00	3.65	8.01	3.71
August, 2015	8.45	6.45	9.27	6.37
September, 2015	8.05	5.70	8.19	5.51
October, 2015	5.70	4.20	5.72	4.23
November, 2015	7.30	4.50	7.40	4.85
December, 2015	9.45	5.00	9.61	5.00
January, 2016	13.05	7.30	13.23	6.65
February, 2016	8.25	3.50	8.10	3.33
March, 2016	4.70	3.05	4.70	2.91

g) Shareholding Pattern as on 31st March, 2016.

Category	No. of Shares	%age of Shareholding
Promoters		
Private	38084409	55.81
PSIDC	1645222	2.41
Indian Public	15827673	23.20
NR/OCB	12672931	18.57
Grand Total	**68230235**	**100.00**

g) **Distribution Schedule as on 31st March, 2016.**

Nominal Value of each share is ₹5

Shareholding of Nominal Value of ₹	Number of Share holders	%age to Total	No. of Shares	Amount in ₹	%age to Total
Up to 5000	2278	89.05	1920577	9602885	2.82
5001 to 10000	123	4.81	966122	4830610	1.42
10001 to 20000	61	2.38	906944	4534720	1.33
20001 to 30000	27	1.06	671824	3359120	0.99
30001 to 40000	23	0.90	814362	4071810	1.20
40001 to 50000	3	0.12	140900	704500	0.21
50001 to 100000	12	0.47	890146	4450730	1.31
100001 and above	31	1.21	61702960	308514800	90.72
Total	**2558**	**100**	**68013835***	**340069175**	**100.00**

* Note: 216400 shares are partly paid up shares with public shareholding.

g) **Dematerialization of shares and liquidity:**

Percentage of Shares as on 31.03.2016 held in

Physical form	: 0.38
Electronic form with NSDL	: 53.99
Electronic form with CDSL	: 45.63

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.supremetexmart.com.

i) The financial year of the company under review is from 1st April 2015 to 31st March 2016.

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.
Ph. 0161-5082524, 5086524, 5087524
Fax No. 0161-5083524, 5088524
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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 entered into with the stock exchanges, for the year ended March 31, 2016.

For Supreme Tex Mart Limited
Sd/-

Place: Ludhiana
Dated: 31.08.2016

(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 31.03.2016 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
Sd/- **Sd/-**

Place: Ludhiana
Dated: 31.08.2016

(AJAY GUPTA)
Managing Director
00842448

(INDERPAL SINGH)
CFO

Certificate on Compliance From Practicing Company Secretary with the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

TO
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, 2016 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 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
Sd/-
(Rajeev Bhambri)
M. No. 4327

Place: Ludhiana
Dated: 31.08.2016

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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 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 2015-16 (Rs. in Lacs)	% increase in Remuneration in the Financial Year 2015-16	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 2015-16 is Rs. 178.84 Crore as compare to Net loss of Rs. 208.34 Crores for the year 2014-15.
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	0.35	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	0.21	Not Applicable	Not Applicable	
9.	Ms. Simple Kumari, Independent Director	0.77	Not Applicable	Not Applicable	
10.	Mr. Bhupinder Singh Mann Independent Director	0.42	Not Applicable	Not Applicable	
11.	Ms. Shivali Gupta Independent Director	0.21	Not Applicable	Not Applicable	
10.	Mr. Inder Pal Singh, Chief Financial Officer	3.60	NIL	Not Applicable	Net Loss for the year 2015-16 is Rs. 178.84 Crore as compare to Net loss of Rs. 208.34 Crores for the year 2014-15.
11.	Mr. Robin Vijan, Company Secretary (upto 30.05.2015)	0.75	NIL	Not Applicable	Net Loss for the year 2015-16 is Rs. 178.84 Crore as compare to Net loss of Rs. 208.34 Crores for the year 2014-15.
12.	Ms. Manpreet Kaur, company Secretray (appointed w.e.f. 01.06.2015)	2.83	NIL	Not Applicable	Net Loss for the year 2015-16 is Rs. 178.84 Crore as compare to Net loss of Rs. 208.34 Crores for the year 2014-15.

*Sitting fee paid for attending Board Meeting/Committee Meetings

ii. In the financial year, there was an increase of 3.48% in the median remuneration of employees;

iii. There were 1,752 permanent employees on the rolls of Company as on March 31, 2016;

iv. Relationship between average increase in remuneration and company performance:- The company incurred a net Loss for the year 2015-16 is Rs. 178.84 Crore, whereas the increase in median remuneration was 3.48%. 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, 2016 was Rs.24.63 crore (March 31, 2015 was Rs.37.05 crore)

b) Price Earnings ratio of the Company was (0.14) as at March 31, 2016 and was (0.18) as at March 31, 2015

c) The closing price of the Company's equity shares on the NSE and BSE as of March 31, 2016 was Rs. 3.65 and Rs. 3.61 respectively,

vi. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 3.48 % whereas the there is no increase in managerial remuneration for the same financial year. The application for For increase in remuneration in of Mr. Ajay Gupta, Managing Director, Mr. Gautam Gupta, Joint Managing Director and Mr. Kuldip Singh, Whole Time director is still pending with Central Government as per the Companies Act, 2013.

vi. 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.

vii. 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

viii. 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.

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, 2016, 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

The Company has incurred a net loss of ₹ 17884.09 lacs during the year ended 31st March, 2016, which exceeds the net worth of the company, and as on that date, the company's current liabilities exceeded its current assets by ₹ 15297.67 lacs and its total liabilities exceeded its total assets by ₹ 18653.78 lacs. The lead bank (SBI) and member banks i.e. Central Bank of India, Union Bank of India, SBER Bank, Allahabad Bank & IDBI Bank have classified the accounts of the company as non performing assets. 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.

5. BASIS FOR QUALIFIED OPINION

Further we report that

i. The Company has not provided for the Interest on borrowings from banks which have not charged interest on account of accounts classified as non-performing assets. This notional amount of interest as calculated by taking last rate of interest charged by the banks comes to ₹3525.28 *lacs.*

ii. The earnings (loss) per share for the year ended March 31,2016 would have been ₹ (31.38) against reported earnings (loss) per share of ₹(26.21)

iii. Provision for Gratuity and leave encashment 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, 2016, and its loss 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, 2016 issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the Annexure A, 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 Benefits" notified by the Companies (Accounts) Rules, 2014*;

e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 26 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.

The company is not required to transfer any amount to the Investor Education and Protection Fund.

For NANDA & BHATIA
Chartered Accountants
F.R.N. : 004342N
Sd/-
P.C.S. VIRDI
Partner
M. No. 017056

Place: Ludhiana
Dated: 30th May, 2016

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 2016, 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 physically 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 fixed assets.*

(c) According to the information and explanations given to us and based on our examination of the records of the company, title deeds of immovable properties are held in the name of the company.

(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) In our opinion and according to information & explanation given to us, the Company has complied with the provisions of section 185 & 186 of the Act, with respect to the loans & investments made.

(v) In our opinion and according to information & explanation given to us, the company has not accepted any deposits for which directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under are applicable for compliance.

(vi) According to the information and explanation given to us, maintenance of cost records has been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013.

(vii) (a) The company has not been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess 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 Statue	***Nature of Dues***	***Amount (₹In lacs)***	***Period to which the amounts relate***	***Due date***	***Date of Payment***
Income Tax Act, 1961	*Income Tax*	*480.12*	*FY 2012-13*	*30/11/2013*	*Not yet paid*
Employees' State Insurance Act, 1948	*Employee State Insurance*	*1.57*	*July 2015*	*21/08/2015*	*Not yet paid*
Employees' State Insurance Act, 1948	*Employee State Insurance*	*1.54*	*August 2015*	*21/09/2015*	*Not yet paid*
Employees' State Insurance Act, 1948	*Employee State Insurance*	*1.46*	*September 2015*	*21/10/2015*	*Not yet paid*
Employees' Provident Fund and Miscellaneous Provision Act, 1952	*Provident Fund*	*2.19*	*May 2015*	*20/06/2015*	*16/04/2016*
Employees' Provident Fund and Miscellaneous Provision Act, 1952	*Provident Fund*	*0.70*	*June 2015*	*20/07/2015*	*16/04/2016*
Employees' Provident Fund and Miscellaneous Provision Act, 1952	*Provident Fund*	*3.52*	*July 2015*	*20/08/2015*	*11/04/2016 & 19/04/2016*
Employees' Provident Fund and Miscellaneous Provision Act, 1952	*Provident Fund*	*3.48*	*August 2015*	*20/09/2015*	*11/04/2016 & 19/04/2016*
Employees' Provident Fund and Miscellaneous Provision Act, 1952	*Provident Fund*	*1.36*	*September 2015*	*20/10/2015*	*11/04/2016*
Employees' Provident Fund and Miscellaneous Provision Act, 1952	*Provident Fund*	*1.99*	*September 2015*	*20/10/2015*	*Not yet paid*

a) According to the information and explanation given to us, the disputed statutory dues aggregating to ₹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 (₹ 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, interest & Penalty	1.82	2004-05, 2005-06	Commissioner of Customs (Appeal)

(viii) 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 (₹ 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*	
		1071.12	*Interest (Term loan)*	*01.04.2015 to 31.03.2016 (12 months)*
		1250.64	*Principal*	
2.	*Central Bank of India*	*179.63*	*Interest (Term loan)*	*01.07.2014 to 31.03.2015 (9 months)*
		423.00	*Principal*	
		570.72	*Interest (Term loan)*	*01.04.2015 to 31.03.2016 (12 months)*
		564.00	*Principal*	
3.	*State Bank of India*	*661.95*	*Interest (working capital)*	*01.07.2014 to 31.03.2015 (9 months)*
		1029.49	*Interest (working capital)*	*01.04.2015 to 31.03.2016 (12 months)*
4.	*Union Bank of India*	*19.10*	*Interest (working capital)*	*01.03.2015 to 31.03.2015 (1 month)*
		249.48	*Interest (working capital)*	*01.04.2015 to 31.03.2016 (12 months)*
5.	*Central Bank of India*	*56.46*	*Interest (working capital)*	*01.07.2014 to 31.03.2015 (9 months)*
		208.63	*Interest (working capital)*	*01.04.2015 to 31.03.2016 (12 months)*
6.	*SABER Bank*	*157.07*	*Interest (working capital)*	*01.09.2014 to 31.03.2015 (7 months)*
		299.06	*Interest (working capital)*	*01.04.2015 to 31.03.2016 (12 months)*
7.	*Allahabad Bank*	*96.78*	*Interest (working capital)*	*01.10.2015 to 31.03.2016 (6 months)*
		35.33	*Principal*	*01.04.2015 to 31.03.2016 (12 months)*

a) Interest includes interest accrued on long term and short term borrowing not provided in the statement of profit and loss.

(ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments). Company has raised vehicles loans amounting to ₹ 49.84 lacs & they were applied for the purposed for which they are raised.

(x) According to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid or provided the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule – V to the Companies Act.

(xii) In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with section 177 & 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the company, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the company, company has not entered into any non-cash transactions with directors or persons connected with them.

Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For NANDA & BHATIA
Chartered Accountants
F.R.N. : 004342N
Sd/-
P.C.S. VIRDI
Partner
M. No. 017056

Place: Ludhiana
Dated: 30th May, 2016

BALANCE SHEET AS AT MARCH 31, 2016

(Amount in ₹)

Particulars	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	340556075	340556075
Reserves and Surplus	3	(2205934374)	(417525305)
		(1865378299)	(76969230)
Non-Current Liabilities			
Long Term Borrowings	4	2323181284	2272763862
Deferred Tax Liability (net)	5	303496030	303496030
Long Term Provisions	6	35494633	26234869
		2662171947	**2602494761**
Current Liabilities			
Short Term Borrowings	7	2313756595	2176040745
Trade Payables	8	735363021	696264998
Other Current Liabilities	9	512093425	454570750
Short Term Provisions	6	44189673	46620689
		3605402714	**3373497182**
TOTAL		**4402196361**	**5899022713**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	2119920369	2638698611
Intangible Assets	11	1048650	2067346
Capital Work-in-Progress		8355596	88537
Long Term Loans and Advances	12	41293387	56885796
Other Non-Current Assets	13	155942289	172367195
		2326560291	2870107485
Current Assets			
Inventories	14	652906546	1601482903
Trade Receivables	15	642418843	740947288
Cash and Bank Balances	16	126473965	126853729
Short Term Loans and Advances	12	431618986	405831755
Other Current Assets	13	222217730	153799553
		2075636070	**3028915228**
TOTAL		**4402196361**	**5899022713**
Significant Accounting Policies & Notes on Financial Statements	1 to 47		

For and on behalf of Board

As per our Report of even date attached
for NANDA & BHATIA
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 004342N

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Ajay Gupta	**Gautam Gupta**	**Manpreet Kaur**	**Inderpal Singh**	**(P.C.S Virdi)**
Mg. Director	**Jt. Mg. Director**	**Company Secretary**	**Chief Financial Officer**	**PARTNER**
DIN: 00842248	**DIN: 02642545**			**M.NO. 017056**

Place : LUDHIANA
Date : May 30,2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

Particulars	Note	For the Year Ended March 31, 2016	2015
INCOME			
Revenue from Operations	17	3505026089	4302181157
Less: Excise Duty		888573	4011579
Revenue from Operations (net)	17	3504137516	4298169578
Other Income	18	119326249	1042000
Total Revenue		**3623463765**	**4299211578**
EXPENSES			
Cost of material consumed	19	3348913338	3067778119
Purchases of Stock-in-Trade	20	185660408	414259910
Change in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	21	9040179	79765901
Employee Benefit Expense	22	195110527	155040804
Finance Costs	23	220241973	417351446
Depreciation and Amortization Expense	24	484040172	520779460
Other Expenses	25	968866237	1196801197
Total Expenses		**5411872834**	**5851776837**
Profit Before exceptional and extraordinary Items and tax		(1788409069)	(1552565259)
Exceptional Items		-	(530866778)
Profit Before extraordinary Items and tax		(1788409069)	(2083432037)
Extraordinary Items		-	-
Profit/(Loss) Before Tax		**(1788409069)**	**(2083432037)**
Tax Expenses			
a) Current Tax		-	-
b) MAT Credit Entitlement		-	-
c) Wealth Tax		-	13629
d) Deferred Tax		-	-
e) Taxes of Earlier Years		-	-
Profit/(Loss) for the Year From Continuing Operations		**(1788409069)**	**(2083445666)**
Profit/(Loss) for the Year		**(1788409069)**	**(2083445666)**
Earning Per Equity Share of Rs 5/- each			
Basic		(26.21)	(30.54)
Diluted		(26.21)	(30.54)
Significant Accounting Policies & Notes on Financial Statements	1 to 47		

For and on behalf of Board

As per our Report of even date attached
for NANDA & BHATIA
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 004342N

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**	**Sd/-**
Ajay Gupta	**Gautam Gupta**	**Manpreet Kaur**	**Inderpal Singh**	**(P.C.S Virdi)**
Mg. Director	**Jt. Mg. Director**	**Company Secretary**	**Chief Financial Officer**	**PARTNER**
DIN: 00842248	**DIN: 02642545**			**M.NO. 017056**

Place : LUDHIANA
Date : May 30,2016

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

PARTICULARS	for the year ended March 31, 2016		for the year ended March 31, 2015	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary items		(1788409069)		(2083432037)
Adjusted for:				
Depreciation and Amortization	484040172		520779460	
Bad Debts written off	-		9109344	
Miscellaneous balances written off	(18661271)		1760	
Provisions no longer required written back	(99160241)		278641552	
Interest and Financial charges	220241973		417351445	
Profit(-)/Loss on sale of Fixed Assets	(368753)	586091879	2151596	1228035157
Operating Profit before Working Capital Changes		**(1202317190)**		**(855396880)**
Adjusted for:				
Increase(-)/Decrease in Trade and Other Receivables	154161862		613642901	
Increase(-)/Decrease in Inventories	948576357		686971553	
Increase/Decrease(-) in Trade and Other Liabilities	105866833	1208605052	(769161602)	531452852
Cash Generated from Operations		6287863		(323944028)
Taxes Paid		(2417387)		(3781060)
Net Cash from Operating Activities		**3870476**		**(327725088)**
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(21146086)		(43202505)
Sale of Fixed Assets		5135247		8833480
Subsidy Received		43869300		0
Net Cash used in Investing Activities		**27858461**		**(34369025)**
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings		50417422		497070363
Proceeds from Short Term Borrowings		137715850		344124787
Interest Paid		(220241973)		(417351445)
Proceeds from Issue of Share Capital		0		0
Proceeds from Share Application money		0		0
Net Cash from Financing Activities		**(32108701)**		**423843705**
NET INCREASE IN CASH & CASH EQUIVALENTS		(379764)		61749592
CASH & CASH EQUIVALENTS AS ON 01.04.2015		126853729		65104137
CASH & CASH EQUIVALENTS AS ON 31.03.2016		**126473965**		**126853729**

For and on behalf of Board

As per our Report of even date attached
for NANDA & BHATIA
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 004342N

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Ajay Gupta	**Gautam Gupta**	**Manpreet Kaur**	**Inderpal Singh**	**(P.C.S Virdi)**
Mg. Director	**Jt. Mg. Director**	**Company Secretary**	**Chief Financial Officer**	**PARTNER**
DIN: 00842248	**DIN: 02642545**			**M.NO. 017056**

Place : LUDHIANA
Date : May 30,2016

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Company Overview:

Supreme Tex Mart Ltd (STML) is an integrated textile organization based at Ludhiana. STML manufactures various type of yarns and garments for customers in domestic and international markets.

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 Benefit**s:

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%.

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.

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.

2. Share Capital

(Amount in ₹)

	As at March 31, 2016	2015
Authorized:		
90000000 (Previous Year 90000000) Equity Shares of₹5 each	450000000	450000000
Issued, Subscribed and Paid up:		
68230235 (Previous Year 68230235) Equity Shares of ₹5 each fully paid up	341151175	341151175
Less: Calls in arrear - by others	595100	595100
	340556075	**340556075**

a. Reconciliation of the number of shares outstanding

(Amount in ₹)

	As at March 31, 2016		2015	
	No.	**Amount**	**No.**	**Amount**
At the beginning of the period	68230235	341151175	68230235	341151175
Issued during the period	-	-	-	-
	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.

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, 2016		2015	
	No.	**% holding in the class**	**No.**	**% holding in the class**
Equity shares of ₹ 5 each fully paid				
Sindia Investment Group Pte Ltd.	12614719	18.49%	7000000	10.26%
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%

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.

3. Reserves and Surplus

(Amount in ₹)

	As at March 31, 2016	2015
Capital Reserve		
Balance as per last financial statements	**3000000**	**3000000**
Securities Premium Account		
Balance as per last financial statements	1035607501	1035607501
Add: Premium on issue of fully paid equity shares	-	0
Closing balance	**1035607501**	**1035607501**
General Reserve		
Balance as per last financial statements	**38829209**	**38829209**
Surplus/(deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	(1494962015)	604910922
Add (Less) : Profit/(Loss) for the year	(1788409069)	(2083445666)
Less : Adjustment of Depreciation	-	(16427271)
Net Surplus in the Statement of Profit and Loss	**(3283371084)**	**(1494962015)**
Total Reserves and Surplus	**(2205934374)**	**(417525305)**

4. Long-term Borrowings **(Amount in ₹)**

	Non-current portion As at March 31, 2016	Non-current portion As at March 31, 2015	Current maturities As at March 31, 2016	Current maturities As at March 31, 2015
Secured				
Term Loans				
Indian rupee loan from banks	2201089428	2151086769	233584500	216051245
Other loans and advances				
Indian rupee loan from banks	395393	1159793	764400	928745
From financial institutions	1179163	-	1144644	-
Unsecured				
From directors	20516555	20516555	-	-
From related parties (including inter corporate loans)	100000745	100000745	-	-
	2323181284	**2272763862**	**235493544**	**216979990**
Amount disclosed under the head "Other Current Liabilities" (note 9)			(235493544)	(216979990)
Net amount	**2323181284**	**2272763862**	**-**	**-**
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	20516555	-	-
-Loans from Avnisha Gupta (Relative of managerial Personnel)	7500000	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 monthy 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 :

Original Loan Amount (₹ lacs)	Interest Rate	EMI (₹ lacs)	Period	Nos	Revised 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	01/0714 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 :

Original Loan Amount (₹lacs)	Interest Rate	EMI (₹lacs)	Period	Nos	Revised 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
						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 to01/04/2022	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 ₹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 :

Original Loan Amount (₹lacs)	Interest Rate	EMI (₹lacs)	Period	Nos	Revised 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 :

Original Loan Amount (₹lacs)	Interest Rate	EMI (₹lacs)	Period	Nos	Revised 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 :

Original Loan Amount (₹lacs)	Interest Rate	EMI (₹lacs)	Period	Nos	Revised 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 01.01.2011 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 installments 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**	**2023- 24**	**2024-25**
No. of EMIs	9	12	12	12	12	12	12	12.00	3.00
% Each Month of principal amount	0.28%	0.42%	0.63%	0.83%	1.04%	1.25%	1.46%	1.46%	4.17%

k. Indian rupee term loan amounting to₹142.47 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**	**2023- 24**	**2024-25**
No. of EMIs	9	12	12	12	12	12	12	12.00	3.00
% Each Month of principal amount	0.28%	0.42%	0.63%	0.83%	1.04%	1.25%	1.46%	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**	**2023- 24**	**2024-25**
No. of EMIs	9	12	12	12	12	12	12	12.00	3.00
% Each Month of principal amount	0.28%	0.42%	0.63%	0.83%	1.04%	1.25%	1.46%	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. Other loan and advance represents term loan on vehicles. Loan from ICICI Bank is taken during the financial year 2015-16 and carries interest @10.24% p.a. The loan is repayable in 34 monthly installments of ₹0.64 lacs & last installement of ₹0.56 lacs including interest. Another loan from Daimler Financial Services is taken during the financial year 2015-16 and carries interest @8.99% p.a. The loan is repayable in 36 monthly installments of ₹0.95 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.

5. Deferred Tax Liability (net) **(Amount in ₹)**

	As at March 31, 2016	As at March 31, 2015
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 **(Amount in ₹)**

	Long-term As at March 31, 2016	Long-term As at March 31, 2015	Short-term As at March 31, 2016	Short-term As at March 31, 2015
Provision for Employee Benefits				
Provision for gratuity (note 34)	26996328	19759888	-	-
Provision for leave benefits	8498305	6474981	-	-
	35494633	**26234869**	**-**	**-**
Other Provisions				
Provision for current tax	-	-	112933620	112933620
Less: prepaid taxes	-	-	(68773948)	(66356561)
Provision for wealth tax	-	-	36255	49884
Less: prepaid taxes	-	-	(6254)	(6254)
	-	-	**44189673**	**46620689**
	35494633	**26234869**	**44189673**	**46620689**

7. Short-term Borrowings **(Amount in ₹)**

	As at March 31, 2016	As at March 31, 2015
Secured		
Working Capital Loans		
From Banks		
Foreign Currency Loans	-	-
Indian Rupee Loans	2313756595	2175151839
	2313756595	**2175151839**
Unsecured		
Working Capital Loans		
From NBFCs		
Indian Rupee Loans	-	888906
	-	**888906**
	2313756595	**2176040745**

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 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.

8. Trade Payables **(Amount in ₹)**

	As at March 31, 2016	2015
Trade payables (including acceptances)		
-Total outstanding dues to micro, small and medium enterprises (note 30)	-	-
-Others	735363021	696264998
	735363021	**696264998**
Trade payables (including acceptances) includes		
Dues to Venus Tex Spin Ltd.	160102643	-
Dues to Gautam Terry Tech Ltd.	-	36817083
in which company's directors are members		

9. Other Current Liabilities **(Amount in ₹)**

	As at March 31, 2016	2015
Current maturities of long-term borrowings (note 4)	235493544	216979990
Interest accrued and due on borrowings	160659885	23820041
Income received in advance from customers	11309514	82980657
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend	-	-
Other Payables	464000	-
Service tax payable	252595	86570
TDS/TCS payable	1042699	702394
Employee related expenses payable	39594253	31403438
Electricity expenses payable	46612982	18401065
Security payable	68000	68000
Expenses outstanding	1717672	3587328
Others	14878280	76541267
	512093425	**454570750**

11. Intangible Assets **(Amount in ₹)**

Computer software	
Gross block	
At 1st April, 2014	8841499
Purchase	-
At 31st March, 2015	**8841499**
Purchase	-
At 31st March, 2016	**8841499**
Amortization	
At 1st April, 2014	5755457
Charge for the year	1018696
At 31st March, 2015	**6774153**
Charge for the year	1018696
At 31st March, 2016	**7792849**
Net Block	
At 31st March, 2015	**2067346**
At 31st March, 2016	**1048650**

10. Tangible Assets (Amount in ₹)

	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	Total
Cost or valuation									
At 1st April, 2015	**216851705**	**19704372**	**821525212**	**3402707087**	**4964386**	**19346951**	**8417130**	**10371570**	**4503888413**
Additions	0			8140019	548043	4058090	74800	58075	12879027
Disposals				(52994823)		(1946373)			(54941196)
At 31st March, 2016	**216851705**	**19704372**	**821525212**	**3357852283**	**5512429**	**21458668**	**8491930**	**10429645**	**4461826244**
Depreciation									
At 1st April, 2015	**-**	**1584466**	**196289476**	**1637646314**	**3399075**	**9929846**	**7019219**	**9321405**	**1865189800**
Charge for the year		199161	28366755	451056926	262605	2346954	533159	255916	483021475
Disposals				(5798177)		(507225)			(6305402)
At 31st March, 2016	**-**	**1783627**	**224656230**	**2082905063**	**3661680**	**11769576**	**7552378**	**9577321**	**2341905874**
Net Block									
At 31st March, 2015	**216851705**	**18119906**	**625235736**	**1765060773**	**1565311**	**9417105**	**1397911**	**1050165**	**2638698611**
At 31st March, 2016	**216851705**	**17920745**	**596868982**	**1274947220**	**1850749**	**9689092**	**939552**	**852324**	**2119920369**

12. Loans and Advances **(Amount in ₹)**

	Non-current As at March 31, 2016	Non-current As at March 31, 2015	Current As at March 31, 2016	Current As at March 31, 2015
Capital advances				
Unsecured, considered good	-	15590910	-	-
(A)	**-**	**15590910**	**-**	**-**
Security deposit				
Unsecured, considered good	41293387	41294886	24500	24500
(B)	**41293387**	**41294886**	**24500**	**24500**
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	275884793	303949803
(C)	**-**	**-**	**275884793**	**303949803**
Other loans and advances				
Loans and advances to employees	-	-	18791593	9659971
Advances to suppliers	-	-	136918100	92197481
(D)	**-**	**-**	**155709693**	**101857452**
Total (A+B+C+D)	**41293387**	**56885796**	**431618986**	**405831755**

13. Other Assets **(Amount in ₹)**

	Non-current As at March 31, 2016	Non-current As at March 31, 2015	Current As at March 31, 2016	Current As at March 31, 2015
Prepaid expenses	-	-	1461078	2439793
Interest accrued on fixed deposits	-	-	30748	4504648
Balances with statutory/ Government authorities	-	-	113855262	117748183
Mat credit entitlement*	155942289	155942289	-	-
Others	-	-	106870642	29106929
	155942289	**155942289**	**222217730**	**153799553**

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

14. Inventories (valued at lower of cost and net realisable value) **(Amount in ₹)**

	As at March 31, 2016	As at March 31, 2015
Raw Materials (note 19)	185819106	1123588400
Work-in-Progress (note 21)	133491552	115476569
Finished Goods (note 21)	301360543	328415706
Stores and Spares	32235344	34002228
	652906546	**1601482903**

15. Trade receivables (considered good unless otherwise stated) **(Amount in ₹)**

	As at March 31, 2016	As at March 31, 2015
Receivables outstanding for a period exceeding six months from the due date of payment		
Unsecured		
Considered good	28373243	300137864
Considered doubtful	179481311	278641552
Less: Allowance for doubtful debts	179481311	278641552
(A)	**28373243**	**300137864**
Other receivables		
Unsecured		
Considered good	614045600	440809424
(B)	**614045600**	**440809424**
Total (A+B)	**642418843**	**740947288**

(Amount in ₹)

	As at March 31, 2016	2015
Trade receivables (considered good unless otherwise stated) includes		
Dues from Venus Tex Spin Ltd.	-	7002414
Dues from Ganeshgee Textile Trading Ltd.	12703438	12760978
Dues from Gautam Terrytech Ltd	4834466	2415482
in which company's directors are members		

16. Cash and bank balances (Amount in ₹)

	Non-current As at March 31, 2016	2015	Current As at March 31, 2016	2015
Cash and cash equivalents				
Balance with banks:				
On current accounts	-	-	7038582	15788361
On unpaid dividend accounts	-	-	-	-
Cash on hand	-	-	6729365	23550828
	-	**-**	**13767947**	**39339189**
Other bank balances				
Margin money deposit	-	16424906	112706018	87514540
	-	**16424906**	**112706018**	**87514540**
Total	**-**	**16424906**	**126473965**	**126853729**

17. Revenue from Operations:- (Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
Sale of Products		
Finished goods	2877547859	3485849672
Traded goods	254934795	415010138
Other Operating Revenue		
Job work charges	257402643	291657843
Waste sales	75307925	28674709
Export Incentives	38843953	69314350
Difference in exchange rate*	988915	11674445
Revenue from Operations (gross)	3505026089	4302181157
Less: Excise Duty	888573	4011579
Revenue from Operations (net)	**3504137516**	**4298169578**

*Difference in exchange rate relating to turnover is included in 'Revenue from operations'. Other exchange differences have been disclosed separately under the note 25 relating to 'Other expenses'.

Details of Products Sold (Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
Finished goods sold		
Yarn	2156282167	2248890255
Fabrics	336765397	679229703
Garments	383611722	557729714
	2876659286	**3485849672**
Traded goods sold		
Manmade fibres	38223110	94717655
Cotton	65582055	13184143
Yarn	150803542	283276769
Fabrics	326088	23831571
	254934795	**415010138**
	3131594081	**3900859810**

18. Other Income

(Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
Profit on sale of fixed assets(net)	1475564	-
Miscellaneous balances written off	18661271	-
Excess provision written back	99160241	-
Other receipts	29173	1042000
	119326249	**1042000**

19. Cost of Raw Material Consumed

(Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
Inventory at the beginning of the year	1123588400	1725801589
Less: Revaluation of Inventory	0	530866778
Purchases	2413904764	2996431708
	3537493164	4191366519
Less: Stock Destroyed in fire	2760720	-
Less: inventory at the end of year	185819106	1123588400
Cost of raw material consumed	**3348913338**	**3067778119**

Details of cost of Raw Material Consumed

(Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
Manmade fibres	535140991	380678099
Cotton	1130363243	967595464
Yarn	758466464	721561891
Fabrics	816929508	994396484
Garments	108013132	3546181
	3348913338	**3067778119**

Details of Purchases of Raw Material

(Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
Manmade fibres	525439609	370779650
Cotton	959202387	877034748
Yarn	507597746	517236665
Fabrics	313651890	1227834464
Garments	108013132	3546181
	2413904764	**2996431708**

Details of Inventory of Raw Material

(Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
Manmade fibres	71941603	83307985
Cotton	38230052	209513908
Yarn	35782332	287623770
Fabrics	39865119	543142737
	185819106	**1123588400**

20. Details of Purchase of Traded Goods

(Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
Manmade fibres	38419591	93713668
Cotton	83333789	24207933
Yarn	63490947	276246901
Fabrics	416081	20091408
	185660408	**414259910**

21. (Increase)/Decrease in Inventories

(Amount in ₹)

	For the Yr. Ended March 31, 2016	2015	(Increase) / Decrease
Inventories at the end of the year			
Work-in-progress	133491552	115476569	(18014983)
Finished goods	301360543	328415706	27055163
	434852096	**443892275**	**9040179**
Inventories at the beginning of the year			
Work-in-progress	115476569	121073186	5596617
Finished goods	328415706	402584990	74169284
	443892275	**523658176**	**79765901**
(Increase)/Decrease in Inventories	**9040179**	**79765901**	

Details of Inventory

(Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
Work-in-Progress		
Yarn	114765587	82277637
Fabrics	46927	6980476
Processed fabrics	-	-
Garments	18289429	25333269
Other	389608	885187
	133491552	**115476569**
Finished Goods		
Yarn	184763084	241858573
Fabrics	2728235	1135529
Processed fabrics	7842856	6033695
Garments	44542031	43043155
Other	61484337	36344754
	301360543	**328415706**

22. Employee Benefit Expense

(Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
Salaries, wages and bonus	168864134	129737292
Contribution to provident and other funds	18909868	15871898
Staff welfare expenses	7336525	9431614
	195110527	**155040804**

23. Finance Cost

(Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
Interest		
-Term loans	133306580	157685641
-Working capital	81986473	232279928
Bank charges	4948920	27385877
	220241973	**417351446**

24. Depreciation and Amortization Expense

(Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
Depreciation/Amortization on Tangible Assets		
Leasehold land	199161	199161
Building	28366755	28962424
Plant and machinery	451056926	485581503
Furniture & fixtures	262605	264150
Vehicles	2346954	2297318
Office equipment	533159	1777409
Computer equipment	255916	678799
	483021475	**519760764**
Amortization of Intangible Assets		
Computer software	1018696	1018696
	1018696	**1018696**
Total	**484040172**	**520779460**

25. Other expenses (Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
Manufacturing Expenses		
Consumption of stores and spares	98158010	98324189
Consumption of packing material	61454234	54002136
Consumption of dyes and chemicals	238393724	277237525
Power and fuel	477041319	374224415
Freight and cartage inward	1897851	1410778
Testing charges	1522428	60563
Value added tax	-	152314
Water disposal charges	568473	91682
Repairs to Plant and machinery	14180747	5192787
	893216785	**810696389**
Administrative & Other Expenses		
Lease Rent	262000	240000
Rates and taxes	237798	570775
Insurance	2783209	5309108
Repairs to building	875076	906229
Travelling and conveyance	396534	992726
Printing and stationery	1434585	1344560
Telephone and postage	3421695	3072311
Legal and professional	1785016	6054653
Fees & subscription	1624473	1395629
Director's meeting fees	222522	180895
Director's travelling	688381	204100
Auditors remuneration	160522	626204
Directors remuneration	4526208	4113720
Vehicle maintenance	5021428	5484557
Bad debts written off	-	9109344
Provision for Doubtful Debts	-	278641552
Loss on sale of fixed assets(net)	1106811	2151596
Charity and donation	11000	12000
Penalty	415000	-
Difference in exchange rate	(11040997)	(13371028)
Miscellaneous balances written off	-	1760
Miscellaneous administrative expenses	1005812	584925
	14937073	**307625616**
Selling Expenses		
Freight and octroi outward	50539675	64176747
Advertisement	673919	176316
Commission	7403667	11591874
Rebate and Discount	700835	2185728
Service Tax	814605	79333
Sale Promotion Expenses	579678	269194
	60712379	**78479192**
	968866237	**1196801197**

Payment to auditor (Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
As auditor:		
Audit fee	109920	224720
Tax audit fee	27480	84270
In other capacity:		
Other services (certification fees)	2280	26404
Reimbursement of expenses	20842	66090
Taxation Matters	-	224720
	160522	**626204**

26. Contingent Liabilities: **(Amount in ₹)**

	As at March 31, 2016	2015
(a) Bank guarantee outstanding	-	-
(b) Bills discounted with banks against irrevocable letter of credit	9887834	64252804

(c) The Income Tax Assessments of the company have been completed upto the assessment year (A.Y.) 2013-14 for which no demand has been created. However assessment for the 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 ₹ 2.33 lacs.

(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.

27. 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.

28. 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.

29. 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,2016 are:

(Amount in ₹)

	As at March 31, 2016	2015
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	-	-

30. 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:

(Amount in ₹)

Sr. Particular	As at March 31, 2016	2015
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	-	-

31. 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
Mrs. Manpreet Kaur	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 -Gttl

Group Companies -Venus Tex Spin Ltd
-Gautam Terry Tech Ltd.
-Goldleaf International Pvt. Ltd.*
-Cimero Industrial Enterprises Ltd.*
-Ganeshgee Textile Trading Ltd.
- Dealplus Yarns Trading (P) Ltd.

* No transaction has taken place during the year

(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 **(Amount in ₹)**

	March 31,2016			March 31,2015		
Particulars	**Enterprises owned or significantly influenced by Key Management Personnel or their relatives**	**Key Manage-ment Personnel**	**Relatives of Key Manage-ment Personnel**	**Enterprises owned or significantly influenced by Key Management Personnel or their relatives**	**Key Manage-ment Personnel**	**Relatives of Key Manage-ment Personnel**
A) Transactions during the year						
i) Sale of finished goods						
GAUTAM TERRY TECH LTD	11226668	-	-	28174433	-	-
VENUS TEX SPIN LTD.	298837869	-	-	217598638	-	-
DEALPLUS YARNS TRADING (P) LTD	10174140			-		
Total	**320238677**	-	-	**245773071**	**-**	**-**
ii) Purchase of goods						
GAUTAM TERRY TECH LTD	17307028	-	-	291765188	-	-
VENUS TEX SPIN LTD.	358333090	-	-	637830850	-	-
Total	**375640118**	-	-	**929596038**	**-**	**-**
iii) Rent						
VENUS TEX SPIN LTD.	240000	-	-	240000	-	-
Total	**240000**	-	-	**240000**	**-**	**-**
v) Unsecured loan Received						
GAUTAM GUPTA (KMP)	-	-	-	-	20516555	-
GAUTAM TERRY TECH LTD	-	-	-	-	-	-
AVNISHA GUPTA	-	-	-	-	-	7500000
Total	**-**	**-**	**-**	**-**	**20516555**	**7500000**

Particulars	March 31,2016			March 31,2015		
	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Key Manage-ment Personnel	Relatives of Key Manage-ment Personnel	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Key Manage-ment Personnel	Relatives of Key Manage-ment Personnel
vi) Unsecured loan repaid						
AJAY GUPTA (KMP)	-	-	-	-	-	-
GAUTAM GUPTA (KMP)	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
vii) Managerial Remuneration						
AJAY GUPTA	-	2051760	-	-	2056860	-
GAUTAM GUPTA	-	2051760	-	-	2056860	-
Total	**-**	**4103520**	**-**	**-**	**4113720**	**-**
viii) Contribution to provident and other funds (PF)						
AJAY GUPTA	-	21600	-	-	16500	-
GAUTAM GUPTA	-	21600	-	-	16500	-
ROBIN VIJAN	-	3473	-	-	16500	-
INDERPAL SINGH	-	17280	-	-	13980	-
Total	**-**	**63953**	**-**	**-**	**63480**	**-**
ix) Salary Paid						
MANPREET KAUR	-	282985	-	-	-	-
ROBIN VIJAN	-	71471			463500	
INDERPAL SINGH	-	342720	-	-	346020	-
Total	**-**	**697176**	**-**	**-**	**809520**	**-**
x) Sale of land & Building						
SHIKHA GUPTA	-	-	-	-	-	-
VENUS TEXSPIN LTD	-	-	-	-	-	
Total	**-**	**-**	**-**	**-**	**-**	**-**

Particulars	March 31,2016			March 31,2015		
	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Key Manage-ment Personnel	Relatives of Key Manage-ment Personnel	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Key Manage-ment Personnel	Relatives of Key Manage-ment Personnel
B) Balancesheet Outstanding at the end of the year						
i) Unsecured Loans						
GAUTAM TERRY TECH LTD	92500745	-	-	92500745	-	-
GAUTAM GUPTA	-	20516555	-	-	20516555	-
AVNISHA GUPTA	-	-	7500000	-	-	7500000

Total	**92500745**	**20516555**	**7500000**	**92500745**	**-**	**-**
ii) Trade receivables						
GTTL	2415482	-	-	2415482	-	-
GANESHGEE TEXTILE TRADING LTD	12703438	-	-	12760978	-	-
GAUTAM TERRY TECH LTD	4834466	-	-	-	-	-
DEALPLUS YARNS TRADING (P) LTD	10174140			-	-	-
Total	**30127526**	**-**	**-**	**15176460**	**-**	**-**
iii) Trade payables						
VENUS TEX SPIN LTD.	160102643	-	-	**-**	-	-
Total	**160102643**	**-**	**-**	**-**	**-**	**-**

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.

32. The Company has accrued following export incentives of ₹42899450 during the year .
(a) Incentive under Duty Drawback of ₹ 42899450 (Previous year ₹ 58352178)

33. 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

(Amount in ₹)

	For the Yr. Ended March 31, 2016	**2015**
- Weighted Average Number of equity shares (No.)	68230235	68230235
- Profit for the year attributable to equity shareholders	(1788409069)	(2083432037)
- Nominal value of equity share	5/-	5/-
- Earning Per Equity Share – Basic	(26.21)	(30.54)
- Earning Per Equity Share – Diluted	(26.21)	(30.54)

34. 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

(Amount in ₹)

	31st March, 2016		**31st March, 2015**	
	Gratuity (Funded)	**Leave Encashment (Unfunded)**	**Gratuity (Funded)**	**Leave Encashment (Unfunded)**
Present Value of obligation as at the beginning of the year	23521194	4259089	19858118	3620792
Interest Cost	1881696	534090	1588649	454409
Current Service Cost	6410820	3533298	2911465	2166273
Benefits Paid	(933320)	(888741)	(837038)	(1982385)
Actuarial Loss/gain on obligation				
Present value of obligation as at the close of the year	**30880390**	**7437736**	**23521194**	**4259089**

b) Change in Fair Value of Plan Assets

(Amount in ₹)

	31st March, 16	31st March, 15
	Gratuity (Funded)	Gratuity (Funded)
Fair Value of Plan Assets as at the beginning of the year	3761306	3061449
Expected return on plan assets	551257	1536895
Employer's Contributions	-	-
Benefits Paid	(428501)	(837038)
Actuarial Loss/gain on obligations	-	-
Fair Value of Plan Assets as at the close of the year	3884062	3761306

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

(Amount in ₹)

	31st March, 2016		31st March, 2015	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Estimated Present value of obligations as at the end of the year	30880390	7437736	23521194	4259089
Fair value of Plan Assets as at the end of the year	3884062	-	3761306	-
Net Liability as at the end of the year (Unfunded deficit)/Surplus	26996328	7437736	19759888	4259089

d) Expenses Recognized in Statement of Profit and Loss

(Amount in ₹)

	31st March, 2016		31st March, 2015	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	6410820	3533298	2911465	2166273
Interest Cost	1881696	534090	1588649	454409
Expected return on Plan Assets	(551257)	-	(1536895)	-
Net Actuarial (Gain)/Loss recognized in the year	-	-	-	-
Total expenses recognized in Statement of profit and loss	7741259	4067388	2963219	2620682

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

(Amount in ₹)

	31st March, 2016		31st March, 2015	
	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, taking 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

(Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
h) Short term employee's benefits		
Short term leave encashment liability	-	-
i) Contribution to Provident Fund	6938207	7924160

35. Derivative Instruments and unhedged foreign currency exposure

a) Derivatives outstanding as at the balance sheet date

Particulars	As at March 31, 2016	2015
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

Particulars	As at March 31, 2016	2015
Against Creditors of Import	-	827217
[In US Dollars]		
Equivalent approximate in ₹	-	48357956

36. 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.

37. 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.

38. The company has Export Incentives recoverable as at March 31,2016 which is included under other current assets, under :

(a) Incentive under Focus Market License of ₹17009361 (Previous year ₹25469076)

(b) Incentive under Duty Drawback of ₹20842280 (Previous year ₹22051004)

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.

39. Net worth of company was fully eroded and Company has filed reference u/s 15(1) of Sick Industrial Companies (Special Provision) Act, 1985 which was registered vide No. 100/215 by Board for Industrial and Financial Reconstruction on 30-07-2015.

40. The Company has accumulated losses of ₹32833.71 lacs as on 31st March, 2016. 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 . The Lead Bank (State Bank of India) and other members banks i.e. Central Bank of India, SBER Bank, Union Bank of India and UCO Bank have not restructured their debt upto 31st March 2016. 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 financial revival of company.

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.

41. The interest accrued on long term and short term borrowings amount to ₹3525.28 lacs (₹2100.61 lacs accrued to SBI for the period from April'14 to March 16, ₹779.35 lacs accrued to CBI for the period from April'15 to March '16, ₹249.48 lacs accrued to Union Bank of India for the period from April'15 to March '16, ₹299.06 lacs accrued to SBER Bank for the period from April'15 to March '16, ₹96.78 lacs accrued to Allahabad Bank for the period from Oct'15 to March '16) has not been provided in the statement of profit and loss account as these loans has been categorized as NPA as on 31st March 2016.

42. FDR's amounting to ₹1119.68 cr in Punjab National Bank & ₹ 4.19 cr in Canera Bank have been discharged & adjusted by Banks towards interest due without the concurrence of the company. However the company is showing FDR's as current assets as on 31-03-2016.

43. CIF value of imports **(Amount in ₹)**

	For the Yr. Ended March 31, 2016	2015
Raw materials	22012536	-
Components and spare parts	6699831	9579680
Capital goods	-	40164795
	28712367	**49744475**

44. Expenditure in foreign currency

(Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
Commission	2259713	5156495
	2259713	**5156495**

45. Earnings in foreign currency

(Amount in ₹)

	For the Yr. Ended March 31, 2016	2015
FOB value of exports	656910031	1042820445
	656910031	**1042820445**

46. Value of raw materials, components and spare parts consumed (including traded goods)

	31st March, 2016		31st March, 2015	
	(in₹)	% of total consumption	(in₹)	% of total consumption
Raw materials				
Imported	22012536	0.62	-	-
Indigenous	3512561210	99.38	2879824840	100.00
	3534573746	**100.00**	**2879824840**	**100.00**
Components and spare parts				
Imported	6699831	1.68	-	-
Indigenous	391306137	98.32	429563850	100.00
	398005968	**100.00**	**429563850**	**100.00**

47. Previous year's figures have been recast/regrouped whenever necessary to make these comparable with current year's figures.

For and on behalf of Board

As per our Report of even date attached
for NANDA & BHATIA
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 004342N

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**	**Sd/-**
Ajay Gupta	**Gautam Gupta**	**Manpreet Kaur**	**Inderpal Singh**	**(P.C.S Virdi)**
Mg. Director	**Jt. Mg. Director**	**Company Secretary**	**Chief Financial Officer**	**PARTNER**
DIN: 00842248	**DIN: 02642545**			**M.NO. 017056**

Place : LUDHIANA
Date : May 30,2016

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