

**22<sup>nd</sup>**

**ANNUAL REPORT**

**2014 - 2015**



**PARMESHWARI SILK MILLS LIMITED**

## **BOARD OF DIRECTORS AS ON DATE OF AGM**

Mr. Jatinder Pal Singh	Chairman & Executive Director
Ms. Kuljeet Kaur	Executive Director
Mr. Deshbir Singh	Independent, Non Executive Director
Ms. Simranjit Singh	Independent, Non Executive Director

### **KEY MANAGERIAL PERSONNELS**

Mr. Jatinder Pal Singh	Whole Time Director
Ms. Kuljeet Kaur	Whole Time Director
Mr. Sukhdev Singh	CFO (Chief Financial Officer)

### **REGISTERED OFFICE**

Village Bajra Rahon Road, Ludhiana, Punjab-141007

### **REGISTRAR AND SHARE TRANSFER AGENT**

Skyline Financial Services (P) Limited  
D-153 A, 1<sup>st</sup> floor, Okhla Industrial Area, phase-I  
New Delhi-110020  
Ph:+91-11-26812682-83,  
Email:-admin@skylinerta.com

### **AUDITORS**

M/s Davinder Pal Singh & Co  
Chartered Accountants  
524-L, Model Town, Ludhiana  
Punjab-141002

### **SECRETARIAL AUDITOR**

P.S. Bathla & Associates  
Company Secretaries  
IIIrd Floor, 6 Feroze Gandhi Market, Ludhiana

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**NOTICE**

**Notice** is hereby given that the 22<sup>nd</sup> Annual General Meeting of **Parmeshwari Silk Mills Limited** will be held at the Registered office of the company at Village Bajra, Rahon Road, Ludhiana-141007, Punjab on Saturday, September 26, 2015 at 2.00 p.m. to transact the following business:

**Ordinary Business**

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2015 and the Balance Sheet as on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint Mr. Jatinder Pal Singh (DIN No. 01661864) as Director, who retires by rotation and being eligible, offers him-self for re-appointment.
3. To ratify the appointment of Auditors and to fix their remuneration and in this regard pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s Davinder Pal Singh & Co., Chartered Accountants, Ludhiana be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors.”

**Special Business**

**4. Appointment of Whole Time Director:**

To appoint Ms. Kuljeet Kaur (DIN: 01661755) as a Whole Time Director designated as Executive Director and in this regard to consider and if thought fit, to pass, the following resolution as an Special Resolution:

**“RESOLVED THAT**, pursuant to the provisions of Section 196, 197, 203 and Schedule V of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company, Ms. Kuljeet Kaur be and is hereby appointed as Whole Time Director of the company for a period of Five years with effect from September 1, 2014, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said re appointment and or remuneration in such manner as may be agreed to by and between the Company and Ms. Kuljeet Kaur provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force.”

**5. Appointment of Whole Time Director:**

To appoint Mr. Jatinder Pal Singh (DIN: 01661864) as a Whole Time Director designated as Executive Director and in this regard to consider and if thought fit, to pass, the following resolution as an Special Resolution:

**“RESOLVED THAT**, pursuant to the provisions of Section 196, 197, 203 and Schedule V of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company, Mr. Jatinder Pal Singh be and is hereby appointed as Whole Time Director of the company for a period of Five years with effect from September 1, 2014, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said re appointment and or remuneration in such manner as may be agreed to by and between the Company and Mr. Jatinder Pal Singh provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force.”

**6. Appointment of Independent Director:**

To appoint Mr. Simranjit Singh (DIN: 07048593) as Independent Director, in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149 (10) (11) (13), 152 (6) (7) and other applicable provisions of the Companies Act, 2013 and the rules made there under read with schedule IV to the said Act,

## ***Parmeshwari Silk Mills Limited***

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consent of the Company be and hereby accorded to appoint Mr. Simranjit Singh as an Independent Director of the Company for a period of Five years with effect from 26<sup>th</sup> September, 2015 to 25<sup>th</sup> September, 2020 on such terms and conditions as set out in the Statement annexed to the notice convening this meeting, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said appointment and or remuneration in such manner as may be agreed to by and between the Company and Mr. Simranjit Singh provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force.”

### **7. Appointment of Independent Director:**

To appoint Mr. Deshbir Singh (DIN: 07263846) as Independent Director in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149 (10) (11) (13), 152 (6) (7) and other allocable provisions of the Companies Act, 2013 and the rules made there under read with schedule IV to the said Act, consent of the Company be and hereby accorded to appoint Mr. Deshbir Singh as an Independent Director of the Company for a period of Five years with effect from 26<sup>th</sup> September, 2015 to 25<sup>th</sup> September, 2020 on such terms and conditions as set out in the Statement annexed to the notice convening this meeting, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said appointment and or remuneration in such manner as may be agreed to by and between the Company and Mr. Deshbir Singh provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force.”.

**By Order of the Board of Directors  
For Parmeshwari Silk Mills Limited**

**Date : 27<sup>th</sup> August, 2015  
Place : Ludhiana**

**Sd/-  
Jatinder Pal Singh  
Chairman**

### **NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (HEREINAFTER REFERRED TO AS ‘THE MEETING’) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

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

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Brief Resume of the Directors seeking appointment/reappointment at the Meeting along with the details of other Directorship and shareholding in the Company pursuant to Clause 49 of the Listing Agreement with the Stock exchange are provided as an Annexure to this Notice.
4. Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September 2015 to 26<sup>th</sup> September, 2015 (both days inclusive).

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6. The Ordinary Shares of the Company are listed on Calcutta Stock Exchange Limited.
7. Members holding shares in physical form are requested to notify any change in their address including Pin Code, Bank Mandate, Income Tax Permanent Account Number etc. to the Company's Registrar & Share Transfer Agent Skyline Financial Services Private Limited, D-153, 1st Floor, Okhla Ind. Area, Phase-1, New Delhi-110020. Members holding shares in dematerialized form are requested to furnish this information to their respective depository participants for updation of the records.
8. Members who hold shares in physical Form in multiple folios in identical name or joint holding in the same order of names are requested to send the share certificates to RTA for consolidating into single folio. The share certificates will be returned to the Members after making requisite changes thereon.
9. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company. Request may be made to the Company or its RTA for the Nomination Form.
10. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least one week in advance so as to enable the management to keep the information ready.
11. Members attending the Annual General Meeting are requested to bring with them the following:
  - (a) DP & Client ID Numbers or Folio Numbers
  - (b) Attendance Slip and
  - (c) Copy of the Annual Report and Notice, as no copies thereof would be distributed at the Meeting.
12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays, upto and including the date of the Annual General Meeting of the Company.
13. **Voting through electronic means**
  1. The procedure and instructions for members for e-voting are as under:-
    - (i) The voting period begins on 23<sup>rd</sup> September 2015 at 9:00 a.m. and ends on 25<sup>th</sup> September 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19<sup>th</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
    - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
    - (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
    - (iv) Click on Shareholders.
    - (v) Now Enter your User ID
      - a. For CDSL: 16 digits beneficiary ID,
      - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - (vi) Next enter the Image Verification as displayed and Click on Login.
    - (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
    - (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on Attendance Slip.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Rahul Kumar with sequence number 1 then enter RA00000001 in the PAN field</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in the separate annexure.
- (xii) Click on the EVSN for the relevant "Parmeshwari Silk Mills Limited" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.



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- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
2. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQS”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  3. The voting rights of the shareholders shall be proportion to their shares of the paid up equity share capital of the Company.
  4. Ms. Nishi Talwar, Practicing Company Secretary (ACS: 24056/CP: 10529) of Nishi Talwar and Associates, Company Secretaries, has been appointed as the Scrutinizer for e-voting and Physical Ballot Process at the AGM in a fair and transparent manner.
  5. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the Annual General Meeting, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  6. The e-voting period commences on 23<sup>rd</sup> September, 2015 at 9:00 a.m. and ends on 25<sup>th</sup> September, 2015 at 5.00 p.m. During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19<sup>th</sup> September, 2015, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  7. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.parmeshwarisilk.com](http://www.parmeshwarisilk.com) and on the website of CDSL within three days of the conclusion of the 22<sup>nd</sup> AGM of the Company on Saturday, 26<sup>th</sup> September 2015 and shall be communicated to the Stock Exchanges where the shares of the Company are listed. The Result shall also be displayed at the notice board of the Company at its Registered Office.

**By Order of the Board of Directors  
For Parmeshwari Silk Mills Limited**

Date : 27<sup>th</sup> August, 2015  
Place : Ludhiana

Sd/-  
Jatinder Pal Singh  
Chairman

## ***Parmeshwari Silk Mills Limited***

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### **ANNEXURE TO THE NOTICE**

Profile of the Directors Mentioned in Item no. 2,6 & 7 seeking Reappointment or and Appointment at the Annual General Meeting pursuant to clause 49 of Listing Agreement.

Name	Jatinder Pal Singh	Simranjit Singh	Deshbir Singh
Director Identification Number (DIN)	01661864	07048593	07263846
Age	58 yrs	28 yrs	34 yrs
Qualification	Graduate	Graduate	Graduate
Expertise in specific area	Production and Administration	Finance	Accounts & Legal
Date of First appointment on the board of the company	08/01/1993	18/12/2014	14/08/2015
Shareholding in Parmeshwari Silk Mills Ltd	284950	Nil	Nil
List of Directorship held in other companies	Satnam Fabrics Private Limited	Nil	Nil

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **ITEM NO. 4:**

The Board of Directors of your Company, on the recommendations of the Nomination and Remuneration Committee, approved the appointment of Ms. Kuljeet Kaur as the Whole Time Director of the Company for a further period of Five Year with effect from 01.09.2014.

In view of her extensive experience, exposure and network, her sustained contributions and dedicated efforts made for the Company since its inception and considering that his continued involvement is necessary for future growth of the company.

In view of the above and subject to passing of the Resolution as set out in the Notice, it will be in the interest of the Company that Ms. Kuljeet Kaur continues as the Whole Time Director of the Company.

Except Ms. Kuljeet Kaur, None of the Directors, Key Managerial Personnel and their relatives are interested or concerned in the said resolution.

#### **ITEM NO. 5:**

The Board of Directors of your Company, on the recommendations of the Nomination and Remuneration Committee, approved the appointment of Mr. Jatinder Pal Singh as the Whole Time Director of the Company for a further period of Five Year with effect from 01.09.2014.

In view of his extensive experience, exposure and network, his sustained contributions and dedicated efforts made for the Company since its inception and considering that his continued involvement is necessary for future growth of the company.

In view of the above and subject to passing of the Resolution as set out in the Notice, it will be in the interest of the Company that Mr. Jatinder Pal Singh continues as the Whole Time Director of the Company.

Except Mr. Jatinder Pal Singh, None of the Directors, Key Managerial Personnel and their relatives are interested or concerned in the said resolution.



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### **ITEM NO. 6:**

The Board of Directors at its board Meeting held on December 18, 2014 approved the appointment of Mr. Simranjit Singh (DIN: 07048593) as an Additional Independent Director of the company under section 161 (1) of the Companies Act, 2013. In terms of Section 161 of the Companies Act, 2013, he holds office up to the Annual General Meeting of the Company. The Company has received a notice in writing from Mr. Simranjit Singh pursuant to the provisions of Section 149 of the Companies Act, 2013, signifying intention to propose himself as candidate for the office of Independent Director.

In opinion of the Board, Mr. Simranjit Singh (DIN: 07048593) fulfills the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 49 of the Listing Agreement for his appointment as an independent Director of the Company and is independent of the management and hence recommend him to be appointed for five consecutive years from 26<sup>th</sup> September, 2015 to 25<sup>th</sup> September, 2020 under section 149 of the Companies Act, 2013.

A brief profile of Mr. Simranjit Singh (DIN: 07048593), whose appointment is proposed at Item Number 6 of the accompanying Notice, has been given in the annexure attached.

Except Mr. Simranjit Singh, None of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

### **ITEM NO. 7:**

The Board of Directors at its Board Meeting held on August 14, 2015 approved the appointment of Mr. Deshbir Singh (DIN: 07263846) as an Additional Independent Director of the company under section 161 (1) of the Companies Act, 2013. In terms of Section 161 of the Companies Act, 2013, He holds office up to the Annual General Meeting of the Company. The Company has received a notice in writing from Mr. Deshbir Singh pursuant to the provisions of Section 149 of the Companies Act, 2013, signifying intention to propose himself as candidate for the office of Independent Director.

In opinion of the Board, Mr. Deshbir Singh (DIN: 07263846) fulfills the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 49 of the Listing Agreement for his appointment as an Independent Director of the Company and is Independent of the management and hence recommend him to be appointed for five consecutive years from 26<sup>th</sup> September, 2015 to 25<sup>th</sup> September, 2020 under section 149 of the Companies Act, 2013.

A brief profile of Mr. Deshbir Singh (DIN: 07263846), whose appointment is proposed at Item Number 7 of the accompanying Notice, has been given in the annexure attached.

Except Mr. Deshbir Singh, None of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

**By Order of the Board of Directors  
For Parmeshwari Silk Mills Limited**

**Date : 27<sup>th</sup> August, 2015  
Place : Ludhiana**

**Sd/-  
Jatinder Pal Singh  
Chairman**

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting 22nd Annual Report together with the Audited Accounts of the Company for the Year ended March 31, 2015.

**1. SUMMARISED FINANCIAL HIGHLIGHTS**

In Lac

<b>PARTICULARS</b>	<b>2014-15</b>	<b>2013-14</b>
Total Income	8157.74	7312.66
Total Expenditure	7435.57	6613.42
Profit/(Loss) before interest, Depreciation and Tax	722.17	699.24
Interest and Financial Charges	458.76	350.21
Profit/(Loss) before Depreciation and Tax	263.41	349.03
Depreciation	106.03	114.42
Net Profits/(Loss) before Tax	157.38	234.61
Tax Provision	131.55	48.06
<b>Net Profits/(Loss)</b>	<b>25.83</b>	<b>186.55</b>

**DIVIDEND**

To conserve the financial resources, the Company has not recommended any dividend in the financial year 2014-15.

**RESERVE**

The Company has proposed to transfer Rs. 25,82,201.10 to reserves.

**DEPOSITS**

During the year under review, the Company has not accepted any deposits in terms of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, and also no amount was outstanding on account of principal or interest thereon, as on the date of the Balance Sheet.

**SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary Company.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

**STATE OF COMPANY'S AFFAIRS:**

Company lays emphasis on being customer-centric and further strives on a well organized management team of skilled and trained professionals to deliver quality services to its customers. Company is involved in manufacturing and supplying of Suiting Fabric, Shirting Fabric, embroidery Shirting, Suiting and Clothing. We design and manufacture all our products using premium raw material and latest technology to assure Perfect quality.

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### **NUMBER OF MEETINGS OF THE BOARD**

During the year Sixteen (16) Board Meetings and Four (04) Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **AUDIT COMMITTEE**

The composition of the Audit Committee and the details of meetings attended by its members are given below

<b>S.No.</b>	<b>Name of the Member</b>	<b>Status</b>	<b>Category</b>
1.	Simranjit Singh	Chairman	Non Executive Independent Director
2.	Prabhpreet Kaur*	Chairman	Executive Director
3.	Jatinder Pal Singh	Member	Executive Director
4.	Rai Sahib	Member	Non Executive and Independent Director
5.	Ajinder Pal Singh**	Memeber	Executive Director

\*Ms. Prabhpreet Kaur ceased to be a Director on the Board w.e.f. 10th February, 2015

\*\* Mr. Ajinder Pal Singh ceased to be a Director on the Board w.e.f. 13th February, 2015

### **NOMINATION AND REMUNERATION COMMITTEE**

The details of the composition of the Nomination and Remuneration Committee are as under:

<b>S.No.</b>	<b>Name of the Member</b>	<b>Status</b>	<b>Category</b>
1.	Simranjit Singh	Chairman	Non Executive Independent Director
2.	Prabhpreet Kaur*	Chairman	Executive Director
3.	Charanpreet Kaur Rajpal	Member	Non Executive Independent Director
4.	Rai Sahib	Member	Non Executive and Independent Director
5.	Ajinder Pal Singh**	Memeber	Executive Director

\*Ms. Prabhpreet Kaur ceased to be a Director on the Board w.e.f. 10th February, 2015

\*\* Mr. Ajinder Pal Singh ceased to be a Director on the Board w.e.f. 13th February, 2015

### **DIRECTORS**

During the year, Board of Directors had appointed Mr. Jatinder Pal Singh and Ms. Kuljeet Kaur as Whole Time Director at the Board Meeting held on 1st September, 2014 and Mr. Sukhdev Singh as Chief Financial Officer of the company at the Board Meeting held on 13th February, 2015.

During the year, Mr. Ajinder Pal Singh, a Whole Time Director ceased to be member of the board w.e.f February 13, 2015 due to his Personal occupancy somewhere else and Ms. Prabhpreet Kaur, a Whole Time Director ceased to be a member of the board w.e.f. February 10, 2015. The same was accepted by the Board through Board Resolution in the board meeting held on February 13, 2015 and February 10, 2015 respectively. The Board hereby places on record its sincerest thanks and gratitude for the invaluable contribution made by Mr. Ajinder Pal Singh and Ms. Prabhpreet Kaur towards the company during his tenure as Director.

During the year the Board of Directors in its Board Meetings held on August 28, 2014 had appointed Mr. Rai Sahib (DIN: 01582498) & Mrs. Charanpreet Kaur Rajpal (DIN: 03325422) as Additional Director of the company w.e.f. August 28, 2014. Board of Directors in its Board Meeting held on December 18, 2014 had appointed Ms. Simranjit Singh (DIN: 07048593) as additional Director W.e.f. December 18, 2014. Apart from this, there was no change in the Directors or Key Managerial Personnel during the year.

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Mr. Jatinder Pal Singh, Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

### **EXTRACT OF ANNUAL RETURN**

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

### **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149 (6) OF COMPANIES ACT, 2013**

Both independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

### **BOARD EVALUATION**

Pursuant to the provisions of companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee.

### **COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

Functions and Terms of Reference of the Nomination and Remuneration Committee of the Company are as per the Companies Act 2013 and the listing agreement. Further, Company's Remuneration policy is market led and takes into account the competitive circumstance of the business so as to attract and retain quality talent and leverage performance significantly.

### **AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:**

#### **a. STATUTORY AUDITOR:**

The Auditors M/s Davinder Pal Singh & Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

#### **b. SECRETARIAL AUDITOR:**

Pursuant to provisions of section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr. P.S. Bathla, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure B".

#### **c. INTERNAL AUDITOR:**

The Company had appointed internal auditor for the period 2014-15 to carry out the Internal Audit functions. The Internal auditor submits a quarterly report to the audit committee.

### **Secretarial Auditors observation and Management comment**

Company has appointed P.S.Bathla & Associates as Secretarial Auditor of the company, they had made an observation that the company has not appointed Company Secretary in Whole -Time employment as required under Rule-8 of The companies "Appointment and Remuneration of Managerial Personnel " and Company Secretary is included in the definition of Key Managerial Personnel under Section 2(51) of the Companies act ,2013.

Management has made effort to appoint a Company Secretary in Whole-Time in employment but number of Company Secretary are less which are available In the market then the companies seeking to appoint Company Secretary(ies), so there is demand and supply mismatch. Further, registered office and Secretarial office of the company is situated on the outskirts of the city Ludhiana which discourages the Company Secretary(ies) to join our company .But company making sincere efforts to appoint a Company Secretary in Whole-Time employment and hope to materializes it at the earliest .

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The company has not given any loans or guarantees and has not made any investments covered under the provisions of section 186 of the Companies Act, 2013.

## ***Parmeshwari Silk Mills Limited***

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### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013**

All related party transactions that were entered into during the financial year were at arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

### **MATERIAL CHANGES AND COMMITMENTS, IF ANY**

There are no material changes and commitments noticed by the Board between the end of the financial year of the company, i.e., 31.03.2015 and the date of the report.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT-GO:**

Sustainability is an integral part of the Company's business philosophy. During the year under review approximate 5% reduction in consumption of electricity was achieved by efficiently using the Machines.

Further, there were no foreign exchange earnings and outgo during the year under review.

### **RISK MANAGEMENT:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013, the Company regularly maintains a proper check in normal course of its business regarding Risk Management. At present the Company has not identified any element of risk which may threaten the existence of the company.

### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

As per Section 135 of Companies Act, 2013, the Company does not fulfill the criteria of net worth or turnover for Corporate Social Responsibility (CSR), hence the same is not applicable to the Company.

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

The Company has a well established whistle blower policy as part of vigil mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. This mechanism also provides for adequate safeguards against victimization of Director(s)/employee(s), who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

### **CORPORATE GOVERNANCE REPORT**

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

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The management monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

### **HUMAN RESOURCES:**

The relationship with employees continues to be cordial. The company always considers its human resources as its most valuable asset. Imparting adequate and specialized training to its employees is ongoing exercise in the company.

### **STATEMENT PURSUANT TO LISTING AGREEMENT:**

Securities of company were listed at Ludhiyana Stock Exchange and Delhi Stock Exchange. Ludhiya Stock Exchange is given exit by SEBI and Delhi Stock Exchange is suspended by SEBI during the year. The company's securities are listed with Calcutta Stock Exchange Limited, during the year. Company has paid listing fee and initial fee for listing for the FY 2014-15.

## ***Parmeshwari Silk Mills Limited***

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### **CODE OF CONDUCT**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

The company has One Executive Director and due to financial constraints being faced by the company they have forgone their remuneration. Further, no sitting fee has been paid to any director during the year.

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are:

- a) Employed throughout the year Nil
- b) Employed for part of the year Nil

The remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the company.

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

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgements 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 and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **ACKNOWLEDGEMENT**

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Executives, Staff and workers at all levels for their continuous co-operation and assistance.

**By Order of the Board of Directors  
For Parmeshwari Silk Mills Limited**

**Date : 07<sup>th</sup> August, 2015  
Place : Ludhiana**

**Sd/-  
Jatinder Pal Singh  
Chairman**



**MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

**Parmeshwari Silk Mills Limited**

Village Bajra Rahon Road,  
Ludhiana

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Parmeshwari Silk Mills Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year 1st April, 2014 to **31st March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Parmeshwari Silk Mills Limited** ("the Company") for the financial year ended on **31st March, 2015** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (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) Factories Act, 1948, Industrial Dispute Act, 1947, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, Employees State Insurance Act, 1948, The Employees Provident Fund And Miscellaneous Provisions Act, 1952, Payment of Bonus Act, 1965, The Payment of Gratuity Act, 1972, The Contract Labour (Regulation and Abolition) Act, 1970, The Maternity Benefit Act, 1961, The Child Labour (Prohibition and Regulation) Act, 1986, The Industrial Employment (Standing Order) Act, 1946, The Employees Compensation Act, 1923, The Apprentices Act, 1961,



## ***Parmeshwari Silk Mills Limited***

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Equal Remuneration Act,1976,The Employment Exchange(Compulsory Notification of Vacancies) Act,1956, The Environment(Protection)Act,1986, The Hazardous Wastes(Management Handling & Transboundary Movement)Rules,2008,The Water(Prevention And Control of Pollution)Act,1974,The Air (Prevention and Control of Pollution)Act,1981.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India are to be followed for the meeting to be held on 1st July, 2015 or there after as the case may be by all companies and thus were not enforceable on the company for the period under review.
- (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange;

During the period under review and as per the explanations and clarification given to me and the representation made by the Management, the company has generally complied with the provision of the Act, Rules, Regulations,Guidelines,Standards,etc. mentioned above except to the extent as mentioned below :

1. The company has not appointed Company Secretary in Whole -Time employment as required under Rule-8 of the companies "Appointment and Remuneration of Managerial Personnel "Rule 2014 which provide that every listed company shall have whole time Key Managerial Personnel. And Company Secretary is included in the definition of Key Managerial Personnel under Section 2(51) of the Companies act, 2013.

### **2. I further report that**

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

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

Decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**I further report that** during the audit period the company has Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013, having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above).

**CS PS Bathla**  
**For P.S. Bathla & Associates**  
**Company Secretaries**

Sd/-

**Parmindar Singh Bathla**  
**Company Secretaries**

FCS No.: 4391

C.P. No.:2585

SCO-6 FerozGandhi Market,Ludhiana

Place : Ludhiana

Date : 07/08/2015

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

**Annexure B**

To,  
The Members,  
**Parmeshwari Silk Mills Limited**  
Village Bajra Rahon Road,  
Ludhiana, Punjab-141007

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

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

Place : Ludhiana  
Date : 07/08/2015

**CS PS Bathla**  
**For P.S. Bathla & Associates**  
**Company Secretaries**  
ACS No.: 4391  
C P No. : 2585  
SCO-6 Feroz Gandhi Market,  
Ludhiana

**Parmeshwari Silk Mills Limited**

**Annexure A to Board's Report  
Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2015

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

**I. REGISTRATION & OTHER DETAILS:**

i)	CIN	<b>L17116PB1993PLC012917</b>
ii)	Registration Date	08/07/1980
iii)	Name of the Company	<b>Parmeshwari Silk Mills limited</b>
iv)	Category/Sub-Category of the Company	Company Limited by Shares/Indian Non-Government Co.
v)	Address of the Registered Office and contact details	Village Bajra, Rahon Road, Ludhiana, PB-141007 Ph-0161-2691873, E-mail ID- psmltex@gmail.com
vi)	E-mail	psmltex@gmail.com
vii)	Whether listed company Yes / No Stock Exchange	Yes, Delhi Stock Exchange, Ludhiana Stock Exchange and Calcutta Stock Exchange
viii)	Name, Address and Contact details of R&TA Name Address  Contact Details	Skyline Financial Services Private Limited D-153, 1st Floor, Okhla Ind. Area, Phase-1, New Delhi-110020 Telephone: 011-26812682-3 Fax: 011-26812682 E-mail: admin@skylinerta.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the company
1	Suiting and Shirting Fabrics	17145	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the company	CIN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
----- Nil -----					

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

**(i) Category-wise Share Holding**

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 Approx.
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual/ HUF	0	1052695	1052695	33.31	0	1292695	1292695	40.90	7.59
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	480000	480000	15.19	0	240000	240000	7.60	7.59
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total(A)(1):-</b>	<b>0</b>	<b>1532695</b>	<b>1532695</b>	<b>48.50</b>	<b>0</b>	<b>1532695</b>	<b>1532695</b>	<b>48.50</b>	<b>0</b>

**Parmeshwari Silk Mills Limited**

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 Approx.
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2) Foreign</b>									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total(A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>A. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	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(s)	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) FIs	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
<b>Sub-total(B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non Institutions</b>									
<b>a) Bodies Corp.</b>									
(i) Indian									
(ii) Overseas	0	661300	661300	20.93	0	661300	661300	20.93	0
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	402165	402165	12.72	0	402165	402165	12.72	0
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	564140	564140	17.85	0	564140	564140	17.85	0
c) Others(Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total(B)(2)</b>	<b>0</b>	<b>1627605</b>	<b>1627605</b>	<b>51.50</b>	<b>0</b>	<b>1627605</b>	<b>1627605</b>	<b>51.50</b>	<b>0</b>
Total Public Shareholding\ (B)=(B)(1)+ (B)(2)	<b>0</b>	<b>1627605</b>	<b>1627605</b>	<b>51.50</b>	<b>0</b>	<b>1627605</b>	<b>1627605</b>	<b>51.50</b>	<b>0</b>
C. Shares held by Custodian for GDRs &ADRs	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>3160300</b>	<b>3160300</b>	<b>100</b>	<b>0</b>	<b>3160300</b>	<b>3160300</b>	<b>100</b>	<b>0</b>

**Parmeshwari Silk Mills Limited**

**(ii) SHAREHOLDING OF PROMOTERS**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	
1.	Jatinderpal Singh	284950	9.02	-	284950	9.02	-	-
2.	Maan Silk Mills Pvt. Ltd	240000	7.59	-	240000	7.59	-	-
3.	Satnam Singh	218117	6.90	-	218117	6.90	-	-
4.	Prabhpreet Kaur	161113	5.10	-	161113	5.10	-	-
5.	Asees Singh	0	0	-	130000	4.11	-	4.11
6.	Dipneet Kaur	9230	0.29	-	119230	3.77	-	3.48
7.	Ravinder Singh	90000	2.85	-	90000	2.85	-	-
8.	Kuljeet Kaur	86240	2.73	-	86240	2.73	-	-
9.	Ajinderpal Singh & Sons HUF	51580	1.63	-	51580	1.63	-	-
10.	Kanwardeep Kaur	41600	1.32	-	41600	1.32	-	-
11.	Ajinderpal Singh	29255	0.93	-	29255	0.93	-	-
12.	Mandeep Singh	25590	0.81	-	25590	0.81	-	-
13.	Savinderpal Singh	16800	0.53	-	16800	0.53	-	-
14.	Jasmeet kaur	15000	0.47	-	15000	0.47	-	-
15.	Jatinderpal Singh & Sons HUF	10660	0.34	-	10660	0.34	-	-
16.	Sukhpreet Kaur	10000	0.32	-	10000	0.32	-	-
17.	Kawardeep Kaur	2560	0.08	-	2560	0.08	-	-
18.	Jay Ess Finvest (P) Ltd.	240000	7.59	-	0	0	-	7.59
	<b>Total</b>	<b>1532695</b>	<b>48.50</b>	<b>-</b>	<b>1532695</b>	<b>48.50</b>	<b>-</b>	

**(iii) Change in Promoters Shareholding (please specify, if there is no change):**

----- No change -----

**Parmeshwari Silk Mills Limited**

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

S.No.	Name of the shareholder	Name of shares held at the beginning of the year		Name of shares held at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DB Merchant Banking Services Ltd.	497300	15.74	497300	15.74
2	Sanjeev Singh	198900	6.29	198900	6.29
3	Exalt Fincap Ltd	99500	3.15	99500	3.15
4	Balwinder Singh Padda	50000	1.58	50000	1.58
5	Gursharan Kaur	49700	1.57	49700	1.57
6	Ramnil Gupta	47700	1.51	47700	1.51
7	Manpreet Kaur	20000	0.633	20000	0.633
8	Daya Krishan Gupta	19900	0.629	19900	0.629
9	Rajeev Aggarwal	19900	0.629	19900	0.629
10	Lakshay Garg	19900	0.629	19900	0.629
	<b>TOTAL</b>	<b>1022800</b>	<b>29.84</b>	<b>1022800</b>	<b>29.84</b>

(v) Shareholding of Directors and Key Managerial Personnel :

S.No.	For each of the Directors and KMP	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
1	At the beginning of the year	No change during the year			
2	Data wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat / equity etc.)	Not applicable			
3	At the end of the year	No change during the year			

## ***Parmeshwari Silk Mills Limited***

### **Vi) INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	70151296.39	83656493.01	-	153807789.4
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>70151296.39</b>	<b>83656493.01</b>	<b>-</b>	<b>153807789.4</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	8461465.26	-	8461465.26
• Reduction	(12512500.8)	-	-	(12512500.8)
<b>Net Change</b>	<b>(12512500.8)</b>	<b>8461465.26</b>	<b>-</b>	<b>(4051035.54)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	57638795.59	92117958.27	-	149756753.86
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>57638795.59</b>	<b>92117958.27</b>	<b>-</b>	<b>149756753.86</b>

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

#### **A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S.No.	Particulars of Remuneration Director	Name of the Director		Total Amount
		Whole Time Director Jatinder Pal Singh	Whole Time Director Kuljeet Kaur	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1185000	1185000	2370000
	(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	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	- -	- -	- -
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>1185000</b>	<b>1185000</b>	<b>2370000</b>
	Ceiling as per the Act - Minimum Remuneration calculated in accordance with section 198 of the Companies Act 2013 has been paid to Mr. Jatinder Pal Singh & Ms. Kuljeet kaur.			



**Parmeshwari Silk Mills Limited**

**B. Remuneration to other directors**

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	<b>Independent Directors</b>					
	Fee for attending Board/Committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	<b>Total (A)(1)</b>	-	-	-	-	-
2.	<b>Other Non-Executive Director</b>					
	Fee for attending Board/Committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (B)(2)</b>	-	-	-	-	-
	<b>Total (B) = (B)(1) + (B)(2)</b>	-	-	-	-	-
	<b>Total Managerial Remuneration</b>	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

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

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO Sukhdev Singh	Total
1	Gross salary	-	-	408000	408000
	(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				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
6	<b>Total</b>	-	-	408000	408000

**Parmeshwari Silk Mills Limited**

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**PENALTIES / 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)
<b>A. COMPANY</b>	Nil	Nil	Nil	Nil	Nil
Penalty Punishment Compounding					
<b>B. DIRECTORS</b>	Nil	Nil	Nil	Nil	Nil
Penalty Punishment Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>	Nil	Nil	Nil	Nil	Nil
Penalty Punishment Compounding					

**COMPLIANCE REPORT ON CORPORATE GOVERNANCE**

**I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Your Company is committed to good Corporate Governance in all its activities and processes. The Directors endeavor is to create an environment of fairness, equity and transparency with the underlying objective of securing long-term shareholder value, while, at the same time, respecting the rights of all stakeholders.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance.

**II. BOARD OF DIRECTORS**

The Board of Directors (The Board) is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and had been vested with the requisite powers, authorities and duties.

**A. Composition and Category of the Board of Directors**

**i. Composition of the Board**

The composition of Board of Directors as detailed below is in conformity with clause 49 of the Listing Agreement and Companies Act, 2013.

S. No.	Name	DIN	Category
1.	KULJEET KAUR	01661755	Executive Director
2.	JATINDER PAL SINGH	01661864	Executive Director
3.	PRABHPREET KAUR*	01795953	Executive Director
4.	AJINDER PAL SINGH**	01838161	Executive Director
5.	SIMRANJIT SINGH	07048593	Non Executive Independent Director
6.	CHARANPREET KAUR RAJPAL	03325422	Non Executive Independent Director
7.	RAI SAHIB	01582498	Non Executive and Independent Director

\*Ms. Prabhpreet Kaur ceased to be a Director on the Board w.e.f. 10<sup>th</sup> February, 2015

\*\*Mr. Ajinder Pal Singh ceased to be a Director on the Board w.e.f. 13<sup>th</sup> February, 2015.

As on March 31, 2015, the Company has Five Directors with a Executive Chairman. Out of the Five Directors two are Executive Directors and three are Non Executive Independent Directors (i.e. 60 %). The composition of the Board is in conformity with the requirements of Companies Act, 2013. None of the Non-Executive Directors are responsible for the day to day affairs of the Company.

ii. None of the Directors on the Board is Member of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2015, have been made by the Directors.

iii. The names of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other public companies as on March 31, 2015, are given herein below. Other directorships do not include alternate directorships, directorships of private limited companies, section 8 companies and of companies incorporated outside India.

## ***Parmeshwari Silk Mills Limited***

Name	Number of Board Meetings Held during the year 2014-2015		Whether attended last AGM held on 30 <sup>th</sup> September, 2014	No. of Directorship in other companies
	Held	Attended		
KULJEET KAUR	16	16	Yes	5
JATINDER PAL SINGH	16	16	Yes	2
PRABHPREET KAUR**	16	13	Yes	1
AJINDER PAL SINGH***	16	14	Yes	Nil
SIMRANJIT SINGH*	16	7	No	Nil
CHARANPREET KAUR RAJPAL	16	10	Yes	1
RAI SAHIB	16	10	Yes	Nil

\*Mr. Simranjit Singh has appointed as a Director on the Board w.e.f. 18<sup>th</sup> December, 2014

\*\*Ms. Prabhpreet Kaur ceased to be a Director on the Board w.e.f. 10<sup>th</sup> February, 2015

\*\*\*Mr. Ajinder Pal Singh ceased to be a Director on the Board w.e.f. 13<sup>th</sup> February, 2015

- iv. During the period, the Board of Directors of your Company met 16 (Sixteen) times. The dates on which the meetings were held are 06<sup>th</sup> May, 2014, 28<sup>th</sup> May, 2014, 21<sup>st</sup> June, 2014, 30<sup>th</sup> July, 2014, 6<sup>th</sup> August, 2014, 28<sup>th</sup> August, 2014, 1<sup>st</sup> September, 2014, 19<sup>th</sup> September, 2014, 15 November, 2014, 18 December, 2014, 19<sup>th</sup> December, 2014, 20<sup>th</sup> December, 2014, 10<sup>th</sup> February, 2015, 13<sup>th</sup> February, 2015, 18<sup>th</sup> February, 2015 and 13<sup>th</sup> March, 2015 and the gap requirement of 120 days between two meetings has been complied with. The necessary quorum was present for all the meetings.
- v. During the year 2014-15, all relevant information, as per clause 49 of the listing Agreement was placed before the Board from time to time.

### **B. Code of Conduct**

The Board has approved the code of conduct for all the board members and senior management personnel of the Company. All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

### **C. Non Executive Directors Compensation and Disclosures**

The Company does not have any pecuniary relationship with any Non-Executive Directors. No remuneration was given to any of the Director during the financial year 2014-15.

## **III. COMMITTEES OF THE BOARD**

### **BOARD COMMITTEES**

The terms of reference of Board Committees are determined by the Board from time to time. Presently the Company has five committees i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Vigil Mechanism Committee. All the decisions pertaining to the constitution of the Committees, appointment of members, and fixing of terms of reference for committee members are taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

#### **A. Audit Committee**

- i. The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 177 of Companies Act, 2013.

## ***Parmeshwari Silk Mills Limited***

- ii. The terms of reference of the Audit Committee are as per the Companies Act 2013 and the listing agreement.
- iii. The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings.
- iv. The previous Annual General Meeting (AGM) of the Company was held on 30th September 2014 and was attended by Mr. Prabhpreet Kaur, Chairman of the Audit Committee.
- v. The composition of the Audit Committee and the details of meetings attended by its members are given below

S.No.	Name of the Member	Category	No. of Meetings held	No. of Meetings Attended
1.	Simranjit Singh*	Chairman	4	1
2.	Prabhpreet Kaur**	Chairman	4	3
3.	Jatinder Pal Singh	Member	4	4
4.	Rai Sahib	Member	4	2
5.	Ajinder Pal Singh***	Member	4	3

\*Mr. Simranjit Singh has appointed as a Director on the Board w.e.f. 18<sup>th</sup> December, 2014

\*\*Ms. Prabhpreet Kaur ceased to be a Director on the Board w.e.f. 10<sup>th</sup> February, 2015

\*\*\*Mr. Ajinder Pal Singh ceased to be a Director on the Board w.e.f. 13<sup>th</sup> February, 2015

- vi. Four Audit Committee meetings were held during the year 2014-15 on 28<sup>th</sup> May, 2014, 06<sup>th</sup> August, 2014, 15<sup>th</sup> November, 2014, and 13<sup>th</sup> February, 2015, and The necessary quorum was present for all the meetings.

### **Audit & other duties**

1. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
2. Discussion with internal auditors of any significant findings and follow up there on.
3. Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and internal Auditors considering their independence and effectiveness and their replacement and removal.
4. To recommend to the Board the remuneration of the Statutory Auditors and internal auditors.
5. To grant approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

### **B. Stakeholders Relationship Committee (erstwhile Shareholders Grievance Committee)**

The composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are given below:

S.No.	Name of the Member	Category	No. of Meetings held	No. of Meetings Attended
1.	Simranjit Singh*	Chairman	4	1
2.	Prabhpreet Kaur**	Chairman	4	3
3.	Jatinder Pal Singh	Member	4	4
4.	Charanpreet Kaur Rajpal	Member	4	2
5.	Ajinder Pal Singh***	Member	4	3

\*Mr. Simranjit Singh has appointed as a Director on the Board w.e.f. 18<sup>th</sup> December, 2014

## ***Parmeshwari Silk Mills Limited***

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\*\*Ms. Prabhpreet Kaur ceased to be a Director on the Board w.e.f. 10<sup>th</sup> February, 2015

\*\*\*Mr. Ajinder Pal Singh ceased to be a Director on the Board w.e.f. 13<sup>th</sup> February, 2015

- vi. Four Stakeholders Relationship Committee meetings were held during the year 2014-15 on 13<sup>th</sup> February, 2015, 15<sup>th</sup> November, 2014, 06<sup>th</sup> August, 2014 and 28<sup>th</sup> May, 2014. The necessary quorum was present for all the meetings.

### **Functions and Terms of Reference**

The functioning and broad terms of reference of the Stakeholders Relationship Committee of the Company are as under:

- i. To consider and resolve the grievance of security holders of the Company.
- ii. To review important circulars issued by SEBI /Stock Exchanges
- iii. To take note of compliance of Corporate Governance during the quarter/year.
- iv. To approve request for share transfer and transmissions.
- v. To approve request pertaining to remat of shares/sub-division/consolidation/issue of renewed/duplicate share certificate etc.
- vi. **Name, designation and address of Compliance Officer:**

Mr. Jatinder Pal Singh  
**Parmeshwari Silk Mills Limited**  
Village Bajra Rahon Road,  
Ludhiana, Punjab-141007

- vii. **Details of investor complaints received and redressed during the year 2014-15 are as follows:**

<b>Opening Balance</b>	<b>Received during the year</b>	<b>Resolved during the year</b>	<b>Closing Balance</b>
<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

### **C. Nomination and Remuneration Committee**

**The Nomination and Remuneration committee was reconstituted in accordance with the provisions of Companies Act, 2013 and clause 49 of listing agreement by the Company**

The terms of reference of the committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

Although no remuneration is paid to any director at present the company retains the option to do so in future. As and when it is done it shall be revealed in the report.

The committee meetings were held on 28<sup>th</sup> May, 2014, 6<sup>th</sup> August, 2014, 13<sup>th</sup> November, 2014 and 13<sup>th</sup> February, 2015 and all of the committee meetings were chaired during the year by Prabhpreet Kaur and Simaranjit Singh who has been appointed as chairman. And who was inducted in to the committee during the year also attended both of the meetings. The details of the composition of the Remuneration Committee are as under:

## ***Parmeshwari Silk Mills Limited***

<b>S.No.</b>	<b>Name of the Member</b>	<b>Category</b>	<b>No. of Meetings held</b>	<b>No. of Meetings Attended</b>
1.	Simranjit Singh*	Chairman	4	1
2.	Prabhpreet Kaur**	Chairman	4	3
3.	Charanpreet Kaur Rajpal	Member	4	2
4.	Rai Sahib	Member	4	2
5.	Ajinder Pal Singh***	Member	4	3
6.	Kuljeet Kaur	Member	4	4

\*Mr. Simranjit Singh has appointed as a Director on the Board w.e.f. 18<sup>th</sup> December, 2014

\*\*Ms. Prabhpreet Kaur ceased to be a Director on the Board w.e.f. 10<sup>th</sup> February, 2015

\*\*\*Mr. Ajinder Pal Singh ceased to be a Director on the Board w.e.f. 13<sup>th</sup> February, 2015

### **WHISTLE BLOWER POLICY**

As per companies Act 2013 clause 49 of the listing agreement the board of directors of the company have formulated and adopted whistle Blower Policy which aims to provide a channel to the directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policy. The company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. In order to maintain these standards, the company encourages its employees who have genuine concerns about suspected misconduct to come forward and express those concerns without fear of punishment or unfair treatment.

### **RISK MANAGEMENT**

The Board of company has formed a risk management committee to frame, implement and monitor the risk management plan for the company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area in the area of financial risk and controls. The board of directors has adopted and approved a risk management policy. Review of Risk and mitigation action initiated are presented to the audit committee and board reviewed regularly.

### **INDEPENDENT DIRECTORS' MEETING**

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

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration Committee discussed and thereafter decided upon the policy for selection of appointment of Directors and their remuneration. The highlights of this policy are as follows:

#### **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 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 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.



## ***Parmeshwari Silk Mills Limited***

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- d. The 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.

### **2. Remuneration**

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

- i. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee meeting attended by him/her at his/her discretion 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 Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.
- iii. The payment of such commission would be at the discretion of board only and shall not exceed 1% of the net profit of the Company;
- iv. 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.

### **REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES**

- I. In determining the remuneration of the Senior Management Employees the 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 is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
  - iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance and current compensation trends in the market.
- II. The Independent Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors and thereafter shall recommend the annual increment and performance incentive to the Committee for its review and approval.

### **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

## ***Parmeshwari Silk Mills Limited***

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### **RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and are on at arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

### **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.

#### **Disclosures**

The company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

In accordance with requirement of Companies Act as well as listing agreement a vigil mechanism has been adopted by the board of directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance. A link to such policy is also provided in the website of the company.

Compliances, rules & regulations as laid down by various statutory authorities has always been observed by the company since such change over both in letter as well as in spirit.

The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large.

#### **Compliance with Accounting Standards**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

#### **IV. DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE NON EXECUTIVE DIRECTORS AS ON MARCH 31, 2015 ARE GIVEN BELOW:**

<b>S. No.</b>	<b>Name</b>	<b>No. of Share held</b>
1.	Rai Sahib	9900
2.	Charanpreet Kaur Rajpal	Nil
3.	Simranjit Singh	Nil

#### **V. GENERAL BODY MEETING**

##### **a. Annual General Meeting**

The details of last three Annual General Meetings (AGM) of shareholders held were as under:

<b>Financial Year</b>	<b>Day and Date</b>	<b>Location</b>	<b>Time</b>	<b>Any Special Resolution passed</b>
2011-12	Saturday, September 29, 2012	Village Bajara, Rahon Road, Ludhiana-141007	11:30 AM	NO
2012-13	Monday, September 30, 2013	Village Bajara, Rahon Road, Ludhiana-141007	11:30 AM	NO
2013-14	Tuesday, September 30, 2014	Village Bajara, Rahon Road, Ludhiana-141007	11:30 AM	NO

## ***Parmeshwari Silk Mills Limited***

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- b. No Extraordinary General Meeting of the Members was held during the year 2014-15.
- c. No Postal Ballot was conducted during the year 2014-15.

### **VII. SUBSIDIARY COMPANY**

The Company does not have any subsidiary Company.

### **VIII. Means of communication**

The quarterly, half-yearly and annual results of the Company are published in leading national English and Hindi newspapers .The results are also displayed on the Company's website [www.parmeshwari silk.com](http://www.parmeshwari silk.com).

### **IX. General Shareholder Information**

- | <b>S.No.</b> | <b>Information</b>  |
|--------------|---|
| i.           | Annual General Meeting  |
|              | - Date and Time : 26 <sup>th</sup> September, 2015 at 2:00 PM   |
|              | - Venue : Village Bajra, Rahon Road, Ludhiana-141007  |
| ii.          | Financial Year ending : 31 <sup>st</sup> March, 2015  |
| iii.         | Book Closure Date : 24 <sup>th</sup> September , 2015 to 26 <sup>th</sup> September, 2015 (Both days inclusive)   |
| iv.          | Listing on Stock Exchange : Delhi Stock Exchange, Ludhiana Stock Exchange and Calcutta Stock Exchange   |
| v.           | Dividend payment date : Dividend is not recommended by the board during 2014-15   |
| vi.          | Outstanding DRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity: As on date there are no outstanding warrants /bonds/ other instruments |
| vii.         | R&TA : Skyline Financial Services Private Limited   |
| viii.        | Distribution of Shareholdings as on March 31, 2015:   |

<b>Shareholder of Nominal value of Rs. 10/-</b>	<b>No. of Shareholders</b>	<b>% of Shareholders</b>	<b>No. of Shares held</b>	<b>Amount</b>	<b>&amp; % to total</b>
Up to 5000	727	80.95768374	116400	1164000	3.68319463
5001-10000	67	7.461024499	65560	655600	2.0744866
10001-20000	32	3.563474388	58005	580050	1.83542702
20001-30000	3	0.334075724	7300	73000	0.23099073
30001-40000	15	1.670378619	62820	628200	1.98778597
40001-50000	11	1.224944321	54647	546470	1.72917128
50001-100000	10	1.113585746	86140	861400	2.7256906
100001-above	34	3.786191537	2709428	27094280	85.7332532
				0	
<b>Total</b>	<b>898</b>	<b>100.1113586</b>	<b>3160300</b>	<b>31603000</b>	<b>100</b>

## ***Parmeshwari Silk Mills Limited***

Categories of Equity shareholder as on March 31, 2015

	<b>Category</b>	<b>No. of Shares</b>	<b>% of Holding</b>
<b>1.</b>	<b>Promoters Holding</b>		
	i. Promoters - Indian Promoters	1532695	48.50
	- Foreign Promoters	-	-
	ii. Persons acting in concert	-	-
	<b>Sub Total</b>	<b>1532695</b>	<b>48.50</b>
<b>2.</b>	<b>Non Promoters Holding</b>		
	i. Institutional Investor	-	-
	ii. Mutual Fund and UTI	-	-
	iii. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	-	-
	iv. FII's	-	-
	<b>Sub Total</b>	<b>1532695</b>	<b>48.50</b>
<b>3.</b>	<b>Others</b>		
	i. Corporate Bodies	661300	20.93
	ii. Indian Public	966305	30.57
	iii. NRI's/OCB's	-	-
	iv. Any Other (HUF/Firm/Foreign Companies) Clearing Member		
	<b>Sub Total</b>	<b>1627605</b>	<b>51.50</b>
	<b>Grand Total</b>	<b>3160300</b>	<b>100</b>

- xii Dematerialization of Shares      The Equity shares of the Company are available for demat under both the depositories i.e NSDL & CDSL.
- Demat ISIN Number                      IN9808R01010
- xiii Delisting of shares                  The Delhi Stock Exchange has been suspended by SEBI and Ludhiana Stock Exchange has been exited by SEBI during the year.
- xiv. Registered Office                      Village Bajra, Rahon Road, Ludhiana-141007
- xv. Plant Location                          Village Bajra, Rahon Road, Ludhiana-141007
- xvi Address for communication          Shareholders correspondence should be addressed to the Company at the Registered Office of the Company or with the Registrar at their Corporate office at D-153 A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi-110020

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

We submit herewith the Management discussion and analysis report on the business of the Company as applicable to the extent relevant.

**INDUSTRY OUTLOOK**

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a vital role through its contribution to industrial output, employment generation, and the export earnings of the Country.

**OPPORTUNITY**

The most significant change in the Indian textile industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. The future outlook for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial statements have been prepared in accordance with the requirements of the Companies Act, 2013 and applicable accounting standards issued by the Institute of Chartered Accountants of India. The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Accounts and other financial statements forming part of this annual report.

**HUMAN RESOURCE DEVELOPMENT**

The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potential of its employees attracting and retaining the best manpower available by providing high degree of motivation.

Your Company believes in trust, transparency & teamwork to improve employees productivity at all levels.

**By Order of the Board of Directors  
For Parmeshwari Silk Mills Limited**

**Date : 28<sup>th</sup> August, 2015  
Place : Ludhiana**

**Sd/-  
Jatinder Pal Singh  
Chairman**

***Parmeshwari Silk Mills Limited***

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**CEO/CFO Certification Under Clause 49(ix) of the Listing Agreement**

I, Sukhdev Singh, Chief Financial Officer responsible for the finance function certify that:

- a) I have reviewed the financial statements and cash flow statement for the year ended 31st March 2015 and to the best of our knowledge and belief:
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2015 are fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) i. There has not been any significant change in internal control over financial reporting during the year under reference;
- ii. Changes in accounting policies during the year have been disclosed in the notes to the financial statements; and
- iii. I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Ludhiana  
Date : 28/08/2015

**Sd/-  
Sukhdev Singh  
Chief Financial Officer**

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**COMPLIANCE WITH CODE OF CONDUCT**

I, Jatinder Pal Singh, Whole Time Director of the Company hereby certify that all the Directors and the Key Management Personnel have affirmed compliance of the Code of Conduct of the Company for the Financial Year ended March 31, 2015.

**By Order of the Board of Directors  
For Parmeshwari Silk Mills Limited**

Date : 28<sup>th</sup> August, 2015  
Place : Ludhiana

**Sd/-  
Jatinder Pal Singh  
Chairman**

**INDEPENDENT AUDITORS' REPORT**

TO  
THE MEMBERS OF  
PARMESHWARI SILK MILLS LIMITED

**Report on the Financial Statements**

We have audited the accompanying financial statements of **PARMESHWARI SILK MILLS LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view

## ***Parmeshwari Silk Mills Limited***

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in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015.
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on other Legal and Regulatory Requirements**

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 appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches not visited by us)
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- h) With respect to the other matters included in the Auditor's Report and to our 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.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR DAVINDER PAL SINGH & CO**  
Chartered Accountants  
Firm Reg. No. 007601N

**Sd/-**  
**Inderjit Kaur**  
(Partner)  
Membership No. 500143

Place : Ludhiana  
Dated : 27-05-2015



**Parmeshwari Silk Mills Limited****Annexure to the Auditors' Report**

The Annexure referred to in our report to the members of **PARMESHWARI SILK MILLS LIMITED**, the Company') for the year Ended on 31st March, 2015. We report that:

S.No.	Particulars	Auditors Remark
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Yes
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management;	Yes
	(b) Are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business? If not, the inadequacies in such procedures should be reported;	Yes
	(c) whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	Yes
(iii)	(iii) Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,	Yes
	(a) whether receipt of the principal amount and interest are also regular; and	Yes
	(b) if overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;	No
(iv)	is there an 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. Whether there is a continuing failure to correct major weaknesses in internal control system.	Yes
(v)	in case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	No
(vi)	where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained;	Yes
(vii)	(a) is the company 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 and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	Yes
	(b) in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on	

***Parmeshwari Silk Mills Limited***

	account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	N.A.
	(c) whether the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.	N.A.
(viii)	whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;	N.A.
(ix)	Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	No
(x)	whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	Yes
(xi)	whether term loans were applied for the purpose for which the loans were obtained;	Yes
(xii)	whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	No

**FOR DAVINDER PAL SINGH & CO**

Chartered Accountants

Firm Reg. No. 007601N

**Sd/-**

**Inderjit Kaur**

(Partner)

Membership No. 500143

Place : Ludhiana

Dated : 27-05-2015

**AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

**The Members of PARMESHWARI SILK MILLS LIMITED.**

We have examined the compliance of conditions of Corporate Governance by PARMESHWARI SILK MILLS LIMITED for the year ended March 31, 2015 stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company to ensure Compliance with the condition of Corporate Governance. It is neither an audit nor an expression of an 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, we certify that the Company has fully complied with all the mandatory conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

**For Davinder Pal Singh & Co.**

Chartered Accountants

Firm Registration No. 007601N

**Sd/-**

**Inderjit Kaur**

(Partner)

Membership number: 500143

Place : Ludhiana

Dated : 27-05-2015

**Parmeshwari Silk Mills Limited**

**BALANCE SHEET AS ON 31.03.2015**

Particulars	Refer Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
1	2	3	4
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	27,395,500.00	24,909,000.00
(b) Reserves and surplus	2	74,453,854.00	71,871,652.90
(c) Money received against share warrants	-	-	-
<b>2 Share application money pending allotment</b>			
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	149,756,753.86	153,807,789.40
(b) Deferred tax liabilities (Net)	-	9,971,971.03	353,787.03
(c) Other Long term liabilities	4	-	-
(d) Long-term provisions	5	-	-
<b>4 Current liabilities</b>			
(a) Short-term borrowings	6	251,372,899.48	202,126,067.38
(b) Trade payables	7	151,383,187.16	93,211,066.29
(c) Other current liabilities	8	8,828,995.59	9,311,013.85
(d) Short-term provisions	9	11,882,626.19	13,043,158.58
<b>TOTAL</b>		<b>685,045,787.31</b>	<b>568,633,535.43</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
1 (a) Fixed assets	10		
(i) Tangible assets`		165,125,120.29	164,094,262.90
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	11		
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	12	2,098,681.00	1,507,800.00
(e) Other non-current assets	13	-	-
<b>2 Current assets</b>			
(a) Current investments	14		
(b) Inventories	15	254,453,703.00	194,900,025.00
(c) Trade receivables	16	246,591,788.96	190,888,564.54
(d) Cash and cash equivalents	17	744,664.56	6,113,933.36
(e) Short-term loans and advances	18	7,061,054.00	5,879,231.63
(f) Other current assets	19	8,970,775.50	5,249,718.00
<b>TOTAL</b>		<b>685,045,787.31</b>	<b>568,633,535.43</b>

For Parmeshwari Silk Mills Limited

This is the balance sheet subject to our report of even date  
For Davinder Pal Singh & Co.  
Chartered Accountants

Sd/-  
Jatinder Pal Singh  
(Director)  
Place : Ludhiana  
Date : 27/05/2015

Sd/-  
Sukhdev Singh  
(Chief Financial Officer)

Sd/-  
Kuljeet kaur  
(Director)  
M.No. : 500143

Sd/-  
Inderjit Kaur  
(Partner)  
FRN : 007601N

**Parmeshwari Silk Mills Limited**

**INCOME STATEMENT FOR THE YEAR 31.03.2015**

Particulars	Refer Note No.	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations	20	<b>808331617.60</b>	715541445.61
II. Other income	21	<b>7119780.99</b>	3396093.66
Profit on sale of Asset		<b>322881.00</b>	12328296.00
<b>III. Total Revenue (I + II)</b>		<b>815774279.59</b>	731265835.27
IV. Expenses:			
Cost of materials consumed	22	<b>463326522.68</b>	423835812.03
Purchases of Stock-in-Trade		<b>460485605.68</b>	427258149.03
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		<b>-62513595.00</b>	-43243590.00
Employee benefits expense	23	<b>22170288.00</b>	20356379.00
Manufacturing expenses	24	<b>275599061.14</b>	217929804.45
Finance costs	25	<b>45876328.03</b>	35021147.77
Depreciation and amortization expense		<b>10602931.58</b>	11441680.00
Repair & Maintenance	26	<b>13728697.33</b>	9525063.68
Office & Administration Expenses	27	<b>12916884.58</b>	12451125.30
Selling & Distribution Expenses	28	<b>16912679.00</b>	18749354.22
Other expenses			
Loss on Sale of Assets		<b>1416676.18</b>	1737505.00
Total expenses		<b>800036473.52</b>	707804281.45
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>15737806.07</b>	23461553.82
VI. Exceptional items		<b>0</b>	0
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>15737806.07</b>	23461553.82
VIII. Extraordinary Items		<b>0</b>	0
<b>IX. Profit before tax (VII- VIII)</b>		<b>15737806.07</b>	23461553.82
X Tax expense:			
(1) Current tax		<b>3147586.00</b>	4694129.03
(2) Prior Period Tax		<b>389834.97</b>	112238.00
(3) Current year Defferred Tax Liability		<b>9618184.00</b>	
<b>XI Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>2582201.10</b>	18655186.79
XII Profit/(loss) from discontinuing operations		<b>0</b>	0
XIII Tax expense of discontinuing operations		<b>0</b>	0
<b>XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>2582201.10</b>	18655186.79
<b>XV Profit (Loss) for the period (XI + XIV)</b>		<b>2582201.10</b>	18655186.79
XVI Earnings per equity share:			
(1) Basic		0.82	5.90
(2) Diluted			

For **Parmeshwari Silk Mills Limited**

Sd/-  
Jatinder Pal Singh  
(Director)  
Place : Ludhiana  
Date : 27/05/2015

Sd/-  
Sukhdev Singh  
(Chief Financial Officer)

This is the balance sheet subject to our report of even date

For **Davinder Pal Singh & Co.**  
Chartered Accountants  
Sd/-  
Inderjit Kaur  
(Partner)  
FRN : 007601N  
M.No. : 500143

**Parmeshwari Silk Mills Limited****CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015**

<b>Particulars</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extra ordinary items	16831601.25	12870762.82
Adjustment for :	0.00	0.00
Depreciation	10602931.58	11,441,680.00
Hire income	-	-
Brokerage	-	-
Interest received	288449.00	500985.00
Balance w/off	-	-
Interest paid	44501963.03	33,845,377.40
<b>Operating profit before working capital changes</b>	<b>71648046.86</b>	<b>57656835.22</b>
<b>Adjustment for Working Capital :</b>		
Increase / Reduction in inventory	59553678.00	48720927.00
(Increase) / Reduction Trade receivables	60606104.29	377136.17
Increase / (Reduction) Trade payables	56529570.22	22511686.53
Cash flow before extra ordinary items	-63630212.07	-26586376.64
Provision Tax	3537420.97	4806367.03
<b>Net cash flow from operating activities</b>	<b>-67167633.04</b>	<b>-31392743.67</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Intt received	288449.00	500985.00
Hire income	-	-
Brokerage	-	-
Sale of Fixed Assets	16,358,595.00	24894000.00
Purchase of Fixed Assets	29,086,179.15	101984161.79
Call in Arrears	-	-
Purchase of Current Investment	-	-
Sale proceeds of Investment	-	-
<b>Net cash flow from investing activities</b>	<b>-12439135.15</b>	<b>-76589176.79</b>

***Parmeshwari Silk Mills Limited***

<b>Particulars</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Repayment) Loan of Financial Institutions	<b>(4,051,035.54)</b>	48321842.20
Income / (Repayment) of Short Term Advances	<b>49,246,832.10</b>	20271747.50
Increase/ Reduction of other creditors	-	0.00
Increase/ Reduction of Long Term Advances	-	-369189.00
Increase/ Reduction of Long Term Advances	<b>590881.00</b>	16158868.80
Interest paid to Financial Institutions	<b>44501963.03</b>	33845377.40
Call money received	<b>2486500.00</b>	
<b>Net cash flow from financing activities</b>	<b>2589452.53</b>	51276270.10
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	<b>-5369268.80</b>	951184.86
Opening Cash and cash equivalents	<b>6113933.36</b>	5162748.50
<b>Closing Cash and cash equivalents</b>	<b>744664.56</b>	6113933.36

In terms of our audit report of even date attached

For **Parmeshwari Silk Mills Limited**

Sd/-

For **Davinder Pal Singh & Co.**

Chartered Accountants

Sd/-

Jatinder Pal Singh  
(Director)

Place : Ludhiana  
Date : 27/05/2015

Sd/-

Sukhdev Singh  
(Chief Financial Officer)

Sd/-

Kuljeet kaur  
(Director)  
M.No. : 500143

Sd/-

Inderjit Kaur  
(Partner)  
Date : 27/05/2015  
FRN : 007601N

**Parmeshwari Silk Mills Limited**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015**

**NOTE 1 DISCLOSURE REGARDING SHARE CAPITAL**

Note (i) Disclosure pursuant to Note no. 6(A)(a, b & c) of Part I of Schedule VI to the Companies Act, 1956

(Figures in ₹)

Share Capital	AS AT 31.03.2015		AS AT 31.03.2014	
	Number	Amount	Number	Amount
<b>Authorised</b>				
3500000 Equity Shares of Rs. 10 each	3,500,000	35,000,000.00	3,500,000	35,000,000.00
<b>Issued</b>				
3160300 Equity Shares of Rs. 10 each				
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs. 10 each Fully paid up	2,318,800	23,188,000.00	1,821,500	18,215,000.00
<b>Subscribed but not fully Paid up</b>				
Equity Shares of Rs. 5 each	841,500	4,207,500.00	1,338,800	6,694,000.00
<b>Total</b>	<b>3,160,300</b>	<b>27,395,500.00</b>	<b>3,160,300</b>	<b>24,909,000.00</b>

Note (ii) Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956 (Figures in ₹)

Particulars	Equity Shares As at 31.03.2015		Equity Shares As at 31.03.2014	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	3,160,300	27,395,500.00	3,160,300	24,909,000.00
Shares Issued during the year	-	-		
Shares bought back during the year	-	-		
Shares outstanding at the end of the year	3,160,300	27,395,500.00	3,160,300	24,909,000.00

Note (iii) As there is no right, preferences or restrictions attaching to any class of shares including restrictions on the distribution of dividend and the repayment of capital, the disclosure to Note no.6(A)(e) of Part I of Schedule VI to the Companies Act, 1956 is not required.

Note (iv) As there is no shares held by any company, disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956 is not required.

Note (v) Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956

(Figures in ₹)

Name of Shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of shares Held	% of Holding	No. of shares Held	% of Holding
Jatinder Pal Singh	2,84,950	9.02	284,950	9.02
Prabhpreet Kaur	1,61,113	5.10	1,61,113	5.10
Satnam Singh	2,18,117	6.90	218,117	6.90
Jay Ess Finvest (P) Ltd.	-	-	240,000	7.59
Maan Silk Mills Pvt. Ltd.	2,40,000	7.59	240,000	7.59
DB Merchant Banking Services Ltd.	4,97,300	15.74	497,300	15.74
Sanjeev Singh	1,98,900	6.29	198,900	6.29



**Parmeshwari Silk Mills Limited**

**Note (vi)** As there are no rights reserved for issue under options and contracts/comitments for the sale of shares disinvestment, including the terms and amounts, no disclosure to Note no. 6(A)(h) is required.

**Note (vii)** Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Year (Aggregate No. of Shares)				
	2014-15	2013-14	2012-13	2011-12	2010-11
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	N.A	N.A	N.A	N.A	N.A
Fully paid up by way of bonus shares	N.A	N.A	N.A	N.A	N.A
Shares bought back	N.A	N.A	N.A	N.A	N.A

**Note (viii)** As there is are no terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date, no disclosure to note no. 6(A)(j) is required.

**Note (ix)** Disclosure pursuant to Note no. 6(A)(k) of Part I of Schedule VI to the Companies Act, 1956

Unpaid Calls	Amt (₹)
By Directors	-
By Officers	-

Note (ix) As there is no forfeiture of shares exercised, no disclosure to note no.6(A)(l) is required.

**NOTE 2 DISCLOSURE REGARDING RESERVE AND SURPLUS**

**Note (i)** Disclosure pursuant to Note no. 6(B) of Part I of Schedule VI to the Companies Act, 1956

Reserves & Surplus	As at 31.03.2015 ₹	As at 31.03.2014 ₹
a. Capital Reserves		
Opening Balance	-	-
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	-	-
b. Capital Redemption Reserve		
Opening Balance	-	-
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	-	-
c. Securities Premium Account		
Opening Balance	-	-
Add : Securities premium credited on Share issue		
Less : Premium Utilised for various reasons		
Premium on Redemption of Debentures		
For Issuing Bonus Shares		
Closing Balance	-	-

**Parmeshwari Silk Mills Limited**

<u>Reserves &amp; Surplus</u>	As at 31.03.2015 ₹	As at 31.03.2014 ₹
d. Debenture Redemption Reserve		
Opening Balance	-	
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	-	-
e. Revaluation Reserve		
Opening Balance	-	
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	-	-
f. Share Options Outstanding Account		
Opening Balance	-	
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	-	-
<b>g. Depreciation Reserves</b>		
Opening Balance		
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	-	-
<b>h. Subsidy Reserve</b>	<b>4,036,700.00</b>	4,036,700.00
<b>i. Surplus</b>		
Opening Balance	<b>67,834,952.90</b>	49,179,766.11
(+) Net Profit/(Net Loss) For the current year	<b>2,582,201.10</b>	18,655,186.79
(+) Transfer from Reserves		
(-) Proposed Dividends		
(-) Interim Dividends		
(-) Transfer to Reserves	-	-
Closing Balance	<b>70,417,154.00</b>	67,834,952.90
<b>Total</b>	<b>74,453,854.00</b>	71,871,652.90

***Parmeshwari Silk Mills Limited***

**NOTE 3 DISCLOSURE REGARDING LONG TERM BORROWINGS**

Note 1 Disclosure pursuant to Note no. 6(C) of Part I of

<b>Long Term Borrowings</b>	<b>As at 31.03.2015 ₹</b>	<b>As at 31.03.2014 ₹</b>
<b>Secured</b>		
(a) Bonds/debentures		
(b) Term loans (List-A)		
From banks		<b>55,777,284.42</b>
67,521,617.00		
From other parties	-	-
(c) Deferred payment liabilities	-	-
(d) Deposits	-	-
(e) Loans and advances from related parties	-	-
(f) Long term maturities of finance lease obligations	-	-
(g) Other loans and advances (specify nature)	-	-
HDFC Bank	-	<b>32,908.91</b>
Volkswagent Finance Pvt. Ltd	<b>333,502.17</b>	524,699.48
KOTAK MAHINDRA BANK	<b>404,206.00</b>	-
Axis Bank	-	<b>63,463.00</b>
P.N.B.NG 725	<b>1,123,803.00</b>	1,471,314.00
P.N.B.NG 673	-	216,039.00
P.N.B.NG 789	-	321,255.00
<b>Total Secured Loan</b>	<b>57,638,795.59</b>	70,151,296.39
<b>Unsecured</b>		
(a) Bonds/debentures	-	-
(b) Term loans		
From banks & Financial Institutons (List-B)	<b>15,051,918.80</b>	19,841,512.55
From other parties (List-B)	<b>20,854,269.00</b>	14,479,286.00
(c) Deferred payment liabilities	-	-
(d) Deposits	-	-
(e) Loans and advances from related parties ( List B)	<b>56,211,770.47</b>	49,335,694.46
(f) Long term maturities of finance lease obligations	-	-
(g) Other loans and advances (specify nature)	-	-
<b>Total Unsecured Loan</b>	<b>92,117,958.27</b>	83,656,493.01
<b>Total</b>	<b>149,756,753.86</b>	153,807,789.40

**Parmeshwari Silk Mills Limited**

**NOTE 4 DISCLOSURES REGARDING OTHER LONG TERM LIABILITIES**

Note 1 Disclosure pursuant to Note no. 6(D) of Part I of Schedule VI to the Companies Act, 1956

<u>Other Long Term Liabilities</u>	As at 31.03.2015 ₹	As at 31.03.2014 ₹
<u>Trade Payables</u>		
<u>Others</u>		
<b>Total</b>	-	-

**NOTE 5 DISCLOSURES REGARDING LONG TERM PROVISIONS**

Note 1 Disclosure pursuant to Note no. 6(E) of Part I of Schedule VI to the Companies Act, 1956

<u>Long Term Provisions</u>	As at 31.03.2015 ₹	As at 31.03.2014 ₹
<u>Provision for Employee Benefits</u>		
<u>Others (Specify Nature)</u>		
<b>Total</b>	-	-

**NOTE 6 DISCLOSURES REGARDING SHORT TERM BORROWINGS**

Note 1 Disclosure pursuant to Note no. 6(F) of Part I of Schedule VI to the Companies Act, 1956

<u>Short Term Borrowings</u>	As at 31.03.2015 ₹	As at 31.03.2014 ₹
<b><u>Secured</u></b>		
(a) Loans repayable on demand		
From banks		
a) Cash Credit With PNB Millerganj Ludhiana (Hypothecation OF Stock & Book Debts)	<b>251,372,899.48</b>	202,126,067.38
From other parties	-	-
(b) Loans and advances from related parties	-	-
(c) Deposits	-	-
(d) Other loans and advances (specify nature)	-	-
	<b>251,372,899.48</b>	202,126,067.38
<b><u>Unsecured</u></b>		
(a) Loans repayable on demand		
From banks	-	-
From other parties	-	-
(b) Loans and advances from related parties	-	-
(c) Deposits	-	-
(d) Other loans and advances (specify nature)	-	-
<b>Total</b>	<b>251,372,899.48</b>	202,126,067.38

**Parmeshwari Silk Mills Limited**

**NOTE 7 DISCLOSURES REGARDING TRADE PAYABLES (AS PER LIST C)**

Note 1 Disclosure pursuant to Note no. 6 of Part I of Schedule VI to the Companies Act, 1956

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Trade Payable	151,383,187.16	93,211,066.29
<b>Total</b>	<b>151,383,187.16</b>	<b>93,211,066.29</b>

**NOTE 8 DISCLOSURES REGARDING OTHER CURRENT LIABILITIES**

Note 1 Disclosure pursuant to Note no. 6(G) of Part I of Schedule VI to the Companies Act, 1956

<u>Other Current Liabilities</u>	As at 31.03.2015 ₹	As at 31.03.2014 ₹
AJINDERPAL SINGH DIRECTOR	76,165.05	25373.05
AMANJEET KAUR	14,258.00	207334.00
ASEES KAUR	146633.00	123594.00
ASEES SINGH	0.00	9321.00
CHS.ISSUED BUT NOT YET PRESENT	4952638.10	6725829.90
DAVINDERPAL SINGH & CO. (C.A)	71348.00	60674.00
DIPNEET KAUR	373833.36	71634.36
HARMONY FASHION LTD	428274.88	300542.00
HARNEET KAUR	134576.02	23067.02
JASPAL SINGH	0.00	15000.00
JATINDERPAL SINGH (DIRECTOR)	237797.65	229461.99
KANWARDEEP KAUR (SALARY A/C)	159204.01	23546.01
KARANDEEP KAUR	249970.00	311631.00
KULJIT KAUR SALARY A/DIRECTOR	560853.02	144758.02
MAHAGANAPATHI MILL	35000.00	0.00
MALWA INDUSTRIES LTD	0.00	2787.00
MANDEEP SINGH	58899.95	87762.95
MANINDER SINGH ( SALARY) A/C	200382.00	0.00
MANPREET KAUR (SALARY A/C )	134671.00	42268.00
MAAN SILK MILLS PVT LTD	0.00	50298.00
NAVYUG LAMINATES ( PROP.VERSATILE E P.LTD.	5000.00	0.00
OVERSEAS WAREHOUSING PVT. LTD.	0.00	24898.00
PRABHJOT KAUR	98846.01	82056.01
PRABHPREET KAUR (DIRECTOR)	113565.84	69127.84
RANBIR SINGH (SALARY A/C)	501900.00	0.00
SATNAM FABRICS PVT. LTD	118127.00	118127.00
SAVINDERPAL SINGH	24013.70	183668.70
	<b>8695956.59</b>	<b>8932759.85</b>
<u>Advance From Customer</u>		
H.M.FASHION LTD U.K.	0.00	327,985.00
RAJ KUMAR	0.00	<b>269.00</b>
RAMTEX	80,087.00	0.00
P.R.FABRICS PVT. LTD	2,952.00	0.00
SRI KANNIMAR TEXTILE	50,000.00	50000.00
	<b>133,039.00</b>	<b>378254.00</b>
<b>Total</b>	<b>8,828,995.59</b>	<b>9,311,013.85</b>

***Parmeshwari Silk Mills Limited***

**NOTE 9 DISCLOSURES REGARDING SHORT TERM PROVISIONS**

Note 1 Disclosure pursuant to Note no. 6(H) of Part I of Schedule VI to the Companies Act, 1956

<b>Short Term Provisions</b>	<b>As at 31.03.2015</b> ₹	<b>As at 31.03.2014</b> ₹
<b>Provision for Employee Benefits</b>		
WAGES & SALARY PAYABLE	<b>4,879,902.00</b>	4,675,728.00
E.P.F.PAYABLE	<b>326,819.00</b>	304,975.00
E.S.I. PAYABLE	<b>51,731.00</b>	148,223.00
EMPLOYEE FAMILY PENSION PAY.	<b>92,926.00</b>	61,943.00
WELFARE COMMISSION OF PUNJAB	<b>38,754.00</b>	16,164.00
BONUS PAYABLE	<b>2,678,692.00</b>	2,497,735.00
LEAVE WITH WAGES PAYABLE	<b>949,200.00</b>	835,026.00
<b>Others (Specify Nature)</b>		
PF Admin Charges	<b>13,033.00</b>	23,190.00
Electricity Exp. Payable	<b>1,199,137.00</b>	1,184,625.00
TDS Payable	<b>1,227,063.00</b>	<b>907,335.00</b>
Telephone Exp. Payable	<b>17,691.19</b>	39,262.89
SERVICE TAX PAYABLE	<b>17,948.00</b>	19,698.00
VAT OUTPUT	<b>20,000.00</b>	-
TOUR & TRAVILLING EXP.PAYABLE	<b>0.00</b>	12,056.66
Provision for Tax Payable	3147586.00	
Less: Adavance Tax	2300000	
Less: TDS	<u>477856</u>	
	<b>369,730.00</b>	2,317,197.03
<b>Total</b>	<b>11,882,626.19</b>	13,043,158.58

**Parmeshwari Silk Mills Limited**

ANNEXURE - VI

Note 10 DETAIL OF FIXED ASSETS

PARTICULARS RATE OF DEP.	AS ON 01.04.2014	GROSS BLOCK		DEPRECIATION RESERVE			NET BLOCK			
		ADD. DURING THE YEAR	SALE/TRF. DURING THE YEAR	TOTAL 31.03.2015	AS ON 01.04.2014	WRITTEN BACK DURING THE YR.	PROVIDED THE YEAR	AS ON 31.03.2015	AS ON 31.03.2014	
Land	2637856.50			2637856.50	0.00	0.00	0.00	2637856.50	2637856.50	
Building	18938638.02	8634595.00		23532817.02	4495729.00	759463.00	5255192.00	22318041.02	22318041.02	
Building (Mann)	7457164.75			7457164.75	1667294.00	354178.00	2021472.00	5435692.75	5789870.75	
Building (Mann City)				0.00	0.00		0.00	0.00	0.00	
Building Unit-iii	10344563.50			10344563.50	1566564.00	461902.00	2028466.00	8316097.50	0.00	
Building Under Const.	4195990.00	4438605.00	8634595.00	4040416.00	0.00		0.00	0.00	4195990.00	
Plant & Machinery	140060097.03	8538432.00	21911561.08	12668967.95	34091136.00	14938684.08	23943321.00	102748646.95	105968961.03	
Furniture & Fixture	853542.13	0.00		853542.13	460537.00	85211.12	545748.12	307794.01	393005.13	
Cars	9464669.00		2292985.00	7171684.00	2145311.82	884649.82	2336438.00	4835246.00	7319357.18	
Scooters	214073.00			214073.00	169704.00	14460.00	184164.00	29909.00	44369.00	
Tempu Ace	315000.00	547600.00		862600.00	104738.00	109478.00	214216.00	648384.00	210262.00	
Weight Scale	122958.00			122958.00	11439.01	22078.99	33518.00	89440.00	111518.99	
Air Compressor	539729.39			539729.39	158463.00	110032.39	268495.39	271234.00	381266.39	
Air Coller	18400.00			18400.00	18400.00	0.00	18400.00	0.00	0.00	
Vaccum Cleaner	113970.00			113970.00	81262.00	18353.00	99615.00	14355.00	32708.00	
Water Filter	47010.00	22000.00		69010.00	21616.00	12944.00	34560.00	34450.00	25394.00	
Fire Extinguisher	32892.00			32892.00	22503.00	10389.00	32892.00	0.00	10389.00	
Computers	954117.00	247212.00		1201329.00	641395.00	183950.00	825345.00	375984.00	312722.00	
Generator	4179231.00	850000.00	732614.00	4296617.00	1654967.00	469133.00	1925197.00	2371420.00	2524264.00	
Refrigerator	123192.00			123192.00	90740.00	7177.00	97917.00	25275.00	32452.00	
Fax Machine	0.00			0.00	0.00		0.00	0.00	0.00	
Air Conditioners	2973979.41	298807.15	617520.00	2655266.56	1507760.00	444418.00	1823391.00	831875.56	1466219.41	
Mobile Phones	386052.00			386052.00	78664.00	48091.00	126755.00	259297.00	307388.00	
Transformer	440108.00			440108.00	18961.00	40270.00	59231.00	380877.00	421147.00	
Tester	47500.00			47500.00	22950.00	26682.00	49632.00	-2132.00	24550.00	
Close Circuit Camera	435130.00			435130.00	78361.00	43970.00	122331.00	312799.00	356769.00	
Water Coller	101434.00			101434.00	19723.00	28674.00	48397.00	53037.00	81711.00	
Emb.Designing software	252500.00	251001.00		503501.00	207352.00	51772.00	259124.00	244377.00	45148.00	
Office Equipments	9990.00			9990.00	2228.00	7762.00	9990.00	0.00	7762.00	
Electrical Panel	633000.00			633000.00	212012.00	43561.00	255573.00	377427.00	420988.00	
Digital Textile Printer	1258965.00			1258965.00	220475.00	44303.00	264778.00	994187.00	1038490.00	
ETP Plant	474750.00	4709469.00		5184219.00	110410.00	158853.00	269263.00	4914956.00	364340.00	
Lab. Equipment	479802.00	208029.00		687831.00	20671.00	59468.00	80139.00	607692.00	459131.00	
Electrical Fitting	2980651.00	313429.00		3294080.00	86425.00	243675.00	330100.00	2963980.00	2894226.00	
Fire Fitting Equipment	430530.00			430530.00	13633.00	122702.00	136335.00	294195.00	416897.00	
Humidi Control Plant	2578202.00			2578202.00	0.00	163200.00	163200.00	2415002.00	2578202.00	
Television		27000.00		27000.00	0.00	4275.00	4275.00	22725.00	0.00	
<b>TOTAL</b>	<b>214095686.73</b>	<b>29086179.15</b>	<b>34189275.08</b>	<b>208992590.80</b>	<b>50001423.83</b>	<b>0.00</b>	<b>10602931.58</b>	<b>43867470.51</b>	<b>165125120.29</b>	<b>164094262.90</b>



***Parmeshwari Silk Mills Limited***

**NOTE 11 AS THERE IS NO NON-CURRENT INVESTMENTS MADE BY THE COMPANY, DISCLOSURE PURSUANT TO NOTE NO. K (I) OF PART I OF SCHEDULE VI TO THE COMPANIES ACT, 1956, IS NOT REQUIRED.**

**NOTE 12 DISCLOSURES REGARDING LONG TERM LOANS & ADVANCES**

**Note (i) Disclosure pursuant to Note no. L (iv) of Part I of Schedule VI to the Companies Act, 1956**

<u>Long Term Loans and Advances</u>	AS AT 31.03.2015		AS AT 31.03.2014	
	₹	₹	₹	₹
<b><u>a. Capital Advances</u></b>				
Secured, considered good	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful advances	-		-	
		-		-
<b><u>b. Security Deposits</u></b>				
Secured, considered good	-		-	
Unsecured, considered good (List-c)	<b>2,098,681.00</b>		1,507,800.00	
Doubtful	-		-	
Less: Provision for doubtful advances	-		-	
		<b>2,098,681.00</b>		1,507,800.00
<b><u>c. Loans and advances to related parties</u></b>				
Secured, considered good	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful advances	-	-		
		-		-
<b><u>d. Other loans and advances</u></b>	-		-	
		-		-
		<b>2,098,681.00</b>		1,507,800.00

**Note (ii) Disclosure pursuant to Note no. L (iv) of Part I of Schedule VI to the Companies Act, 1956**

<u>Long Term Loans &amp; Advances to Related Parties</u>	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Directors *		
Other officers of the Company*		
Firm in which director is a partner *		
Private Company in which director is a member		

\*Either severally or jointly

**Parmeshwari Silk Mills Limited**

**NOTE 13 DISCLOSURE REGARDING OTHER NON CURRENT ASSETS**

Note (i) Disclosure pursuant to Note no.M (i),(ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

<u>Other Non Current Assets</u>	AS AT 31.03.2015		AS AT 31.03.2014	
	₹	₹	₹	₹
<b>a. Long term trade receivables</b>				
Secured, considered good	-		-	
Unsecured, considered good				
Export Incentive Receivable	-		-	
Doubtful	-		-	
Less: Provision for doubtful advances	-		-	
		-		-
<b>b. Others</b>				
Secured, considered good	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful advances	-		-	
		-		-
<b>c. Debts due by related parties</b>				
Secured, considered good	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful advances	-		-	
		-		-
		-		-

Note (ii) Disclosure pursuant to Note no. M (iii) (iii) of Part I of Schedule VI to the Companies Act, 1956

<u>Other Non Current Assets</u>	As at 31.03.2015	As at 31.03.2014
Directors *		
Other officers of the Company*		
Firm in which director is a partner *		
Private Company in which director is a member		

\*Either severally or jointly

***Parmeshwari Silk Mills Limited***

**NOTE 14 AS THERE IS NO CURRENT INVESTMENTS MADE BY THE COMPANY, DISCLOSURE PURSUANT TO NOTE NO.N (I) AND (II) OF PART I OF SCHEDULE VI TO THE COMPANIES ACT, 1956, IS NOT REQUIRED.**

**NOTE 15 DISCLOSURES REGARDING INVENTORIES**

**Note (i) Disclosure pursuant to Note no.O (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956**

Inventories	AS AT 31.03.2015		AS AT 31.03.2014	
	₹	₹	₹	₹
<b>a. Raw Materials and components</b> (Valued at Cost or NRV which ever is lower)	<b>22,221,920.00</b>		25,062,837.00	
Goods-in transit	-			
		<b>22,221,920.00</b>		25,062,837.00
<b>b. Work-in-progress</b>	<b>58,919,756.00</b>		51,467,364.00	
Goods-in transit	-			
		<b>58,919,756.00</b>		51,467,364.00
<b>c. Finished goods</b> (Valued at Cost or NRV which ever is lower)	<b>169,921,027.00</b>		14,859,824.00	
Goods-in transit	-			
		<b>169,921,027.00</b>		14,859,824.00
<b>d. Stock-in-trade</b>	-			
Goods-in transit	-			
		-		-
<b>e. Stores and spares</b>	<b>2,250,000.00</b>		2,850,000.00	
Goods-in transit	-		-	
		<b>2,250,000.00</b>		2,850,000.00
<b>f. Loose Tools</b>	-		-	
Goods-in transit	-		-	
		-		-
<b>g. Others ( Valued at Cost )</b>				
Store Printing Material	<b>350,000.00</b>		250,000.00	
Store Boiler	<b>25,000.00</b>		35,000.00	
Store Sizinng	<b>200,000.00</b>		100,000.00	
Store Embroidery	<b>316,000.00</b>		275,000.00	
STORE PACKING MATERIAL	<b>250,000.00</b>		-	
		<b>1,141,000.00</b>		660,000.00
<b>Total</b>		<b>254,453,703.00</b>		194,900,025.00

***Parmeshwari Silk Mills Limited***

**NOTE 16 DISCLOSURES REGARDING TRADE RECEIVABLES**

Note (i) Disclosure pursuant to Note no.P (i), (ii) (iii) and (iv) of Part I of Schedule VI to the Companies Act, 1956

<u>Trade Receivables</u>	As at 31.03.2015	As at 31.03.2014
<b>Trade receivables outstanding for a period less than six months from the date they are due for payment</b>		
Secured, considered good	-	
Unsecured, considered good (list D)	<b>236985058.20</b>	187876938.54
Unsecured, considered Doubtful	-	-
Less: Provision for doubtful advances	-	
	<b>236985058.20</b>	187876938.54
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good (list e)	<b>9606730.76</b>	3011626.00
Unsecured, considered Doubtful	-	-
Less: Provision for doubtful advances	-	-
	<b>9606730.76</b>	3011626
<b>Total</b>	<b>246591788.96</b>	190888564.54

Trade Receivable stated above include debts due by:

<u>Particulars</u>	As at 31.03.2015	As at 31.03.2014
Directors *		
Other officers of the Company *		
Firm in which director is a Proprietor *	<b>79,102,369.76</b>	14,827,125.76
Private Company in which director is a member		
	<b>79,102,369.76</b>	14,827,125.76

\*Either severally or jointly

**Parmeshwari Silk Mills Limited**

**NOTE 17 DISCLOSURES REGARDING CASH BALANCE, BANK BALANCE, CASH EQUIVALENTS & OTHER BANK DEPOSITS**

Note (i) Disclosure pursuant to Note no.O (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

<b>Cash &amp; Cash Equivalents</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
<b>Cash &amp; Cash Equivalents</b>		
Balances with banks		
P.N.B. A/C 2177381 LDH.	7256.00	9756.00
P.N.B. C/A (Bombay)	0.00	2812.00
P.N.B. C/A. 20320/10 (Delhi)	6126.85	6326.85
S.B.I. Mumbai (DBK)	8909.00	9527.00
S.B.I. C/A (Ldh)	30444.00	13851.00
P.N.B. FDRS 5606532.00		344180.00
Cash in hand	347748.71	465,128.51
<b>Total</b>	-	
	744,664.56	6,113,933.36

**NOTE 18 OTHER CURRENT LIABILITIES**

Note (a) Disclosure pursuant to Note no.R (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

<b>Short-term loans and advances</b>	<b>AS AT 31.03.2015</b>		<b>AS AT 31.03.2014</b>	
	₹	₹	₹	₹
<b>a. Loans and advances to related parties "(refer note 2)"</b>				
Secured, considered good	0.00		0.00	
Unsecured, considered good	0.00		0.00	
Doubtful	0.00		0.00	
Less:Provision for doubtful loans and advances	0.00		0.00	
		-		-
<b>b. Others (specify nature)</b>				
Secured, considered good				
<u>Advance against Machinery</u>				
AMBICA TEX FAB MANUFACTURERS	20,000.00		0.00	
D M PARMAR TEXTILE ENGINEERS	20,000.00		0.00	
EMM KAY SYNTHETICS	18,866.00		0.00	
GRAFICA FLEXTRONICA	601,688.00		0.00	
H.G.S.MACHINES PVT.LTD.	50,000.00		50,000.00	
NATIONAL CRANES & ELEVATORS	100,000.00		0.00	
VOS TEXTIL PETER SCHUEPBACH	2,853,960.00		0.00	
ITMA (SWITZERLAND) LTD.	0.00		168,413.00	
M AND P COATS	0.00		234,600.00	
Unsecured, considered good (LIST E)	3,396,540.00		5,426,218.63	
Doubtful			0.00	
		7,061,054.00		5,879,231.63
		7,061,054.00		5,879,231.63

**Parmeshwari Silk Mills Limited**

**NOTE 19 AS PER POINT NO. 6S OF GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET**

S.No.	Other current assets	2015	2014
1	Interest Receivable (TUF)	936668.00	1129721.00
2	Cheques Deposited but not Credited	40588.50	73376.00
3	Insurance Claim Receivable	6324987.00	2032509.00
4	VAT Input (Yarn)	160632.00	126280.00
5	VAT Input (Emb. Yarn)	66898.00	34079.00
6	VAT Input (Cap. Goods)	89878.00	225162.00
7	Advance Tax (VAT)	731019.52	998538.52
8	Advance Tax -II (VAT)	53971.48	53971.48
9	Prepaid AMC expenses	48,170.00	5,285.00
10	PRE-PAID INSURANCE EXP	517,963.00	570,796.00
	<b>Total</b>	<b>8970775.50</b>	<b>5249718.00</b>

**NOTE 20 DISCLOSURES REGARDING REVENUE FROM OPERATIONS**

Note (i) Disclosure pursuant to Note no. 2 of Part II of Schedule VI to the Companies Act, 1956

<u>Revenue from Operations</u>	For the year ended 31.03.2015	For the year ended 31.03.2014
Sale Domestic	785405483.42	709909836.07
Sales Export	1271949.75	0.00
Fabrication	21654184.43	5631609.54
<u>Less:</u>		
Excise duty	-	-
<b>Total</b>	<b>808331617.60</b>	<b>715541445.6</b>

**NOTE 21 DISCLOSURES REGARDING OTHER INCOME, ACCRUING OTHER THAN FROM BUSINESS OPERATIONS.**

Note (i) Disclosure pursuant to Note no. 4 of Part II of Schedule VI to the Companies Act, 1956

<u>Other Income</u>	For the year ended 31.03.2015	For the year ended 31.03.2014
Interest Income on FDR	288449.00	500985.00
Interest Others	0.00	0.00
Rent	168750.00	120000.00
Rebate & Discount	1208041.09	920900.66
Claims Received	0.00	0.00
Misc. Income	40562.90	13887.00
insurance Claim	5413978.00	1840321.00
<b>Total</b>	<b>7119780.99</b>	<b>3396093.66</b>

**Parmeshwari Silk Mills Limited**

**NOTE 22**

<b>PARTICULARS</b>	<b>For the year 31.03.2015</b>	<b>For the year 31.03.2014</b>
<b>Changes in inventories of finished goods work-in-progress and Stock-in-Trade</b>		
<u>Opening Stock</u>		
Raw Material	<b>25062837.00</b>	21640500.00
Work in Process	<b>51467364.00</b>	41548149
Finished Goods	<b>114859824.00</b>	81535449
	<b>191390025.00</b>	144724098.00
Less: Closing Stock <u>Certified by directors)</u>		
Raw Material	<b>22221920.00</b>	25062837.00
Work in Process	<b>58919756.00</b>	51467364.00
Finished Goods	<b>169921027.00</b>	114859824.00
	<b>251062703.00</b>	191390025.00
<b>Increase/ Decrease</b>	<b>-62513595.00</b>	-43243590.00
<b><u>Purchases</u></b>		
Purchases Yarn	<b>138619623.80</b>	132115037.75
Purchases Grey Cloth	<b>150863251.00</b>	126954626.00
Purchases Fabrics	<b>147382411.88</b>	143509606.85
Purchase Emb.Yarn	<b>11117161.00</b>	18613780.17
Purchase Printing Paper	<b>12503158.00</b>	6065098.26
	<b>460485605.68</b>	427258149.03
<b>Raw Material Consumed</b>	<b>463326522.68</b>	423835812.03
Opening Stock	<b>25062837.00</b>	21640500.00
Purchases Yarn	<b>138619623.80</b>	132115037.75
Purchases Grey Cloth	<b>150863251.00</b>	126954626.00
Purchases Fabrics	<b>147382411.88</b>	143509606.85
Purchase Emb.Yarn	<b>11117161.00</b>	18613780.17
Purchase Printing Paper	<b>12503158.00</b>	6065098.26
<b>SUB TOTAL</b>	<b>485548442.68</b>	448898649.03
Less :		
1. Closing Stock Yarn	<b>4308248.00</b>	12932172.00
2. Closing Stock Emb.Yarn	<b>3171916.00</b>	4961809.00
3. Closing Stock Printing Paper	<b>14741756.00</b>	7168856.00
<b>SUB TOTAL</b>	<b>22221920.00</b>	25062837.00
<b>GRAND TOTAL RS :-</b>	<b>463326522.68</b>	423835812.03



**Parmeshwari Silk Mills Limited****NOTE 23**

<b>EMPLOYEE BENEFIT EXPENSE</b>	<b>For the year 31.03.2015</b>	<b>For the year 31.03.2014</b>
Salary & Allowance	13912341.00	11998016.00
E.S.I.	774594.00	1353977.00
Worker Welfare	777827.00	636905.00
Wages -Security Guard	0.00	0.00
Bonus with Leave With wages	3627892.00	3332761.00
Employee Provident Fund	1139998.00	1122306.00
Employee Family Pension	986995.00	755814.00
P.F Administration Chages	194670.00	274883.00
Gratuity & Service Compensation	41085.00	101483.00
Diwali Exp	714886.00	780234.00
	<b>22170288.00</b>	<b>20356379.00</b>

**NOTE 24 MANUFACTURING EXPENSES**

<b>PARTICULARS</b>	<b>Current Year 31.03.2015</b>	<b>Previous Year 31.03.2014</b>
Processing & Finishing	85145444.00	61047803.76
Power & Electricity Expenses	21191846.00	16900306.00
Oil & Lubricants	379601.00	414772.00
C.F. & Octroi (Inward)	6786454.00	4509272.00
Wages & Allowances	58801436.00	54366339.00
Consumable Store	1887979.00	922600.15
Diesel Expenses	7064248.00	4637138.00
Outside Labour	145600.00	73881.00
Fabrication Charges/Job Work	7117504.00	5445601.00
WAGES SECURITY GUARD	31148.00	0.00
Designing & Sampling	998467.00	1784330.00
Machinery Rent	0.00	0.00
Spotting & Washing Expenses	3196142.00	1864380.00
Embroidery Expenses	66392395.00	58422256.50
Consumable Store Printing	5429448.14	3128311.04
Consumable Store Sizing	4591494.00	1581677.00
Boiler Fuel	6439855.00	2831137.00
<b>TOTAL RS :-</b>	<b>275599061.14</b>	<b>217929804.45</b>

**Parmeshwari Silk Mills Limited****NOTE 25 DISCLOSURES REGARDING FINANCE COST**

Note (i) Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

<b>Finance Cost</b>	<b>For the year ended 31.03.2015</b>	<b>For the year ended 31.03.2014</b>
Interest on Bank Borrowings	<b>34242410.41</b>	26799161.64
Bank Charges etc.	<b>1374365.00</b>	1175770.37
Interest on Late Deposit of govt. Dues	<b>0.00</b>	0.00
Other borrowing costs	<b>10259552.62</b>	7046215.76
<b>Total</b>	<b>45876328.03</b>	35021147.77

**NOTE 26 REPAIR & MAINTAINANCE**

<b>PARTICULARS</b>	<b>Current Year 31.03.2015</b>	<b>Previous Year 31.03.2014</b>
Building Repair & Maint.	<b>1473618.00</b>	1569752.00
Electrical Repair & Maint.	<b>1657928.00</b>	1383568.56
Generator Repair & Maint.	<b>335254.00</b>	242938.00
General Repair & Maint.	<b>328024.00</b>	328229.33
Computer Repair & Maint.	<b>255173.00</b>	188616.00
Furniture & Fixture Repair	<b>36480.00</b>	34170.00
Machinery Repair & Maint.	<b>9598780.33</b>	5777789.79
TEMPO RPAIR & MAINT.	<b>43440.00</b>	0.00
<b>TOTAL RS :-</b>	<b>13728697.33</b>	9525063.68

**NOTE 27 OFFICE & ADMINISTRATION EXPENSES**

<b>PARTICULARS</b>	<b>Current Year 31.03.2015</b>	<b>Previous Year 31.03.2014</b>
Printing & Stationery	<b>747053.00</b>	889722.00
Salary (Directors)	<b>3375000.00</b>	3720000.00
Travelling & Conveyance (Directors)	<b>1632236.19</b>	1214691.12
Travelling & Conveyance (Others)	<b>2092725.29</b>	1088211.79
Courier & Postage	<b>114415.76</b>	88838.00
Filing Fee	<b>116300.00</b>	41250.00
Insurance Expenses	<b>1331959.00</b>	952780.00
Misc.Expenses	<b>446257.00</b>	455101.00
Professional Charges	<b>593565.00</b>	356207.00
Fees & Subscription	<b>66472.00</b>	132037.00
Telephone Expenses	<b>796565.33</b>	791147.36
Car Expenses	<b>254858.76</b>	416809.78

## ***Parmeshwari Silk Mills Limited***

<b><u>PARTICULARS</u></b>	<b>Current Year 31.03.2015</b>	<b>Previous Year 31.03.2014</b>
Scooter Expenses	52319.00	42210.00
BUILDING Rent	240000.00	300000.00
Service Tax ( GTA )	186651.00	116497.00
Bad Debts	782091.25	1749607.25
Donation	21000.00	28600.00
<b><u>AUDITORS REMUNERATION</u></b>		
For Audit Fee	67416.00	67416.00
<b>TOTAL RS :-</b>	<b>12916884.58</b>	<b>12451125.30</b>

### **NOTE 28 SELLING & DISTRIBUTION EXPENSES**

<b><u>PARTICULARS</u></b>	<b>Current Year 31.03.2015</b>	<b>Previous Year 31.03.2014</b>
Grading & Packing Expenses	6305760.50	6795693.94
Sales Promotion	667424.50	201295.00
Commission & Brokerage	2454462.00	1956793.00
Rebate & Discount	7443204.00	9795572.28
Freight (Outward)	24600.00	0.00
Freight & Clearing Charges	17228.00	0.00
<b>TOTAL RS :-</b>	<b>16912679.00</b>	<b>18749354.22</b>

#### **1. GENERAL INFORMATION**

**PARMESHWARI SILK MILLS LIMITED** is a public limited company incorporate in India under the provisions of the Companies Act, 1956. The company is engaged in the business of Manufacturing of Unstitched Suitings, Shirtings & Dress Materials.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

##### **(A) Accounting Conventions:**

The company's financial statements have been prepared in accordance with the historical cost convention on accrual basis of accounting, as applicable to going concern in accordance with generally accepted accounting principle in India (Indian GAAP), mandatory accounting standards prescribed in the companies (Accounting Standards) Rules 2006 issued by Central Government in consultation with the provisions of companies act, 2013 to the extent applicable. The financial statements are presented in Indian rupees.

All assets and liabilities have been classification as current or non current as per company's normal operating cycle and other criteria set out in the Schedule-III of Companies Act, 2013. Based on the nature of business, the company has ascertained its operating cycle as 12 months for the purpose of current or non current classification of Assets and liabilities.

##### **(B) Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabili-

## ***Parmeshwari Silk Mills Limited***

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ties as at the date of the financial statements and reported amounts of income and expenses during the year. Difference between the actual results and estimates are recognised in the year in which the results are known/materialised. Example of such estimates include provision for doubtful debts, employee benefits, provision for income tax, the useful lives of depreciable fixed assets and provision for impairment.

### **(C) Revenue Recognition**

1. Sales are recognized at the time of delivery of goods from the factory, net of trade discount & sales tax.
2. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

### **(D) Fixed Assets:**

Fixed assets are stated at cost of acquisition and inclusive of inward freight, duties & taxes & incidental expenses related to acquisition net of capital subsidy relating to specific fixed assets.

### **(E) Inventory Valuation**

Inventories are valued at cost or net realizable price whichever is lower except scrap at net realizable value. The cost formula used for valuation of inventories are:-

1. Cost of stores & spares is calculated at estimated cost.
2. Wastes are valued at net realizable value.

### **(F) Depreciation**

- i) Depreciation for the year has been provided on Straight Line Method on the basis of useful lives specified in the Schedule-II of Companies Act, 2013 as against the amount of depreciation calculated on the basis of rates of depreciation in respect of various assets contained in schedule XIV of the Companies Act, 1956.

In view of this change carrying amounts of various tangible fixed assets as at 1st April, 2014. The carrying amounts as at 1st April, 2014 have been depreciated over the revised useful life of the assets as per schedule-II. The depreciation for the year is higher to the extent of Rs. 1067826/- on account of this change and accordingly the profit for the year is lower by Rs. 1067826/-

- ii) Assets costing Rs. 5000/- or less acquired during the year are depreciated at 100%.

### **(G) Accounting for Taxes on Income**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

### **(H) Employee Benefits**

- (i) Short - term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss statement of the year in which the related service is rendered.
- (ii) Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provision Act, 1952 and is charged to the Profit and Loss statement.
- (iii) The liability for Gratuity is not provided.
- (iv) Provision for leave encashment is made on the basis of cash basis.

## ***Parmeshwari Silk Mills Limited***

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### **(I) Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past event and it is probable that there will be outflow of resources. Contingent liability, which are considered significant and material by the company, are disclosed in the Notes to Accounts. Contingent Assets are neither recognised nor disclosed in financial statements.

### **(J) Investments**

Long term investments are carried "at cost" Less Provision, if any, for diminution in value, which is other than temporary.

### **(K) Segment Reporting**

The Company is a single segment company engaged in manufacturing of blended acrylic yarn. Accordingly the disclosure requirement as prescribed in the Accounting Standard (AS) -17 on Segment Reporting issued by the institution of Chartered Accountants of India is not applicable.

### **(L) Earning Per Share**

Basic earning per share is calculated 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. Earning considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preferences dividends and any attributable tax thereto for the period.

### **(M) Leases**

Rental Income from factory building given on operating lease, which can be renewed by the mutual consent of the parties after the expiry date, is recognised as income in the profit & loss statement .

- 27 In the opinion of the Board of Directors, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except as expressly stated otherwise..
- 28 Confirmation of balances, whether in debit or credit from parties have not been obtained. As such their effect on Profit & Loss Account cannot be reflected.
- 29 As per Accounting Standard (AS)-28 on "Impairment of Assets" At each Balance Sheet date, 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.
- 30 Earning Per Share- The numerators and denominators used to calculate Basic and Diluted Earning per Share.

<b>PARTICULARS</b>	<b>As at</b>	<b>As at</b>
	<b>31/03/2015</b>	<b>31/03/2014</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>1 Profit Attributable to the Equity Shareholders (A)</b>	<b>2582201.10</b>	18655186.79
2 Basic/Weighted average no. of Equity Shares o/s during the Year (B)	<b>3160300</b>	3160300
3 Nominal Value of Share Rs.	<b>10.00</b>	10.00
4 Basic/Diluted E.P.S. Rs. (A)/(B)	<b>0.82</b>	5.90

- 31 Previous year figures have been regrouped/recasted wherever necessary to make them comparable.
- 32 Detail of transactions entered into with the related parties during the year as required by Accounting Standard (AS)-18 on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are as under:

***Parmeshwari Silk Mills Limited***

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**(A) Transactions with the related parties**

<b>Name of Transactions during the year</b>	<b>Associate</b>	<b>Key Management Personnel</b>	<b>Relatives of Key Management Personnel</b>
Remuneration	NIL	3375000.00	NIL
Salary	4165000.00	408000.00	250434.00
Interest paid	4378104.00	NIL	NIL
Rent Paid	NIL	240000.00	NIL
Loan Taken	41035906.67	3147280.34	NIL
Loan Repaid	35885111.00	1422000.00	NIL
Sales	365968993.00	NIL	NIL
Purchase (Job work)	8377150.00	NIL	NIL

**FOR DAVINDER PAL SINGH &CO.**

**CHARTERED ACCOUNTANTS**

**SD/-  
INDERJIT KAUR  
(PARTNER)**

**M.NO. - 500143  
FRN :- 007601N**

## PARMESHWARI SILK MILLS LIMITED

CIN: L17116PB1993PLC012917

Registered Office: Village- Bajra, Rahon Road, Ludhiana

Email id: psmltex@gmail.com

### ATTENDANCE SLIP

to be surrendered at the time of entry

Folio No.	
DP ID No.	
Client ID No.	
No. of shares Held	
NAME OF PROXY (IN BLOCK LETTERS, TO BE FILLED IN IF THE PROXY ATTENDS INSTEAD OF THE MEMBER)	

I/We hereby record my/our presence at the 22nd Annual General Meeting of the Company being held on Saturday, the 26th September, 2015 at 02.00 P.M. at Village Bajra Rahon Road, Ludhiana-141007 to transact the following business:

Signature of Member/ Proxy

#### NOTES :

1. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the ENTRANCE OF THE MEETING HALL duly signed.
2. Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

#### ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	User ID	Password / PIN
150914051	Please enter your DP ID / CL ID or Folio No.	Use your existing password or enter your PAN with Bank A/c. No. / Date of Birth

**Note :** Please read the instructions printed under the Note No. 13 to the Notice of the 22nd Annual General Meeting. The Voting period starts from 09.00 a.m.(IST) on 23rd September, 2015 and ends at 5.00 p.m. (IST) on 25th September, 2015. The voting module shall be disabled by CDSL for voting thereafter.



## PARMESHWARI SILK MILLS LIMITED

CIN: L17116PB1993PLC012917

Registered Office: Village- Bajra, Rahon Road, Ludhiana

Email id: psmltex@gmail.com

### PROXY FORM

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

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

1. Name : ..... Address: .....  
 E-mail Id: ..... Signature: ..... or failing him/her
2. Name : ..... Address: .....  
 E-mail Id: ..... Signature: ..... or failing him/her
3. Name : ..... Address: .....  
 E-mail Id: ..... Signature: ..... or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the company, to be held on Saturday, the 26th day of September, 2015 at 02:00 pm at the Registered Office of the company at **Village- Bajra, Rahon Road, Ludhiana-141007** and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions	For	Against
1.	Adoption of Annual Accounts and Reports thereon for the financial year ended March 31, 2015		
2.	Reappointment of Mr. Jatinder Pal Singh as the Director of the Company.		
3.	Reappointment of M/s. Davinder Pal Singh & Co., Chartered Accountants, as statutory auditors of the company.		
4.	Appointment of Ms. Kuljeet Kaur as whole time director of the Company.		
5.	Appointment of Mr. Jatinder Pal Singh as the Whole Time Director of the Company.		
6.	Appointment of Ms. Simranjit Singh as Independent Director for the period of 5 Years.		
7.	Appointment of Mr. Deshbir Singh as Independent Director for the period of 5 Years.		

Signed on the .....day of....., 2015

Signature of shareholder.....

Signature of Proxy holder(s).....



**Note:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\* (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.





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VILLAGE BAJRA RAHON ROAD, LUDHIANA,  
PUNJAB-141007