

23RD ANNUAL REPORT  
2015 - 2016

**PARMESHWARI SILK MILLS LIMITED**

CIN: L17116PB1993PLC012917

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

Mr. Jatinder Pal Singh	Chairman & Executive Director
Ms. Kuljeet Kaur	Executive Director
Mr. Deshbir Singh( wef 14 <sup>th</sup> August, 2015)	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	Chief Financial Officer (CFO)
Mr. Sumit Bansal	Company Secretary (CS)

### **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  
SCO-6, IIIrd Floor,  
Feroze Gandhi Market, Ludhiana

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## NOTICE

**Notice** is hereby given that the 23<sup>rd</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 Thursday, September 29, 2016 at 1.30 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, 2016 and the Balance Sheet as on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint Ms. Kuljeet Kaur (DIN No. 01661755) as Director, who retires by rotation and being eligible, offers herself for re-appointment.
3. To re-appoint the 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, subject to ratification by members at every consequent Annual General Meeting at a remuneration to be decided by the board of Directors.”

### **Special Business**

#### **4. Authorization for Borrowings**

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

“**RESOLVED THAT** in supersession of the earlier resolution and pursuant to the provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded to authorize the Board of Directors (including Committee thereof) to borrow from time to time, at its discretion either from the Company’s Bank or any other bank, financial institution or any other lending institutions or Bodies Corporate(s) or such other persons as may be considered suitable by the Board of Directors for the purpose of Company’s business any sum or sums of money as it may deem proper notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company, if any, (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, if any, that is to say, reserves not set apart for any specific purpose provided that the total amount of moneys to be borrowed together with moneys already borrowed (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) shall not exceed ` 200 crores (Rupees Two Hundred crores only) outstanding at any one time and that for the implementation of this resolution the Board of Directors may act through any member thereof or any other person duly authorized by the Board of Directors in that behalf.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or a Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and expedient for giving effect to this resolution.

#### **5. Creation of charges / mortgages on the properties of the Company**

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

“**RESOLVED THAT** in supersession of the earlier resolution and pursuant to the provisions of Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof) the Company hereby accords its consent to the Board of Directors to mortgage and/or

charge in addition to the mortgages/charges created /to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of business and concern of the Company in certain events of default, in favour of the lender(s), agent(s), trustee(s) for securing the borrowings of the Company availed/ to be availed by way of loan(s) (in foreign currency and/or in rupee currency) working capital limits and securities (comprising of fully/partly convertible debentures and/or secured premium notes and/or floating rates notes/ bonds or other debt instruments), issued /to be issued by the Company, from time to time, in one or more tranches, upto an aggregate limit of ` 200 crores (Rupees Two Hundred crores only) as approved under Section 180(1)(c) of the Companies Act, 2013 together with interest at the respective agreed rates, additional interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the agent(s) and/or trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of the respective loan agreement(s), heads of agreement(s), debenture trust deed(s) or loan agreements or any other document entered into/ to be entered into between the Company and the lender(s)/ investor(s)/agent(s) and/or trustee(s) in respect of the said and continuing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that and agreed to between the Board of Directors or any Committees thereof and the lender(s), agent(s), and/ or trustee(s).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to finalize the documents and such other agreements for creation of charge as specified above and to do all such acts, deeds, matters and things as may be deemed necessary and expedient for giving effect to this resolution.”

**6. Approval of Related Party Transactions**

**To Consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution**

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent and approval of the Company be and is hereby accorded to the Board of Directors to enter into agreements for sale / purchase of fabrics and clothes with **M/s. Asees Textiles, M/s Classic Collections, M/s Ramtex, M/s Jaimal Singh and Satnam Singh and M/s Ramtex Exports** and for sale/purchase of fabrics , clothes and job work of manufacturing of clothes with **M/s Ramtex India**, for a period of three years w.e.f. 1<sup>st</sup> October 2016, which may be renewed with the mutual consent of parties thereto.”

“**RESOLVED FURTHER THAT** the Board of Directors, be and are hereby authorized to do all such acts, deeds or things as may be necessary to give effect to the above resolution.

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

**Date: 30<sup>th</sup> August, 2016  
Place: Ludhiana**

**Sd/-  
Jatinder Pal Singh  
Chairman**

**NOTES:**

1. A 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.
2. **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.

3. 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.
4. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
5. Brief Details of the Directors seeking appointment/reappointment at the Meeting along with the details of other Directorship and shareholding in the Company pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements), Regulation, 2015 forms part of the Notice.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 27<sup>th</sup> September 2016 to 29<sup>th</sup> September, 2016 (both days inclusive).
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 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.
9. The Register under Section 189 (4) of the Companies Act, 2013 shall be produced at the commencement of the meeting and shall remain open and accessible during the continuance of the meeting.
10. Notice of the 23<sup>rd</sup> Annual General Meeting and the Annual Report for the financial year 2015-16 will also be available on the Company's website i.e. [www.parmeshwarisilk.com](http://www.parmeshwarisilk.com). The above said notice will also be available on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com)
11. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s. Skyline Financial Services Private Limited.
12. The shares of the Company are at presently listed on Calcutta Stock Exchange Limited and company had applied to BSE Limited under Direct Listing route, application is in process. Till date, company is complying those requirements as specified by BSE.
13. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and

Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members' facility to exercise their right to vote at the 23<sup>rd</sup> AGM by electronic means and the business shall be transacted through e-voting services provided by Central Depository Services Limited ("CDSL"). The facility for voting through ballot paper will also be made available at the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.

14. The Board of Directors of the company has appointed Mr P.S. Bathla, Practicing Company Secretary (FCS: 4391/CP: 2585) as the Scrutinizer for e-voting and Physical Ballot Process at the AGM in a fair and transparent manner.
15. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.
16. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 23, 2016.
17. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 23, 2016 only shall be entitled to avail the facility of e-voting / Poll.
18. The Scrutinizer, after scrutinising the votes cast at the meeting (Poll) and through e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.parmeshwarisilk.com](http://www.parmeshwarisilk.com). The results shall simultaneously be communicated to the Stock Exchange(s).
19. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 29, 2016.
20. **The instructions for shareholders voting electronically are as under:**
  1. The procedure and instructions for members for e-voting are as under:-
    - (i) The voting period begins on Monday, 26<sup>th</sup> September, 2016 at 10:00 A.M. and ends on Wednesday, 28<sup>th</sup> September, 2016 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 23<sup>rd</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
    - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
    - (iii) Click on Shareholders.
    - (iv) Now Enter your User ID
      - a. For CDSL: 16 digits beneficiary ID,
      - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - (v) Next enter the Image Verification as displayed and Click on Login.
    - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an

earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

<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 first two letters of their name and the 8 digits of the sequence number in the PAN field.</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 Ramesh 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 (iv).</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

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

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for Parmeshwari Silk Mills Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile**



app while voting on your mobile.

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login 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.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (i) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

2. Name, designation, address, e-mail ID and phone number of the person responsible to address the grievances connected with the e-voting:

Mr. SUMIT BANSAL  
Company Secretary & Compliance Officer  
Village Bajra Rahon Road,  
Ludhiana-141007  
+91-161-2691873  
[www.parmeshwarisilk.com](http://www.parmeshwarisilk.com)

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2016**

### **Item No.4**

Section 180 (1) (c) of the Companies Act, 2013 requires the approval of company/ shareholders by a special resolution for exercise the borrowing powers. The Board accordingly recommends the resolution of borrowing upto an amount of '200 crores (Rupees two hundred crores only) for the approval of the members by a special resolution.

None of the Directors, Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise in the Special Resolution except to the extent of their shareholding in the Company

The Board of Directors of the Company, therefore, recommends passing of the Special Resolution at No. 4 of the Notice

### **Item No. 5**

Section 180(1) (a) of the Companies Act, 2013 requires the approval of company/ shareholders by a special resolution to exercise such powers. The Board accordingly recommend the resolution, for creation of security/ charges on the borrowings limits as approved by members under section 180(1) (c) of the Companies Act, 2013 for an amount not exceeding ' 200 crores (Rupees Two Hundred crores only), for the approval of the members by a special resolution.

None of the Directors, Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise in the Special Resolution except to the extent of their shareholding in the Company



The Board of Directors of the Company, therefore, recommends passing of the Special Resolution at Item No. 5 of the Notice.

**Item No.6**

**M/s. Asees Textiles, M/s Classic Collections, M/s Ramtex, M/s Ramtex Exports , M/s Ramtex India and M/s Jaimal Singh and Satnam Singh** are the Related Parties as per Section 2(76) and Section 188 of the Companies Act, 2013. **M/s. Asees Textiles, M/s Classic Collections, M/s Ramtex, M/s Ramtex Exports, M/s Jaimal Singh and Satnam Singh and M/s Ramtex India** are engaged in similar business. These firms regularly buy/sell clothes and fabrics etc. and also doing job work of manufacturing of clothes for the Company. All the transactions are being entered with the above said firms are in the ordinary course of business and are on Arm's length basis.

Your Company has intended to enter into agreements with **M/s. Asees Textiles, M/s Classic Collections, M/s Ramtex, M/s Ramtex Exports, Mr. Jaimal Singh and Satnam Singh and M/s Ramtex India** for a period of 3 years w.e.f. 1st October 2016 to 30<sup>th</sup> September, 2019.

Your Directors recommend the resolution as a Special Resolution for your approval under the Companies Act, 2013.

Mr. Jatinder Pal Singh and M/s. Kuljeet Kaur, Directors of the Company are proprietor in the above mentioned firms or their relative being proprietor in said firms.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except as stated above, may be deemed to be concerned / interested in the said resolution

**ANNEXURE TO THE NOTICE**

**Profile of the Directors Mentioned in Item no 2, seeking Reappointment/Appointment at the Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015.**

Name	Kuljeet Kaur
Director Identification Number (DIN)	01661755
Age	58 yrs
Qualification	Graduate
Expertise in specific area	Production and Administration
Date of First appointment on the board of the company	15/03/2005
Shareholding in Parmeshwari Silk Mills Ltd	86240
List of Directorship held in other companies	Satnam Fabrics Private Limited

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

**Date: 30<sup>th</sup> August, 2016  
Place: Ludhiana**

**Sd/-  
Jatinder Pal Singh  
Chairman**

**DIRECTORS' REPORT**

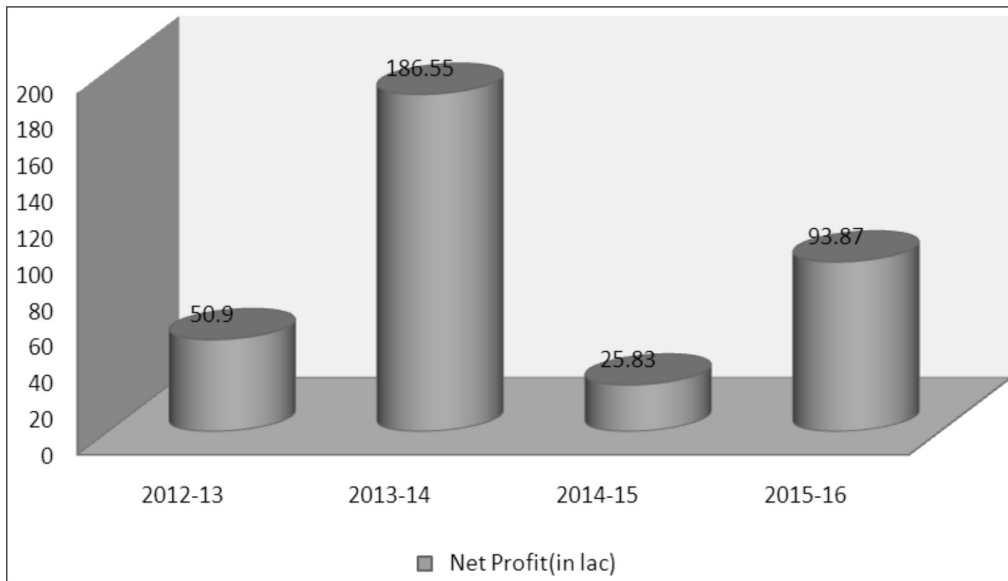
Your Directors have pleasure in presenting 23<sup>rd</sup> Annual Report together with the Audited Accounts of the Company for the Year ended March 31, 2016.

**SUMMARISED FINANCIAL HIGHLIGHTS**

The financial summary, performance highlights operations/state of affair of the company for the year is summarised below:

**In Lac**

<b>PARTICULARS</b>	<b>2015-16</b>	<b>2014-15</b>
Total income	8316.52	8157.74
Total Expenditure	7513.07	7435.57
Profit/Loss before interest, Depreciation and Tax	803.45	722.17
Interest and financial Charge	509.09	458.76
Profit/Loss before Depreciation and Tax	294.36	263.41
Depreciation & Extraordinary item	159.01	106.03
Net Profit/Loss before Tax	135.35	157.38
Tax Provision	41.48	131.55
<b>Net Profit/Loss</b>	<b>93.87</b>	<b>25.83</b>



**DIVIDEND**

To conserve the financial resources, the company has not recommended any dividend in the financial year 2015-16.

**RESERVES**

The Company has proposed to transfer Rs. 93, 87,125.09 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) Rule, 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 Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, is presented in a separate section forming part of the Annual Report.

**STATE OF COMPANY AFFAIRS**

Company lays emphasis on being customer-centric and further strives on a well organised 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.

**NUMBER OF MEETING OF THE BOARD**

During the year Fourteen (14) Board Meetings and Four Audit Committee Meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI(LODR), 2015.

**AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the provision of section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligation And Disclosure Requirement) regulation, 2015. The Composition of Audit Committee and details of meetings attended by its members are given below..

S.No.	Name of the Member	Status	Category
1	SIMRANJIT SINGH	Chairman	Non Executive Independent Director
2	DESHBIR SINGH*	Member	Non Executive Independent Director
3	JATINDER PAL SINGH	Member	Executive Director
4	KULJEET KAUR	Member	Executive Director
5	CHARANPREET KAUR RAJPAL**	Member	Non Executive Independent Director

\*Mr. Deshbir Singh was appointed as a Director of the board w.e.f. 14<sup>th</sup> August, 2015.

\*\*Ms. Charanpreet Kaur Rajpal ceased to be a director w.e.f. 27<sup>th</sup> August, 2015

**NOMINATION AND REMUNERATION COMMITTEE**

As on 31 March, 2016 the details of composition of the Nomination and Remuneration Committee are as under:

S.No.	Name of the Member	Status	Category
1	SIMRANJIT SINGH	Chairman	Non Executive Independent Director
2	DESHBIR SINGH*	Member	Non Executive Independent Director
3	JATINDER PAL SINGH	Member	Executive Director
4	KULJEET KAUR	Member	Executive Director
5	CHARANPREET KAUR RAJPAL**	Member	Non Executive Independent Director

\*Mr. Deshbir Singh appointed as a Director of the board w.e.f. 14<sup>th</sup> August, 2015

\*\*Ms. Charanpreet Kaur Rajpal ceased to be a director w.e.f. 27<sup>th</sup> August, 2015

**DIRECTORS /KEY MANAGERIAL PERSONNEL**

Mr. Rai Sahib (DIN: 01582498), a Non Executive Independent Director of the Company who was associated with the Company since, 28th August, 2014 had resigned w.e.f. 7th August, 2015 from the directorship of the Company due to his personal occupancy. The resignation for the same was accepted by the board through a resolution carried in the Board Meeting held on August 7th, 2015. The Board places on record its appreciation for the services rendered by him during his tenure as a Director

Ms. Charanpreet Kaur Rajpal (DIN: 03325422), a Non Executive Independent Director of the Company who was associated with the Company since, 28th August, 2014 had resigned w.e.f. 27th August, 2015 from the directorship of the Company due to her personal occupancy. The resignation for the same was accepted by the board through a resolution carried in the Board Meeting held on August 27th, 2015. The Board places on record its appreciation for the services rendered by her during her tenure as a Director

During the year the Board of Director had appointed Mr. Deshbir Singh (DIN: 07263846) as Additional Non- Executive Independent Director of the Company at the board meeting held on 14th August, 2015.

Ms. Kuljeet Kaur (DIN: 01661755) will be retiring by rotation at the ensuing Annual general Meeting and being eligible offer herself for re-appointment. The Board recommends her re-appointment to the members of the company at the ensuing Annual General Meeting.

During the year the Board of Directors appointed Mr. Sumit Bansal as a Company Secretary (Key Managerial Personnel) w.e.f. from 21.01.2016 in place of Ms. Swati Khatter who worked as Company Secretary from December 19, 2015 to January 20, 2016.

### **EXTRACT OF ANNUAL RETURN**

The details forming part of extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure-2".

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

All Independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Rules made thereunder.

### **BOARD EVALUATION**

The provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate that a Formal Annual Evaluation is to be made by Board of its own performance and that of its Committee and individual Directors. Schedule IV of the Companies Act, 2013 states that performance evaluation of the Independent Director shall be done by Directors excluding the Director being evaluated. The Board carried out a formal annual performance evaluation as per the criteria/framework laid down by the Nomination and Remuneration Committee of the company and adopted by the Board. The evaluation was carried out through a structured evaluation process to judge the performance of individual directors including the Chairman of the Board. They were evaluated on parameters such as their education, knowledge, experience, expertise, skills, behavior, leadership qualities, level of engagement and contribution, independence of judgment, decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders. The performance evaluation of the Independent Directors was carried out by the entire board except the participation of concerned Independent Director whose evaluation was to be done. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board was satisfied with the evaluation process and approved the evaluation results thereof.

### **APPOINTMENT AND REMUNERATION POLICY**

The Board on the recommendation of the Nomination and Remuneration Committee has framed a policy for Appointment and Remuneration of Directors, Senior Management and other employees as provided under section 178(3) of the Companies Act, 2013. The Objective of the Policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors.

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

#### **A. STATUTORY AUDITOR:**

The members at the Annual General Meeting held on 26th September, 2015, appointed M/s Davinder Pal Singh & Co., Chartered Accountants (Registration No. 007601N) as Statutory Auditors of the Company to hold office till the conclusion of 23<sup>rd</sup> Annual General Meeting of the Company. Their period of office will expire at the ensuing Annual General Meeting. They have expressed their willingness for re-appointment as Auditors of the Company. They have given a written consent/certificate regarding eligibility for their reappointment as Statutory Auditors

in accordance with the Rule 4 of the Companies (Audit and Auditors) Rule, 2014 read with the provisions of section 139(2) of the Companies Act, 2013

The Board on the recommendation of the Audit Committee has proposed the appointment of M/s Davinder Pal Singh & Co., Chartered Accountants, as the Statutory Auditors of the Company for a period of one year to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

**B. SECRETARIAL AUDITOR:**

Pursuant to provision of section 204 of the Companies act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 the Company has appointed Mr. P.S. Bathla, Company Secretary in Practice to undertake Secretarial Audit of the Company. The Secretarial Audit report for the year 2015-2016 is annexed herewith as "Annexure-1".

There are no qualification and reservation or adverse remark or disclaim made by the Statutory Auditor/Secretarial Auditor in their respective reports.

The Statutory Auditor has not reported any incident of fraud to the Audit Committee of the Company during the year under review.

**C. INTERNAL AUDITOR:**

The Company had appointed Mr. Ranbir Singh as Internal Auditor for the period 2015-2016 to carry out the Internal Audit Functions. The Internal Auditor submits a quarterly report to Audit Committee.

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

The Company has not given loans or guarantees and has not made any investment covered under the provision of the section 186 of the Companies Act, 2013.

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

All contracts/arrangements/transactions entered into during the financial year with the related parties were on arm's length basis and were in the ordinary course of business. There were no loans and advances from / to the firms/companies in which the Directors are interested.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY**

There are no material changes and commitments noticed by the Board between the end of financial year of the company, i.e. 31-03-2016 and the date of the report.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

To the best of management knowledge, no significant and material orders were passed by regulators or courts or tribunals which could impact the going concern status and company's operation in future.

**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**

The Company has constituted a Risk Management Committee as per the Regulation 21 of the SEBI (LODR) Regulations, 2015. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. Pursuant to section 134 (3) (n) of Companies Act 2013 the company regularly maintains the proper check in normal cause 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 the Companies Act, 2013, the company does not full fill the criteria of the net worth, turnover and profit for Corporate Social Responsibility (CSR), hence the same is not applicable to the company.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

As per Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and also posted on the website of company.

**CORPORATE GOVERNANCE REPORT**

As per Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, a separate section on corporate governance practices followed by the company, together with the certificate from the company's Secretarial Auditor confirming compliance forms an integral part of this Report.

**HUMAN RESOURCES**

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

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company has a Internal Control System, commensurate with the size, scale and complexity of its operations. 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 procedure and policies. Bases on the report of the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

**LISTING AGREEMENT**

To streamline the provisions of the Listing Agreement and its better enforceability the Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The said Regulation became effective from 1st December, 2015. In compliance of the said Regulations the Company had entered into Listing agreement with Calcutta Stock Exchange Ltd..

The Company has paid listing fee to the Stock Exchange for the financial year 2016-17.

**FAMILIARISATION PROGRAMME FOR BOARD MEMBERS**

The Company at the time of appointing a Director, issues a formal letter of appointment which inter alia, explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. All Independent Directors are provided with all policies/ Guidelines as framed by the Company under various statutes and Listing Agreement/ SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to familiarize them with Company's procedure and practices. Further, to update them on regular basis, the Company provides copies of all amendments in Corporate Laws, Corporate Governance Rules and Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company also made arrangement to apprise and familiarize the directors regarding the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into effect w.e.f 1st December,2015. They were also informed regarding the Companies Amendment Bill 2016 which is introduced in the Parliament. The details of the Company's policy on Familiarisation Programs for Independent Directors is posted on the website of the company.

**PERSONNEL RELATIONS**

Your directors hereby place on record their appreciation for the services rendered by the executives, staff and workers of the Company for their hard work, dedication and commitment. During the year under review, relations between the employees and the management continued to remain cordial.



**CODE OF CONDUCT**

The Board of Directors has laid down the code of conduct for all the Board Members and members of the senior Management of the Company. Additionally all Independent directors of the company shall be bound by duties of Independent Directors as set out in Companies Act, 2013 read with schedules and Rules there under.

All the Board Members Senior Management Personnel have affirmed compliance with the Code of Conduct.

The Code of Conduct is available on the website of the company.

**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 Two Executive Directors and remuneration paid to them is disclosed in MGT-9. 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 the 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 have 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 provision of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The director had prepared the annual accounts on a going concern basis;

(e) The director 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: 30<sup>th</sup> August, 2016  
Place: Ludhiana**

**Sd/-  
Jatinder Pal Singh  
Chairman**



**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/  
associate companies/joint ventures**

**Part “A”: Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Name of the subsidiary	None
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Currency: Indian Rupee and Exchange Rate: Not Applicable
4.	Share capital	Not Applicable
5.	Reserves & surplus	Not Applicable
6.	Total assets	Not Applicable
7.	Total Liabilities	Not Applicable
8.	Investments	Not Applicable
9.	Turnover	Not Applicable
10.	Profit before taxation	Not Applicable
11.	Provision for taxation	Not Applicable
12.	Profit after taxation	Not Applicable
13.	Proposed Dividend	Not Applicable
14.	% of shareholding	Not Applicable

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

**Part “B”: Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>Name of associates/Joint Ventures</b>	<b>None</b>
1. Latest audited Balance Sheet Date	31.03.2016
2. Shares of Associate/Joint Ventures held by the company on the year end	None
No.	Not Applicable
Amount of Investment in Associates/Joint Venture	Not Applicable
Extend of Holding%	Not Applicable
3. Description of how there is significant influence	Not Applicable
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Not Applicable
6. Profit/Loss for the year	
i. Considered in Consolidation	Not Applicable
ii. Not Considered in Consolidation	Not Applicable

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**PLACE: LUDHIANA  
DATE: 30.08.2016**

**JATINDER PALSINGH  
DIRECTOR  
DIN:01661864**

**KULJEET KAUR  
DIRECTOR  
DIN: 01661755**

**FORM NO. AOC. 2**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

***(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)***

**1. Details of contracts or arrangements or transactions not at arm's length basis None**

- (a) Name(s) of the related party and nature of relationship : Not Applicable
- (b) Nature of contracts/arrangements/transactions : Not Applicable
- (c) Duration of the contracts/arrangements/transactions : Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any : Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions : Not Applicable
- (f) date(s) of approval by the Board : Not Applicable
- (g) Amount paid as advances, if any : Not Applicable
- (h) Date on which the special resolution was passed in General meeting as required under first proviso to section 188: Not Applicable

**2. Details of material contracts or arrangement or transactions at arm's length basis**

- (a) Name(s) of the related party and nature of relationship As per Annexure
- (b) Nature of contracts/arrangements/transactions As per Annexure
- (c) Duration of the contracts/arrangements/transactions As per Annexure
- (d) Salient terms of the contracts or arrangements or transactions As per Annexure including the value, if any:
- (e) Date(s) of approval by the Board, if any: As per Annexure
- (f) Amount paid as advances, if any: As per Annexure

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**PLACE: LUDHIANA  
DATE: 30.08.2016**

**JATINDER PALSINGH  
DIRECTOR  
DIN:01661864**

**KULJEET KAUR  
DIRECTOR  
DIN: 01661755**

**LIST OF RELATED PARTIES**

<b>S.No.</b>	<b>Particulars</b>	<b>Details</b>
(1)	Name of related party and nature of relationship	1. Mr. Jatinder Pal Singh (Whole Time Director) 2. Ms. Kuljeet Kaur (Whole Time Director) 3. Mr. Sukhdev Singh (Chief Financial Officer) 4. Mr. Sumit Bansal (Company Secretary) 5. Ms. Dipneet Kaur 6. Mr. Mandeep Singh 7. Mr. Asees Singh 8. Ms. Kwardeep Kaur 9. M/s Satnam Fabrics pvt. Ltd. 10. M/s Ramtex Export 11. M/s Shirting Shop 12. M/s Ramtex India 13. M/s Jaimal Singh Satnam Singh 14. Mr. Maninder Singh 15. Mr. Satnam Singh 16. M/s Classic Collections 17. M/s Asees Textiles 18. M/s Ramtex
(2)	Nature of contracts/arrangements/transaction	
	<b><u>Key Managerial Personnel</u></b>	<b><u>Transactions</u></b>
	Mr. Jatinder Pal Singh	Remuneration Paid Loan Taken Loan Repaid
	Ms. Kuljeet Kaur	Remuneration Paid Loan Taken
	Mr. Sukhdev Singh	Remuneration Paid
	Mr. Sumit Bansal	Remuneration Paid
	<b><u>Related Parties</u></b>	<b><u>Transactions</u></b>
	Ms. Dipneet Kaur	Remuneration Loan Taken
	Mr. Mandeep Singh	Remuneration
	Mr. Asees Singh	Remuneration Interest Paid Loan Taken
	Ms. Kwardeep Kaur	Remuneration
	M/s Satnam Fabrics pvt. Ltd	Interest Paid Loan Taken Loan Repaid
	M/s Ramtex Export	Interest Paid Purchase Job Work Loan Taken Loan Repaid Sale
	M/s Shirting Shop	Interest Paid Loan Repaid
	M/s Ramtex India	Purchase Job Work Loan Taken Sale

	M/s Jaimal Singh Satnam Singh	Loan Taken
	Mr. Maninder Singh	Loan Taken
	Mr. Satnam Singh	Loan Repaid
	M/s Classic Collections	Sales
	M/s Asees Textiles	Sales
	M/s Ramtex	Sales
(3)	Duration of the contracts/arrangements/transaction Running	
(4)	Salient terms of the contracts or arrangements or transaction including the value, if any	
	<b>Key Managerial Personnel</b>	<b>Transactions</b>
		<b>Amount (Rs.)</b>
	Mr. Jatinder Pal Singh	Remuneration Paid Loan Taken Loan Repaid
		1550000 4217000 392383
	Ms. Kuljeet Kaur	Remuneration Paid Loan Taken
		1475000 1038000
	Mr. Sukhdev Singh	Remuneration Paid
	Mr. Sumit Bansal	Remuneration Paid
		530188 81013
	<b>Related Parties</b>	
	Ms. Dipneet Kaur	Remuneration Loan Taken
		1175000 694000
	Mr. Mandeep Singh	Remuneration
	Mr. Asees Singh	Remuneration Interest Paid Loan Taken
		900000 240000 52509 220706
	Ms. Kawardeep Kaur	Remuneration
	M/s Satnam Fabrics pvt. Ltd	Interest Paid Loan Taken Loan Repaid
		1223976 2650000 6966690
	M/s Ramtex Export	Interest Paid Purchase Job Work Loan Taken Loan Repaid Sale
		6064396 820060 10650000 3860644 836468
	M/s Shirting Shop	Interest Paid Loan Repaid
		916592 12694291
	M/s Ramtex India	Purchase Job Work Loan Taken Sale
		899850 4200000 28151390
	M/s Jaimal Singh Satnam Singh	Loan Taken
	Mr. Maninder Singh	Loan Taken
	Mr. Satnam Singh	Loan Repaid
	M/s Classic Collections	Sales
	M/s Asees Textiles	Sales
	M/s Ramtex	Sales
		1000000 589000 250000 79972411 95642781 15244452
(5)	Date of approval by the Board	30 <sup>th</sup> August, 2016
(6)	Amount paid as advances, if any	NIL

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**PLACE: LUDHIANA  
DATE: 30.08.2016**

**JATINDER PALSINGH  
DIRECTOR  
DIN:01661864**

**KULJEET KAUR  
DIRECTOR  
DIN: 01661755**

**Annexure - 1  
Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDING 31<sup>ST</sup> MARCH, 2016**

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

To,  
The Members,  
Parmeshwari Silk Mills Limited.  
Village BajraRahon Road  
Ludhiana  
Punjab

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s 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 my 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 my opinion, the company has, during the audit period covering the **financial year** 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 complied with the statutory provisions listed here under 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:

1. 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 **31<sup>st</sup> March, 2016** according to the provisions of:
  - I. The Companies Act, 2013 (the Act) and the rules made thereunder;
  - II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - 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; and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**Not Applicable as the Company has not issued further capital during the financial year under review**)
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (**Not Applicable, as the Company has not made any such scheme during the Audit Period under review**)
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not**

***Applicable, as the Company has not issued Debt Securities during the Audit Period under review)***

- (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; ***(Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial Year under review);***
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and ***(Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review).***
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; ***(Not applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review.)***

(VI) Textiles (Development and Regulation) Order, 2001

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Limited read with SEBI (LODR) Regulations, 2015

I Report that during the period under review the Company has complied with the provisions of The Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

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

**I further report** that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Ludhiana  
Dated: 30<sup>th</sup> August, 2016

**For P S Bathla & Associates**  
Parminder Singh Bathla  
**Company Secretary**  
FCS No. 4391  
C.P No. 2585

SCO-6, Feroze Gandhi Market  
Ludhiana.

### **Note:**

**This Report is to be read with my Letter of even date which is annexed as Annexure A and forms an integral part of this report.**

**'Annexure A'**

To,  
The Members,  
Parmeshwari Silk Mills Limited.  
Village BajraRahon Road  
Ludhiana  
Punjab

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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process 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 my 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. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ludhiana

Dated:30<sup>th</sup> August, 2016

**For P S Bathla & Associates**

Parminder Singh Bathla  
**Company Secretary**  
FCS No. 4391  
C.P No. 2585

SCO-6, Feroze Gandhi Market  
Ludhiana.



**Annexure - 2**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2016**

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	<b>CIN</b>	: L17116PB1993PLC012917
ii)	<b>Registration Date</b>	: 08/01/1993
iii)	<b>Name of the Company</b>	: Parmeshwari Silk Mills limited
iv)	<b>Category/Sub Category</b>	: Company Limited By Shares/Indian Non Govt Co.
v)	<b>Address of the registered office and contact details:</b>	: Village Bajra Rahon Road, Ludhiana, PB-141007
vi)	<b>E-mail</b>	: psmltex@gmail.com
vii)	<b>Whether listed company</b>	: YES
	Stock Exchange	: Calcutta Stock Exchange Limited
vii)	<b>Name, Address and Contact details of R&amp;TA</b>	
	Name	: Skyline Financial Services Private Limited
	Address	: D-153, 1 <sup>st</sup> Floor, Okhla Ind. Area, Phase-1, New Delhi-110020
	Contact Details	: Telephone: 011-26812682/2683
		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:-

S. No.	Name and Descriptions 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:**

S. 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
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
1) <i>Indian</i>									
a) <b>Individual/ HUF</b>		1292695	1292695	40.90	1292695	0	1292695	40.90	0
b) <b>Central Govt</b>	0	0	0	0	0	0	0	0	0
c) <b>State Govt (s)</b>	0	0	0	0	0	0	0	0	0
d) <b>Bodies Corp</b>		240000	240000	7.60	240000	0	240000	7.60	0
e) <b>Banks / FI</b>	0	0	0	0	0	0	0	0	0
f) <b>Any Other</b>	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>1532695</b>	<b>0</b>	<b>1532695</b>	<b>48.50</b>	<b>0</b>
2) <i>Foreign</i>									
g) <b>NRIs-Individuals</b>	0	0	0	0	0	0	0	0	0
h) <b>Other-Individuals</b>	0	0	0	0	0	0	0	0	0
i) <b>Bodies Corp.</b>	0	0	0	0	0	0	0	0	0
j) <b>Banks / FI</b>	0	0	0	0	0	0	0	0	0
k) <b>Any Other....</b>	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>B. Public Shareholding</b>									
1. <i>Institutions</i>									
a) <b>Mutual Funds</b>	0	0	0	0	0	0	0	0	0
b) <b>Banks / FI</b>	0	0	0	0	0	0	0	0	0
c) <b>Central Govt</b>	0	0	0	0	0	0	0	0	0
d) <b>State Govt(s)</b>	0	0	0	0	0	0	0	0	0
e) <b>Venture Capital Funds</b>	0	0	0	0	0	0	0	0	0
f) <b>Insurance Companies</b>	0	0	0	0	0	0	0	0	0
g) <b>FIs</b>	0	0	0	0	0	0	0	0	0
h) <b>Foreign Venture Capital Funds</b>	0	0	0	0	0	0	0	0	0
i) <b>Others (specify)</b>	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>
2. <i>Non Institutions</i>									
a) <b>Bodies Corp. (i) Indian (ii) Overseas</b>	0	661300	661300	20.93	0	0	0	0	(20.93)
b) <b>Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh</b>	0	402165	402165	12.72	2980	391985	394965	12.50	(0.22)
	0	564140	564140	17.85	500300	732340	1232640	39.00	21.15
c) <b>Others(Specify)</b>	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>503280</b>	<b>1124325</b>	<b>1627605</b>	<b>51.50</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>0</b>	<b>1627605</b>	<b>1627605</b>	<b>51.50</b>	<b>503280</b>	<b>1124325</b>	<b>1627605</b>	<b>51.50</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</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>Grand Total(A+B+C)</b>	<b>0</b>	<b>3160300</b>	<b>3160300</b>	<b>100</b>	<b>2035975</b>	<b>1124325</b>	<b>3160300</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters**

Sr. No	Shareholder's 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	-	393067	12.44	-	3.42
2.	Maan Silk Mills Pvt. Ltd	240000	7.60	-	240000	7.60	-	-
3.	Satnam Singh	218117	6.90	-	-	-	-	(6.90)
4.	Prabhpreet Kaur	161113	5.10	-	161113	5.10	-	-
5.	Asees Singh	130000	4.11	-	155000	4.90	-	0.79
6.	Dipneet Kaur	119230	3.77	-	119230	3.77	-	-
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	-	44160	1.40	-	0.08
11.	Ajinderpal Singh	29255	0.93	-	139255	4.41	-	3.48
12.	Mandeep Singh	25590	0.81	-	25590	0.81	-	-
13.	Savinderpal Singh	16800	0.53	-	16800	0.53	-	-
14.	Jasmeet kaur	15000	0.47	-	-	-	-	(0.47)
15.	Jatinderpal Singh & Sons HUF	10660	0.34	-	10660	0.34	-	-
16.	Sukhpreet Kaur	10000	0.32	-	-	-	-	(0.32)
17.	Kawardeep Kaur	2560	0.08	-	-	-	-	(0.08)
	<b>Total</b>	<b>1532695</b>	<b>48.50</b>	<b>-</b>	<b>1532695</b>	<b>48.50</b>	<b>-</b>	<b>-</b>

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

-----No Change-----

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

Sr. No.	Name of the shareholder	Number of shares held at the beginning of the year		Number 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	-	-
2	Sanjeev Singh	198900	6.29	198900	6.29
3.	Exalt Fincap Ltd	99500	3.15	-	-
4	Parvinder Pal Kaur	125325	3.96	125325	3.96
5	Charanjeet Singh	Nil	0.00	63200	2.00
6	Montek Singh	Nil	0.00	63100	2.00
7	Manpreet Kaur	20000	0.63	60153	1.90

8	Balwinder Singh Padda	50000	1.58	50000	1.58
9	Gursharan Kaur	49700	1.57	49700	1.57
10	Ramnil Gupta	47700	1.51	47700	1.51
11	Lakshay Garg	19900	0.63	39800	1.26
12	Harjit Kaur	Nil	0.00	32080	1.01
13	Harvinder Kaur	Nil	0.00	32080	1.01
	<b>TOTAL</b>	<b>1108325</b>	<b>35.06</b>	<b>762038</b>	<b>24.09</b>

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. 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
<b>A)</b>	<b>Jatinder Pal Singh</b>				
	At the beginning of the year	284950	9.02	393067	12.44
	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.)	108117	3.42		
	At the end of the year	393067	12.44	393067	12.44

<b>B)</b>	<b>Kuljeet Kaur</b>				
	Shareholding at the beginning of the year				
		No of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	86240	2.73	86240	2.73
	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.)	No Change during the year			
	At the end of the year	86240	2.73	86240	2.73

<b>C)</b>	<b>Simranjit Singh</b>				
	Shareholding at the beginning of the year				
		No of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0.00	0	0.00
	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.)	No Change during the year			
	At the end of the year	0	0.00	0	0.00

D)	Deshbir Singh	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0.00	0	0.00
	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.)	No Change during the year			
	At the end of the year	0	0.00	0	0.00

**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	309011695.07	92117958.27	-	401129653.34
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>			-	401129653.24
<b>Change in Indebtedness during the financial year</b>				
• Addition		11009930.4	-	11009930.4
• Reduction	(27182191.1)	-	-	(27182191.1)
<b>Net Change</b>	(27182191.1)	11009930.4	-	(16172260.7)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	281829503.97	103127888.67	-	384957392.64
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	281829503.97	103127888.67	-	384957392.64

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl. No.	Particulars of Remuneration	Whole Time Director	Whole Time Director	Total Amount
		<b>Jatinder Pal Singh</b>	<b>Kuljeet Kaur</b>	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1550000	1475000	3025000
	(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.	Total(A)	1550000	1475000	3025000
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.				

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total Amount
	Independent Directors	-	-	-	-	-
	•Fee for attending board committee meetings	-	-	-	-	-
	•Commission	-	-	-	-	-
	•Others ,please specify	-	-	-	-	-
	<b>Total(1)</b>					
	Other Non-Executive Directors					
	•Fee for attending board committee meetings	-	-	-	-	-
	•Commission	-	-	-	-	-
	•Others ,please specify	-	-	-	-	-
	<b>Total(2)</b>	-	-	-	-	-
	<b>Total(B)=(1+2)</b>	-	-	-	-	-
	<b>Total Managerial Remuneration</b>	-	-	-	-	-
	<b>Over all Ceiling as per the Act</b>	-	-	-	-	-

C. Remuneration of Key Managerial Personnel Other Than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary Sumit Bansal	CFO Sukhdev Singh	
1.	Gross salary	-	81013	530188	611201
	(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.	Total	-	81013	530188	611201

**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)
A. Company	NIL	NIL	NIL	NIL	NIL
Penalty					
Punishment					
Compounding					
B. Directors	NIL	NIL	NIL	NIL	NIL
Penalty					
Punishment					
Compounding					
C. Other Officers In Default	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 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (hereinafter referred to as SEBI LODR Regulations, 2015) incorporate certain mandatory disclosure requirements which shall be made with regard to Corporate Governance (Part C of Schedule V).

### **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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

<b>S.No.</b>	<b>Name</b>	<b>DIN</b>	<b>Category</b>
1.	KULJEET KAUR	01661755	Executive Director
2.	JATINDER PAL SINGH	01661864	Executive Director
3.	SIMRANJIT SINGH	07048593	Non Executive Independent Director
4.	DESHBIR SINGH*	07263846	Non Executive Independent Director
5.	RAI SAHIB**	01582498	Non Executive Independent Director
6.	CHARANPREET KAUR RAJPAL***	03325422	Non Executive Independent Director

\*Mr. Deshbir Singh appointed as a Director w.e.f.14.08.2015

\*\*Mr. Rai Sahib ceased to be a Director w.e.f 07.08.2015

\*\*\*Ms. Charanpreet Kaur Rajpal ceased to be a director w.e.f. 27.08.2015

i. As on March 31, 2016, the Company has Four Directors with a Executive Chairman. Out of the Four Directors two are Executive Directors and two are Non Executive Independent Directors (i.e. 50 %). 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. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanship /Memberships held by them in other companies is given below.

<b>Name</b>	<b>Number of Board MeetingsHeld during the year 2015-2016</b>		<b>Whether attended lastAGM held on 30<sup>th</sup> September, 2015</b>	<b>No. of Directorship in other companies</b>
	<b>Held</b>	<b>Attended</b>		
KULJEET KAUR	14	14	Yes	1
JATINDER PAL SINGH	14	14	Yes	1
DESHBIR SINGH	14	9	Yes	Nil
SIMRANJIT SINGH	14	14	Yes	Nil
CHARANPREET KAUR RAJPAL	14	06	No	Nil
RAI SAHIB	14	04	No	5

None of the present directors are "Relative" of each other as defined in Section 2 (77) of Companies Act, 2013 and Rule 4 of the companies (Specification of definitions details) Rule 2014

During the period, the Board of Directors of your Company met 14 (Fourteen) times. The dates on which the meetings were held are 27<sup>th</sup> May, 2015, 2015, 23<sup>rd</sup> June 2015, 29<sup>th</sup> June, 2015, 07<sup>th</sup> August, 2015, 14<sup>th</sup> August, 2015, 27<sup>th</sup> August, 2015, 28<sup>th</sup> August, 2015, 21<sup>st</sup> September, 2015, 06<sup>th</sup> October, 2015, 05<sup>th</sup> November, 2015, 19<sup>th</sup> December, 2015, 11<sup>th</sup> January, 2016, 20<sup>th</sup> January, 2016, 12<sup>th</sup> February, 2016, and the gap requirement of 120 days between two meetings has been complied with. The necessary quorum was present for all the meetings.

The company issued formal letters of appointment to independent directors in the manner as provided in the Companies Act, 2013.

The company has formulated a policy to familiarize the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes. The details of such familiarization programmes are disclosed in the website of the company.

#### **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 Non-Executive Director during the financial year 2015-16.

### **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 Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of Companies Act, 2013.
- ii. The terms of reference of the Audit Committee are as per the Companies Act 2013 and the listing agreement in compliance of SEBI (LODR) Regulations 2015.
- 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 26<sup>th</sup> September 2015 and was attended by Mr.Simranjit Singh, 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	4
2.	Deshbir Singh*	Member	4	2
3.	Jatinder Pal Singh	Member	4	4
4.	Kuljeet Kaur	Member	4	4
5.	Charanpreet Kaur Rajpal**	Member	4	2

\*Mr. Deshbir Singh appointed as a Director on the Board w.e.f. 14<sup>th</sup> August, 2015.

\*\*Ms. Charanpreet Kaur Rajpal ceased to be a director w.e.f 27<sup>th</sup> August, 2016.

- vi. Four Audit Committee meetings were held during the year 2015-16 on 27<sup>th</sup> May, 2015, 07<sup>th</sup> August, 2015, 05<sup>th</sup> November, 2015 and 12<sup>th</sup> February, 2016. 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)**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations, 2015, the Board has constituted Stakeholders' Relationship 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	4
2.	Deshbir Singh	Member	4	2
3.	Jatinder Pal Singh	Member	4	4
4.	Kuljeet Kaur	Member	4	4

- vi. Four Stakeholders Relationship Committee meetings were held during the year 2014-15 on 27<sup>th</sup> May, 2015, 07<sup>th</sup> August, 2015, 05<sup>th</sup> November, 2015 and 12<sup>th</sup> February, 2016. 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 demat of shares/sub-division/consolidation/issue of renewed/ duplicate share certificate etc.
- vi. **Name, designation and address of Compliance Officer:**  
Mr. Sumit Bansal (Company Secretary)  
**Parmeshwari Silk Mills Limited**  
Village Bajra Rahon Road,  
Ludhiana, Punjab-141007

**vii. Details of investor complaints received and redressed during the year 2015-16 are as follows:**

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NIL	NIL

**C. Nomination and Remuneration Committee**

**Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI LODR Regulations, 2015, the Board constituted the Nomination and Remuneration Committee**

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 27<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 5<sup>th</sup> November, 2015 & 12<sup>th</sup> February, 2016 and all of the committee meetings were chaired during the year by Simaranjit Singh who has been appointed as chairman. Mr. Deshbir Singh was inducted in to the committee during the year and attended both of the meetings. The details of the composition of the Remuneration Committee are as under:

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

**WHISTLE BLOWER POLICY**

As per companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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**

As per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 31, 2016, 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.
- 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 Regulation 19 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.

**RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 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, 2016 ARE GIVEN BELOW:**

S. No.	Name	No. of Share held
1.	Simranjit Singh	Nil
2.	Deshbir 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:

Financial Year	Day and Date	Location	Time	Any Special Resolution passed
2012-13	Monday September 30, 2013	VILLAGE- BAJRA, RAHON ROAD, LUDHIANA-141007	11:30 AM	NO
2013-14	Tuesday September 30, 2014	VILLAGE- BAJRA, RAHON ROAD, LUDHIANA-141007	11:30 AM	NO
2014-15	Saturday September 26, 2015	VILLAGE- BAJRA, RAHON ROAD, LUDHIANA-141007	02:00 PM	YES

- b. No Extraordinary General Meeting of the Members was held during the year 2015-16.
- c. No Postal Ballot was conducted during the year 2015-16.

**VI. SUBSIDIARY COMPANY**

The Company does not have any subsidiary Company.

**VII. 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).

**VIII. General Shareholder Information**

**S. No. Information**

- i. Annual General Meeting
  - Date and Time : 29<sup>th</sup> September, 2016 at 1:30 PM
  - Venue : Village Bajra Rahon Road, Ludhiana-141007
- ii. Financial Year ending : 31<sup>st</sup> March, 2016
- iii. Book Closure Date : 27<sup>th</sup> September , 2016 to 29<sup>th</sup> September, 2016 (Both days inclusive)
- iv. Listing on Stock Exchange : Calcutta Stock Exchange limited.
- v. Dividend payment date : Dividend is not recommended by the board during 2015-16
- 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, 2016:

Shareholding of Nominal value of Rs. 10/-	No. of Shareholders	% of Shareholders	No. of Shares held	Amount	% to total
Up to 5000	730	81.38	116400	1164000	3.68
5001-10000	64	7.13	62660	626600	1.98
10001-20000	31	3.46	54005	540050	1.70
20001-30000	01	0.11	2400	24000	0.76
30001-40000	14	1.56	54800	548000	1.73
40001-50000	10	1.11	49200	492000	1.55
50001-100000	06	0.67	55500	555000	1.76
100001 & above	41	4.58	2765335	27653350	87.50



Categories of Equity shareholder as on March 31, 2016

	<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	-	-
	ii. Indian Public	1627605	51.50
	iii. NRI's/OCB's	-	-
	iv. Any Other (HUF/Firm/Forien 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.

Xiii Demat ISIN Number                      IN9808R01010

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: 30<sup>th</sup> August, 2016  
Place: Ludhiana**

**Sd/-  
Jatinder Pal Singh  
Chairman**

**CEO/CFO CERTIFICATION**

I, Sukhdev Singh, Chief Financial Officer have reviewed the financial statements and the cash flow statement of PARMESHWARI SILK MILLS LIMITED for the financial year 2015-16 and certify that:

a) These statements to the best of my knowledge and belief:

I. Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading:

II. 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 our knowledge and belief, there are no transactions entered into by the Directors and Senior Management Personnel during the year, which are fraudulent, illegal or violate of the Company's Code of Conduct.

c) I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. I have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware of and the steps taken and/or proposed to be taken to rectify these deficiencies.

d) I have also indicated to the Auditors and the Audit Committee.

(i) Significant changes in Internal Controls with respect to financial reporting during the year.

(ii) Significant changes in accounting policies during the Year and these have been disclosed in the notes to the financial statements.

e) To the best of our knowledge and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting

**Place: Ludhiana**

**Date: 30/08/2016**

**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 Board Members and Senior Management personnel have affirmed their compliance on an Annual Basis with the Code of Conduct as laid down by the Company Pursuant to the requirements of the Regulation 17(5) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

**By Order of the Board of Directors**

**For Parmeshwari Silk Mills Limited**

**Date: 30/08/2016**

**Place: Ludhiana**

**Sd/-  
Jatinder Pal Singh  
Chairman**

**AUDITOR'S CERTIFICATE**

(In terms of Regulation 34(3) and Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**TO 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, 2016 stipulated in Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Davinder Pal Singh & Co.**  
(Chartered Accountant)  
FRN No.: 007601N

Sd/-  
**Davinder Pal Singh**  
(Partner)  
M. No: 086596

Date: 30.05.2016  
Place: Ludhiana

**INDEPENDENT AUDITOR'S 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 2016, 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 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, 2016
- 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, 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**

**(DAVINDER PAL SINGH)**  
**PARTNER**  
**Membership No. 086596**

**Place: Ludhiana**  
**Dated: 30.05.2016**

**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 31<sup>st</sup> March, 2016. 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
	(c) whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	Yes
(ii)	whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	Yes
(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,	No
	(a) whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	-
	(b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	-
	(c) if the amount is overdue, state the total amount overdue form more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest.	-
(iv)	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the companies Act, 2013 have been complied with. If not, provide the details thereof.	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 2013 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)	whether 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.	No
(vii)	(a) whether the company is 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;	Yes
	(b) where 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 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 be treated as dispute.	N.A.

(viii)	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank or government, or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of default to banks, financial institutions, and Government, lender wise details to be provided)	No
(ix)	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	Yes.
(x)	Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; if yes, the nature and the amount involved is to be indicated.	No
(xi)	Whether managerial remuneration has been paid or provided in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	No, Subject to Note 1
(xii)	Whether Nidhi Company has complied with Net Owned Funds to deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	N.A.
(xiii)	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc, as required by the applicable accounting standards;	Yes
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	No
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with.	No
(xvi)	whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	N.A.

Note 1: The Company has paid following remuneration to Key Personnels which exceeds the limit specified in provisions of section 197 of Companies Act, 2013.

1) Jatinder Pal Singh-1550000/-

2) Kuljeet Kaur-1475000/-

But as per Board Resolution dated 27.05.2015, the Company has been authorised to pay managerial remuneration upto Rs. 2,00,000/- each to both the above directors.

**Place: Ludhiana**  
**Date: 30.05.2016**

**For Davinder Pal Singh & Co**  
**Chartered Accountants**  
**Firm's Reg. number: 007601N**

**DAVINDER PAL SINGH**  
**Partner**  
**Membership number: 086596**



**BALANCE SHEET AS ON 31.03.2016**

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.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	1	<b>27,400,000.00</b>	27,395,500.00
	(b) Reserves and surplus	2	<b>83,840,979.09</b>	74,453,854.00
	(c) Money received against share warrants	-	-	-
<b>2</b>	<b>Share application money pending allotment</b>			
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3	<b>151,509,955.36</b>	149,756,753.86
	(b) Deferred tax liabilities (Net)	-	<b>11,280,603.00</b>	9,971,971.03
	(c) Other Long term liabilities	4	-	-
	(d) Long-term provisions	5	-	-
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	6	<b>233,447,437.28</b>	251,372,899.48
	(b) Trade payables	7	<b>146,342,446.35</b>	151,383,187.16
	(c) Other current liabilities	8	<b>22,946,160.19</b>	8,828,995.59
	(d) Short-term provisions	9	<b>14,721,892.06</b>	11,882,626.19
	<b>TOTAL</b>		<b>691,489,473.33</b>	<b>685,045,787.31</b>
<b>II.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
<b>1</b>	(a) Fixed assets			
	(i) Tangible assets	<b>10</b>	171,675,159.29	165,125,120.29
	(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	<b>2,809,576.00</b>	2,098,681.00
	(e) Other non-current assets	13	-	-
<b>2</b>	<b>Current assets</b>			
	(a) Current investments	14	-	-
	(b) Inventories	15	<b>273,571,175.00</b>	254,453,703.00
	(c) Trade receivables	16	<b>228,168,634.96</b>	246,591,788.96
	(d) Cash and cash equivalents	17	<b>8,871,488.60</b>	744,664.56
	(e) Short-term loans and advances	18	<b>5,251,882.00</b>	7,061,054.00
	(f) Other current assets	19	<b>1,141,557.48</b>	8,970,775.50
	<b>TOTAL</b>		<b>691,489,473.33</b>	<b>685,045,787.31</b>

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

For Davinder Pal Singh & Co.  
Chartered Accountants

For Parmeshwari Silk Mills Limited

Sd/-  
Davinder Pal Singh  
M.No. 86596  
FRN No. 00760IN

Sd/-  
Jatinder Pal Singh  
Director  
DIN-01661864

Sd/-  
Kuljeet Kaur  
Director  
DIN-01661755

Place : Ludhiana  
Date : 30.05.2016

Sd/-  
Sukhdev Singh  
Chief Financial Officer

Sd/-  
Sumit Bansal  
Company Secretary

**INCOME STATEMENT FOR THE YEAR ENDING 31.03.2016**

Particulars	Refer Note No.	Figures for the current reporting period	Figures for the previous reporting period
Revenue from operations	20	<b>829750470.00</b>	808331617.60
Other income	21	<b>1901291.86</b>	7119780.99
Profit on sale of Asset		<b>0.00</b>	322881.00
<b>Total Revenue (I + II)</b>		<b>831651761.86</b>	815774279.59
Expenses:			
Cost of materials consumed	22	<b>405109637.94</b>	463326522.68
Purchases of Stock-in-Trade		<b>415620990.94</b>	460485605.68
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		<b>-7972119.00</b>	-62513595.00
Employee benefits expense	23	<b>26373882.00</b>	22170288.00
Manufacturing expenses	24	<b>277766059.50</b>	275599061.14
Finance costs	25	<b>50909110.22</b>	45876328.03
Depreciation and amortization expense		<b>13413570.37</b>	10602931.58
Repair & Maintainance	26	<b>13983307.00</b>	13728697.33
Office & Administration Expenses	27	<b>14440525.28</b>	12916884.58
Selling & Distribution Expenses	28	<b>21520993.49</b>	16912679.00
<u>Other expenses</u>			
Loss on Sale of Assets		<b>84272.00</b>	1416676.18
Total expenses		<b>815629238.80</b>	800036473.52
<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>16022523.06</b>	15737806.07
Exceptional items		<b>0</b>	0
<b>Profit before extraordinary items and tax (V - VI)</b>		<b>16022523.06</b>	15737806.07
Extraordinary Items			0
Loss Of Flood and Fire Stock		<b>2487386.00</b>	
<b>Profit before tax (VII- VIII)</b>		<b>13535137.06</b>	15737806.07
Tax expense:			
(1) Current tax		<b>2757580.00</b>	3147586.00
(2) Prior Period Tax		<b>81800.00</b>	389834.97
(3) Current year Defferred Tax Liability		<b>1308631.97</b>	9618184.00
<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>9387125.09</b>	2582201.10
Profit/(loss) from discontinuing operations		<b>0</b>	0
		<b>0</b>	0
Tax expense of discontinuing operations		<b>0</b>	0
<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>9387125.09</b>	2582201.10
<b>Profit (Loss) for the period (XI + XIV)</b>		<b>9387125.09</b>	<b>2582201.10</b>
Earnings per equity share:			
(1) Basic		<b>2.97</b>	0.82
(2) Diluted			

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

For Davinder Pal Singh & Co.  
Chartered Accountants

For Parmeshwari Silk Mills Limited

Sd/-  
Davinder Pal Singh  
M.No. 86596  
FRN No. 00760IN

Sd/-  
Jatinder Pal Singh  
Director  
DIN-01661864

Sd/-  
Kuljeet Kaur  
Director  
DIN-01661755

Place : Ludhiana  
Date : 30.05.2016

Sd/-  
Sukhdev Singh  
Chief Financial Officer

Sd/-  
Sumit Bansal  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016**

<b>PARTICULARS</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extra ordinary items	16106795.06	16831601.25
Adjustment for:	0.00	0.00
Depreciation	13413570.37	10602931.58
Hire Income	-	-
Brokerage	-	-
Interest received	30867.00	288449.00
Balance w/off	-	-
Interest Paid	49918150.99	44501963.03
<b>Operating Profit before working capital changes</b>	<b>79407649.42</b>	<b>71648046.86</b>
<b>Adjustment for Working Capital :</b>		
Increase/Reduction in inventory	(19117472.00)	59553678.00
(Increase)/Reduction Trade receivables	25574158.02	60606104.29
Increase/(Reduction) Trade Payables	11915689.66	56529570.22
Cash Flow before extra ordinary items	97780025.10	8017834.79
Provision Tax	2839380.00	3537420.97
<b>Net cash Flow from Operating activities</b>	<b>94940645.10</b>	<b>4480413.82</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Received	30867.00	288449.00
Hire Income	-	-
Brokerage	-	-
Sale of Fixed Assets	1259500.00	16358595.00
Purchase of Fixed Assets	(21307381.37)	29086179.15
Call in Arrears	-	-
Purchase of Current Investments	-	-
Sale proceeds of Investments	-	-
<b>Net Cash Flow from Investing Activities</b>	<b>(20017014.37)</b>	<b>(12439135.15)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Repayment) Loan of Financial Institutions	1753201.50	(4051035.54)
Income / (Repayment) of Short Term Advances	(17925462.20)	49246832.10
Increase/ Reduction of other creditors	-	-
Increase/ Reduction of Long Term Advances	-	-
Increase/ Reduction of Long Term Advances	(710895.00)	590881.00
Interest paid to Financial Institutions	(49918150.99)	44501963.03
Call money received	4500.00	2486500.00
<b>Net Cash Flow from Financing Activities</b>	<b>(66796806.69)</b>	<b>2589452.53</b>
Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)	8126824.04	(5369268.80)
Opening Cash and Cash Equivalent	744664.56	6113933.36
<b>Closing Cash and Cash Equivalents</b>	<b>8871488.60</b>	<b>744664.56</b>

In terms of our audit report of even date attached

For Davinder Pal Singh & Co.  
Chartered Accountants

For Parmeshwari Silk Mills Limited

Sd/-  
Davinder Pal Singh  
M.No. 86596  
FRN No. 00760IN

Sd/-  
Jatinder Pal Singh  
Director  
DIN-01661864

Sd/-  
Kuljeet Kaur  
Director  
DIN-01661755

Place : Ludhiana  
Date : 30.05.2016

Sd/-  
Sukhdev Singh  
Chief Financial Officer

Sd/-  
Sumit Bansal  
Company Secretary

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

**NOTE 1 DISCLOSURE REGARDING SHARE CAPITAL**

Note (i) Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule III to the Companies Act, 2013

<u>Share Capital</u>	As at 31.03.2016		As at 31.03.2015	
	Number	Amount	Number	Amount
<b><u>Authorised</u></b>				
3500000 Equity Shares of Rs. 10 each	<b>3,500,000</b>	<b>35,000,000.00</b>	3,500,000	35,000,000.00
<b><u>Issued</u></b>				
3160300 Equity Shares of Rs. 10 each	<b>3,160,300</b>	<b>31,603,000.00</b>	<b>3,160,300</b>	<b>31,603,000.00</b>
<b><u>Subscribed &amp; Paid up</u></b>				
Equity Shares of Rs. 10 each Fully paid up	<b>2,319,700</b>	<b>23,197,000.00</b>	2,318,800	23,188,000.00
<b><u>Subscribed but not fully Paid up</u></b>				
Equity Shares of Rs. 5 each	<b>840,600</b>	<b>4,203,000.00</b>	841,500	4,207,500.00
<b>Total</b>	<b>3,160,300</b>	<b>27,400,000.00</b>	<b>3,160,300</b>	<b>27,395,500.00</b>

Note (ii) Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule III to the Companies Act, 2013

(Figures in Rs. and Numbers)

<u>Particulars</u>	Equity Shares		Preference Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	3,160,300	27,400,000.00	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,160,300	27,400,000.00	-	-

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 III to the Companies Act, 2013 is not required.

Note(iv) As there is no shares held by company, disclosures pursuant to Note no.6 (A)(f) of Part I of Schedule III to the Companies Act, 2013 is not required.

Note (v) Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013

(In Figures and Numbers)

<u>Name of Shareholders</u>	As at 31.03.2016		As at 31.03.2015	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Jatinder Pal Singh	<b>393067</b>	<b>12.44</b>	284950	9.02
Prabhpreet Kaur	<b>161113</b>	<b>5.10</b>	161113	5.10
Satnam Singh	<b>Nil</b>	<b>Nil</b>	218117	6.90
Maan Silk Mills Pvt. Ltd	<b>240000</b>	<b>7.59</b>	240000	7.59
Sanjeev Singh	<b>198900</b>	<b>6.29</b>	198900	6.29
D.B. Merchant Banking Services Limited	<b>Nil</b>	<b>Nil</b>	497300	15.74

Note (vi) As there are no rights reserved for issue under options, and contracts/commitments 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 III to the Companies Act, 2013**

Particulars	Year (Aggregate No. of Shares)				
	2015-16	2014-15	2013-14	2012-13	2011-12
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 brought back	N.A.	N.A.	N.A.	N.A	N.A

**Note(viii) As there 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 III to the Companies Act, 2013**

Unpaid Calls	Amt( )
By Directors	-
By Officers	-

**Note (x) 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 Schedule III to the Companies Act, 2013**

<u>Reserves &amp; Surplus</u>	As at 31.03.2016	As at 31.03.2015
<b>a. Capital Reserves</b>		
Opening Balance	-	-
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	-	-
<b>b. Capital Redemption Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	-	-
<b>c. Securities Premium Account</b>		
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	-	-
<b>d. Debenture Redemption Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	-	-
<b>e. Revaluation Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	-	-

<b>f. Share Options Outstanding Account</b>		
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>	<b>4,036,700.00</b>
<b>i. Surplus</b>		
Opening Balance	<b>70,417,154.00</b>	67,834,952.90
(+) Net Profit/(Net Loss) For the current year	<b>9,387,125.09</b>	2,582,201.10
(+) Transfer from Reserves		
(-) Proposed Dividends		
(-) Interim Dividends		
(-) Transfer to Reserves	-	-
Closing Balance	<b>79,804,279.09</b>	70,417,154.00
<b>Total</b>	<b>83,840,979.09</b>	<b>74,453,854.00</b>

**NOTE 3 DISCLOSURE REGARDING LONG TERM BORROWINGS**

Note (i) **Disclosure pursuant to Note no. 6(C) of Part I of Schedule III to the Companies Act, 2013**

<u>Long Term Borrowings</u>	As at 31.03.2016	As at 31.03.2015
<b>Secured</b>		
(a) Bonds/debentures		
(b) Term loans (List-A)		
From banks	<b>43,646,325.16</b>	55,777,284.42
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	-	-
Volkswagent Finance Pvt. Ltd	<b>2816992.53</b>	333,502.17
KOTAK MAHINDRA BANK	<b>518800.00</b>	404,206.00
P.N.B.NG 725	<b>726315.00</b>	1,123,803.00
ICICI BANK	<b>673634.00</b>	-
<b>Total Secured Loan</b>	<b>48,382,066.69</b>	<b>57,638,795.59</b>
<b>Unsecured</b>		
(a) Bonds/debentures	-	-
(b) Term loans		
From banks & Financial Institutons (List-B)	<b>15,408,387.20</b>	15,051,918.80
From other parties (List-B)	<b>42,251,516.00</b>	20,854,269.00
(c) Deferred payment liabilities	-	-
(d) Deposits	-	-
(e) Loans and advances from related parties ( List B)	<b>45,467,985.47</b>	56,211,770.47
(f) Long term maturities of finance lease obligations	-	-
(g) Other loans and advances (specify nature)	-	-
<b>Total Unsecured Loan</b>	<b>103,127,888.67</b>	<b>92,117,958.27</b>
<b>Total</b>	<b>151,509,955.36</b>	<b>149,756,753.86</b>

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

Note (i) Disclosure pursuant to Note no. 6 (D) of Part I of Schedule III to the Companies Act, 2013

<b>Other Long Term Liabilities</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
Trade Payables	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE 5 DISCLOSURE REGARDING LONG TERM PROVISIONS**

Note (i) Disclosure pursuant to Note No. 6(E) of Part I of Schedule III to the Companies Act, 2013

<b>Long Term Provisions</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
Provision for Employee Benefits	-	-
Others (Specify Nature)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE 6 DISCLOSURE REGARDING SHORT TERM BORROWINGS**

Note (i) Disclosure pursuant to Note No. 6(F) of Part I OF Schedule III to the Companies Act, 2013

<b>Short Term Borrowings</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<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>233447437.28</b>	251,372,899.48
From other parties	-	-
(b) Loans and advances from related parties	-	-
(c) Deposits	-	-
(d) Other loans and advances (specify nature)	-	-
	<b>233,447,437.28</b>	251,372,899.48
<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>233,447,437.28</b>	251,372,899.48

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

<b>Disclosures regarding Trade Payables ( as per list C )</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
Trade Payable	<b>146,342,446.35</b>	151,383,187.16
<b>Total</b>	<b>146,342,446.35</b>	<b>151,383,187.16</b>

**NOTE 8 DISCLOSURES REGARDING OTHER CURRENT LIABILITIES**

Note (i) Disclosure pursuant to Note no. 6(G) of Part I of Schedule III to the Companies Act, 2013

<b>Other Current Liabilities</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
AJINDERPAL SINGH DIRECTOR	0.00	76,165.05
AMANJEET KAUR	149373.00	14,258.00
ASEES KAUR	248472.00	146633.00
ASEES SINGH	3990.00	0.00
AMARJEET TRADING CO. JAL.	792306.00	0.00
BEEKAY AGENCIES	489731.00	0.00
BEEKAY SYNTHETICS PVT.LTD.	546473.00	0.00
BISHAN KAUR & SONS	345696.00	0.00
CENTRAL DEPOSITORY SERVICES (INDIA) LTD.	3420.00	0.00
CHS.ISSUED BUT NOT YET PRESENT	11504861.00	4952638.10
DARSH PAL SINGH	13487.00	0.00
DAVINDERPAL SINGH & CO. (C.A)	61830.00	71348.00
DIPNEET KAUR	321581.36	373833.36
HARINDER KAUR	283469.00	0.00
HARMONY FASHION LTD	428274.88	428274.88
HARVINDER KAUR	49985.00	0.00
INTEREST PAYABLE (G.S.EXPORTS PVT.LTD.)	1552500.00	0.00
HARNEET KAUR	0.00	134576.02
JASPAL SINGH	0.00	0.00
JATINDERPAL SINGH (DIRECTOR)	192612.92	237797.65
KANWARDEEP KAUR	214684.01	159204.01
KANWARMANMEET SINGH	198310.00	0.00
KARANDEEP KAUR	540640.00	249970.00
KULDEEP SINGH	49985.00	0.00
KULJIT KAUR SALARY A/CDIRECTOR	376239.02	560853.02
MAHAGANAPATHI MILL	35000.00	35000.00
MANDEEP SINGH	0.00	58899.95
MANINDER SINGH ( SALARY) A/C	202618.00	200382.00
MANPREET KAUR (SALARY A/C )	89521.00	134671.00
NATIONAL SECURITIES DEPOSITORY LTD	10304.00	0.00
NAVYUG LAMINATES ( PROP.VERSATILE E P.LTD.	0.00	5000.00
RAIDEEP INDUSTRIES LTD.	347789.00	0.00
RANBIR SINGH (SALARY A/C)	302516.00	501900.00
ROSEWAY SYNTHETICS PVT. LTD.	104745.00	0.00
PRABHJOT KAUR	0.00	98846.01



PRABHPREET KAUR (DIRECTOR)	0.00	113565.84
SATNAM FABRICS PVT. LTD	95827.00	118127.00
SAVINDERPAL SINGH	0.00	24013.70
SHIRTING SHOP	824933.00	
SRI KANNIMAR TEXTILE	50000.00	50000.00
SUMEET TRADERS	326434.00	
RAMTEX	0.00	80087.00
P.R.FABRICS PVT. LTD	0.00	2952.00
TRIPT KNITS	237910.00	0.00
AMAR SINGH & SONS	1950643.00	0.00
<b>TOTAL</b>	<b>22946160.19</b>	<b>8828995.59</b>

**NOTE 9 DISCLOSURES REGARDING SHORT TERM PROVISIONS**

Note (i) Disclosure Pursuant to Note no. 6(H) of Part I of Schedule III to the Companies Act, 2013

Short Term Provisions	As at 31.03.2016	As at 31.03.2015
<b><u>Provision for Employee Benefits</u></b>		
WAGES & SALARY PAYABLE	5835896.00	4,879,902.00
E.P.F.PAYABLE	404095.00	326,819.00
E.S.I. PAYABLE	47997.00	51,731.00
EMPLOYEE FAMILY PENSION PAY.	90887.00	92,926.00
WELFARE COMMISSION OF PUNJAB	67545.00	38,754.00
BONUS PAYABLE	3618996.00	2,678,692.00
LEAVE WITH WAGES PAYABLE	582998.00	949,200.00
<b><u>Others (Specify Nature)</u></b>		
PF Admin Charges	14324.00	13,033.00
Electricity Exp. Payable	2268380.00	1,199,137.00
TDS Payable	1566203.00	1,227,063.00
Telephone Exp. Payable	163874.06	17,691.19
SERVICE TAX PAYABLE	60697.00	17,948.00
VAT OUTPUT	0.00	20,000.00
TOUR & TRAVILLING EXP.PAYABLE		369,730.00
Provision for Tax Payable		
<b>Total</b>	<b>14,721,892.06</b>	<b>11,882,626.19</b>

NOTE 10 DETAIL OF FIXED ASSETS

DETAIL OF TANGIBLE ASSETS

PARTICULARS	AS ON 01.04.2015	GROSS BLOCK		TOTAL 16.03.2016	AS ON 01.04.2015	DEPRECIATION RESERVE		NET BLOCK		
		ADD. DURING THE YEAR	SALE/TRF. DURING THE YR.			WRITTEN BACK DURING THE YR.	PROVIDED DURING THE YEAR	AS ON 01.04.2015	AS ON 31.03.2016	
Land	2637856.50	0.00		2637856.50	0.00			2637856.50	2637856.50	
Building	3.17%	4280565.00		31863798.02	5255192.00		936093.00	6191285.00	22318041.02	25662513.02
Building (Mann)	3.17%			7457164.75	2021472.00		242401.00	2263873.00	5435692.75	5193291.75
Building Unit-iii	3.17%			10344563.50	2028466.00		335146.00	2363612.00	8316097.50	7980951.50
Building Under Const.		0.00		0.00	0.00		0.00	0.00	0.00	0.00
Plant & Machinery		9045359.00	1070450.00	134661876.95	23943321.00	21406.00	8267720.05	32189635.05	102743646.95	102472241.90
Furniture & Fixture	9.50%	853542.13		943665.13	545748.12		126637.57	672385.69	307794.01	271279.44
Cars	11.88%	7171684.00	960020.00	10336233.00	2336438.00	665292.00	980533.01	2651679.01	4835246.00	7684553.99
Scooters	9.50%	214073.00		214073.00	184164.00		6438.10	190602.10	29909.00	23470.90
Tempu Ace		862600.00		1407057.00	214216.00		128307.13	342523.13	648384.00	1064533.88
Weight Scale	9.50%	122958.00		122958.00	33518.00		12378.30	45896.30	89440.00	77061.70
Air Compressor	9.50%	539729.39		539729.39	268495.39		51471.92	319967.31	271234.00	219762.08
Air Coller	9.50%	18400.00		18400.00	18400.00		0.00	18400.00	0.00	0.00
Vacuum Cleaner	9.50%	113970.00		113970.00	99615.00		9405.00	109020.00	14355.00	4950.00
Water Filter	9.50%	69010.00		109593.00	34560.00		5921.72	40481.72	34450.00	69111.28
Fire Extinguisher	19.00%	32892.00		32892.00	32892.00		0.00	32892.00	0.00	0.00
Computers	31.67%	1201329.00	299950.00	1501279.00	825345.00		217864.02	1043209.02	375984.00	458069.98
Generator	9.50%	4296617.00		4296617.00	1925197.00		170622.47	2095819.47	2371420.00	2200797.53
Refrigerator	9.50%	123192.00		169192.00	97917.00		8503.60	106420.60	25275.00	62771.40
Fax Machine	9.50%	0.00		0.00	0.00		0.00	0.00	0.00	0.00
Air Conditioners	9.50%	2655266.56	190000.00	2845266.56	1823391.00		277060.83	2100451.83	831875.56	744814.73
Mobile Phones	9.50%	386052.00	122407.37	508459.37	126755.00		139095.63	265850.63	259297.00	242608.74
Transformer	9.50%	440108.00		440108.00	61363.00		47343.13	108706.13	378745.00	331401.88
Tester	9.50%	47500.00	0.00	47500.00	47500.00		0.00	47500.00	0.00	0.00
Close Circuit Camera	9.50%	435130.00	147540.00	582670.00	122331.00		61878.21	184209.21	312799.00	398460.79
Water Coller	9.50%	101434.00	33200.00	134634.00	48397.00		13075.65	61472.65	53037.00	73161.35
Emb.Designing software	31.67%	503501.00	0.00	503501.00	259124.00		122188.50	381312.50	244377.00	122188.50
Office Equipments	9.50%	9990.00	48000.00	57990.00	9990.00		9120.00	19110.00	0.00	38880.00
Electrical Panel	9.50%	633000.00		633000.00	255573.00		75485.40	331058.40	377427.00	301941.60
Digital Textile Printer	6.33%	1258965.00		1258965.00	264778.00		85146.45	349924.45	994187.00	909040.55
ETP Plant	9.50%	5184219.00	1163369.00	6347588.00	269263.00		400931.95	670194.95	4914956.00	5677393.05
Lab. Equipment	9.50%	687831.00	0.00	687831.00	80139.00		75769.82	155908.82	607692.00	531922.18
Electrical Fitting	9.50%	3294080.00	226322.00	3520402.00	330100.00		379631.04	709731.04	29633980.00	2810670.96
Fire Fitting Equipment	19.00%	430530.00	0.00	430530.00	136335.00		36774.38	173109.38	294195.00	257420.63
Humidi Control Plant	9.50%	2578202.00	0.00	2578202.00	163200.00		185769.38	348969.38	2415002.00	2229232.62
Television	19.00%	27000.00	0.00	27000.00	4275.00		2470.11	6745.11	22725.00	20254.89
Screen Printing Tables	6.33%	208992590.80	904937.00	21307381.37	2030470.00		2387.00	56594342.88	165125120.29	171675159.29
<b>TOTAL</b>				<b>228269502.17</b>	<b>43867470.51</b>		<b>686698.00</b>	<b>13413570.37</b>	<b>165125120.29</b>	<b>171675159.29</b>

NOTE 11 AS THERE IS NON-CURRENT INVESTMENTS MADE BY THE COMPANY, DISCLOSURE PURSUANT TO NOTE NO. K (I) OF PART I OF SCHEDULE III TO THE COMPANIES ACT, 2013, IS NOT REQUIRED.

NOTE 12 DISCLOSURE REGARDING LONG TERM LOANS & ADVANCES

NOTE (I) DISCLOSURE PURSUANT TO NOTE NO. L (I),(II) AND (III) OF PART I OF SCHEDULE III TO THE COMPANIES ACT, 2013

<u>Long Term Loans and Advances</u>	As at 31 March 2016		As at 31 March 2015	
	₹	₹	₹	₹
<b>a. Capital Advances</b>				
Secured, considered good	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful advances	-		-	
<b>b. Security Deposits</b>				
Secured, considered good	-		-	
Unsecured, considered good (List-D)	<b>2809576.00</b>		2,098,681.00	
Doubtful	-		-	
Less: Provision for doubtful advances	-		-	
		<b>2,809,576.00</b>		2,098,681.00
<b>c. Loans and advances to related parties</b>				
Secured, considered good	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful advances	-		-	
<b>d. Other loans and advances</b>	-		-	
		<b>2,809,576.00</b>		2,098,681.00

Note (ii) Disclosure pursuant to Note no. L (iv) of Part I of Schedule III to the Companies Act, 2013

<u>Long Term Loans &amp; Advances to Related Parties</u>	As at 31 March 2016	As at 31 March 2015
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

**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 III to the Companies Act, 2013**

<u>Other Non Current Assets</u>	As at 31 March 2016		As at 31 March 2015	
<b><u>a. Long term trade receivables</u></b>				
Secured, considered good	-		-	
Unsecured, considered good				
Export Incentive Receivable	-		-	
Doubtful	-		-	
Less: Provision for doubtful advances	-		-	
		-		-
<b><u>b. Others</u></b>				
Secured, considered good	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful advances	-		-	
		-		-
<b><u>c. Debts due by related parties</u></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 III to the Companies Act, 2013**

<u>Other Non Current Assets</u>	As at 31 March 2016	As at 31 March 2015
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

**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 III TO THE COMPANIES ACT, 2013, IS NOT REQUIRED.**

**NOTE 15 DISCLOSURE REGARDING INVENTORIES**

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

<u>Inventories</u>	As at 31 March 2016		As at 31 March 2015	
	₹	₹	₹	₹
<b>a. Raw Materials and components</b> (Valued at Cost or NRV which ever is lower)	<b>32,733,273.00</b>		22,221,920.00	
Goods-in transit	-			
		<b>32,733,273.00</b>		22,221,920.00
<b>b. Work-in-progress</b>	<b>72,909,354.00</b>		58,919,756.00	
Goods-in transit	-			
		<b>72,909,354.00</b>		58,919,756.00

c. Finished goods (Valued at Cost or NRV which ever is lower)	<b>163,903,548.00</b>		169,921,027.00	
Goods-in transit	-			
		<b>163,903,548.00</b>		169,921,027.00
d. Stock-in-trade	-			
Goods-in transit	-			
		-		-
e. Stores and spares	<b>2400000.00</b>		2,250,000.00	
Goods-in transit	-		-	
		<b>2,400,000.00</b>		<b>2,250,000.00</b>
f. Loose Tools	-		-	
Goods-in transit	-		-	
	-	-		-
<b>g. Others (Valued at Cost)</b>				
Store E.T.P.	<b>50000.00</b>		-	
Store Printing Material	<b>500000.00</b>		350,000.00	
Store Boiler	<b>25000.00</b>		25,000.00	
Store Sizing	<b>350000.00</b>		200,000.00	
Store Embroidery	<b>350000.00</b>		316,000.00	
STORE PACKING MATERIAL	<b>350000.00</b>		250,000.00	
		<b>1,625,000.00</b>		1,141,000.00
<b>Total</b>		<b>273,571,175.00</b>		<b>254,453,703.00</b>

**NOTE 16 DISCLOSURES REGARDING TRADE RECEIVABLES**

Note (i) Disclosure pursuant to Note no.P (i), (ii) (iii) and (iv) of Part I of Schedule III to the Companies Act, 2013

<u>Trade Receivables</u>	As at 31 March 2016	As at 31 March 2015
<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 E)	<b>224279271.20</b>	236985058.20
Unsecured, considered Doubtful	-	-
Less: Provision for doubtful advances	-	-
	<b>224279271.20</b>	236985058.20
<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>3889363.76</b>	9606730.76
Unsecured, considered Doubtful	-	-
Less: Provision for doubtful advances	-	-
	<b>3889363.76</b>	9606730.76
<b>Total</b>	<b>228168634.96</b>	<b>246591788.96</b>

Trade Receivable stated above include debts due by:

<b>Particulars</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
Directors *		
Other officers of the Company *		
Firm in which director is a Proprietor *	46,488,887.76	79,102,369.76
Private Company in which director is a member		
	46,488,887.76	79,102,369.76

\*Either severally or jointly

**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 III to the Companies Act, 2013

<b>Cash &amp; Cash Equivalents</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
<b>Cash &amp; Cash Equivalents</b>		
Balances with banks		
P.N.B. A/C 2177381 LDH.	8047164.02	7256.00
P.N.B. C/A (Bombay)		0.00
P.N.B. C/A. 20320/10 (Delhi)	6076.85	6126.85
S.B.I. Mumbai (DBK)	8284.00	8909.00
S.B.I. C/A (Ldh)	30184.00	30444.00
P.N.B. FDRS	371960.00	344180.00
Cash in hand	407819.73	347748.71
Total	-	
	8,871,488.60	744,664.56

**NOTE 18 SHORT-TERM LOANS AND ADVANCES**

Note-18 (a) Disclosure pursuant to Note no.R (i), (ii) and (iii) of Part I of Schedule III to the Companies Act, 2013

<b>Short-term loans and advances</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>a. Loans and advances to related parties</b>		
Secured, considered good	0.00	0.00
Unsecured, considered good	535,821.00	502,475.00
Doubtful	0.00	0.00
Less: Provision for doubtful loans and advances	0.00	0.00
	535,821.00	502,475.00
<b>b. Others (specify nature)</b>		
Secured, considered good		
<u>Advance against Machinery</u>		
AMBICA TEX FAB MANUFACTURERS	0.00	20,000.00
D M PARMAR TEXTILE ENGINEERS	0.00	20,000.00
EMM KAY SYNTHETICS	0.00	18,866.00
GRAFICA FLEXTRONICA	0.00	601,688.00
H.G.S.MACHINES PVT.LTD.	0.00	50,000.00
NATIONAL CRANES & ELEVATORS	0.00	100,000.00
VOS TEXTIL PETER SCHUEPBACH	0.00	2,853,960.00
SACHEM FABRIC LTD	500,000.00	0.00
Unsecured, considered good (LIST F)	4,216,061.00	2,894,065.00
Doubtful		
	-	-
	4,716,061.00	6,558,579.00
	5,251,882.00	7,061,054.00

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

S.No	Other current assets	2016	2015
1	Interest Receivable (TUF)	0.00	936668.00
2	Cheques Deposited but not Credited	0.00	40588.50
3	Insurance Claim Receivable	0.00	6324987.00
4	VAT Input (Yarn)	172235.00	160632.00
5	VAT Input (Emb. Yarn)	14548.00	66898.00
6	VAT Input (Cap. Goods)	86792.00	89878.00
7	Advance Tax (VAT)	663280.00	731019.52
8	Advance Tax -II (VAT)	53971.48	53971.48
9	Prepaid AMC expenses	14694.00	48170.00
10	PRE-PAID INSURANCE EXP	136037.00	517963.00
	<b>Total</b>	<b>1141557.48</b>	<b>8970775.50</b>

**NOTE 20 DISCLOSURES REGARDING REVENUE FROM OPERATIONS**

Note (i) Disclosure pursuant to Note No.2 of Part II of Schedule III to the Companies Act, 2013

<u>Revenue from Operations</u>	For the year ended 31 March 2016	For the year ended 31 March 2015
Sale Domestic	781811617.18	785405483.42
Sales Export	0.00	1271949.75
Fabrication	47938852.82	21654184.43
<u>Less:</u>		
Excise duty	-	-
<b>Total</b>	<b>829750470.00</b>	<b>808331617.6</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 III to the Companies Act, 2013

<u>Other Income</u>	For the year ended 31.03.2016	For the year ended 31.03.2016
Interest Income on FDR	30867.00	288449.00
Rent	240000.00	168750.00
Rebate & Discount	728085.50	1208041.09
Misc. Income	0.00	40562.90
insurance Claim	0.00	5413978.00
Interest Received (Others)	705216.00	0.00
Claim received	47242.36	0.00
Export Inventive	97093.00	0.00
Exchange Rate Diff.	52788.00	0.00
<b>Total</b>	<b>1901291.86</b>	<b>7119780.99</b>



**NOTE 22 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE**

<b>PARTICULARS</b>	<b>FOR THE YEAR 2016</b>	<b>FOR THE YEAR 2015</b>
<b>Changes in inventories of finished goods work-in-progress and Stock-in-Trade</b>		
<u>Opening Stock</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
Less: Closing Stock <u>Certified by directors)</u>		
Raw Material	<b>32733273.00</b>	22221920.00
Work in Process	<b>72909354.00</b>	58919756.00
Finished Goods	<b>163903548.00</b>	169921027.00
	<b>269546175.00</b>	251062703.00
<b>Increase/ Decrease</b>	<b>-7972119.00</b>	-62513595.00
<b><u>Purchases</u></b>		
Purchases Yarn	<b>117828049.60</b>	138619623.80
Purchases Grey Cloth	<b>102417525.00</b>	150863251.00
Purchases Fabrics	<b>169650807.50</b>	147382411.88
Purchase Emb.Yarn	<b>7030172.00</b>	11117161.00
Purchase Printing Paper	<b>18694436.84</b>	12503158.00
	<b>415620990.94</b>	460485605.68
<b>Raw Material Consumed</b>	<b>405109637.94</b>	463326522.68
Opening Stock	<b>22221920.00</b>	25062837.00
Purchases Yarn	<b>117828049.60</b>	138619623.80
Purchases Grey Cloth	<b>102417525.00</b>	150863251.00
Purchases Fabrics	<b>169650807.50</b>	147382411.88
Purchase Emb.Yarn	<b>7030172.00</b>	11117161.00
Purchase Printing Paper	<b>18694436.84</b>	12503158.00
<b>SUB TOTAL</b>	<b>437842910.94</b>	<b>485548442.68</b>
Less :1. Closing Stock Yarn	-	4308248.00
2 .Closing Stock Emb.Yarn	-	3171916.00
3. Closing Stock Printing Paper	-	14741756.00
<b>SUB TOTAL</b>	<b>0.00</b>	<b>22221920.00</b>
<b>GRAND TOTAL RS :-</b>	<b>437842910.94</b>	<b>463326522.68</b>

**NOTE 23 EMPLOYEE BENEFIT EXPENSE**

<b>EMPLOYEE BENEFIT EXPENSE</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Salary & Allowance	<b>17104846.00</b>	13912341.00
E.S.I.	<b>450629.00</b>	774594.00
Worker Welfare	<b>1205682.00</b>	777827.00
Bonus with Leave With wages	<b>4201994.00</b>	3627892.00
Employee Provident Fund	<b>1224241.00</b>	1139998.00
Employee Family Pension	<b>1139958.00</b>	986995.00
P.F Administration Chages	<b>168782.00</b>	194670.00
Gratuity & Service Compensation	<b>0.00</b>	41085.00
Diwali Exp	<b>877750.00</b>	714886.00
	<b>26373882.00</b>	<b>22170288.00</b>

**NOTE 24 MANUFACTURING EXPENSES**

<b>PARTICULAR</b>	<b>CURRENT YEAR 31.03.2016</b>	<b>PREVIOUS YEAR 31.03.2015</b>
Processing & Finishing	81156068.00	85145444.00
Power & Electricity Expenses	20320564.00	21191846.00
Oil & Lubricants	493296.00	379601.00
C.F. & Octroi (Inward)	5072223.00	6786454.00
Wages & Allowances	65914148.00	58801436.00
Consumable Store	1022364.00	1887979.00
Diesel Expenses	9007252.00	7064248.00
Outside Labour	84090.00	145600.00
Fabrication Charges/Job Work	1417274.00	7117504.00
WAGES SECURITY GUARD	16600.00	31148.00
Purchase Sample	1858916.50	998467.00
Spotting & Washing Expenses	1754830.00	3196142.00
Embroidery Expenses	65879395.00	66392395.00
Consumable Store Printing	10656304.00	5429448.14
Consumable Store Sizing	4964388.00	4591494.00
Consumable Store E.T.P.	1334053.00	0.00
Boiler Fuel	6814294.00	6439855.00
<b>TOTAL RS :-</b>	<b>277766059.50</b>	<b>275599061.14</b>

**NOTE 25 DISCLOSURES REGARDING FINANCE COST**

Disclosure pursuant to Note no. 3 of Part II of Schedule III to the Companies Act, 2013

<b>Finance Cost</b>	<b>For the year ended 31 March 2016</b>	<b>For the year ended 31 March 2015</b>
-		
Interest on Bank Borrowings	36308317.51	34242410.41
Bank Charges etc.	990959.23	1374365.00
Other borrowing costs	13609833.48	10259552.62
<b>Total</b>	<b>50909110.22</b>	<b>45876328.03</b>

**NOTE 26 REPAIR & MAINTENANCE**

<b>PARTICULAR</b>	<b>CURRENT YEAR31.03.2016</b>	<b>PREVIOUS YEAR31.03.2015</b>
Building Repair & Maint.	857634.00	1473618.00
Electrical Repair & Maint.	1310728.00	1657928.00
Generator Repair & Maint.	493876.00	335254.00
General Repair & Maint.	502543.00	328024.00
Computer Repair & Maint.	150554.00	255173.00
Furniture & Fixture Repair	46382.00	36480.00
Machinery Repair & Maint.	10345789.00	9598780.33
TEMPO RPAIR & MAINT.	51492.00	43440.00
E.T.P.Repair & Maint.	224309.00	0.00
<b>TOTAL RS :-</b>	<b>13983307.00</b>	<b>13728697.33</b>

**NOTE 27 OFFICE & ADMINISTRATION EXPENSES**

<b>PARTICULAR</b>	<b>CURRENT YEAR 31.03.2016</b>	<b>PREVIOUS YEAR 31.03.2015</b>
Printing & Stationery	662760.00	747053.00
Salary (Directors)	3025000.00	3375000.00
Travelling & Conveyance (Directors)	3599563.33	1632236.19
Travelling & Conveyance (Others)	2248454.00	2092725.29
Courier & Postage	192480.00	114415.76
Filing Fee	99800.00	116300.00
Insurance Expenses	1114218.00	1331959.00
Misc. Expenses	379390.54	446257.00
Professional Charges	860799.20	593565.00
Fees & Subscription	548421.09	66472.00
Telephone Expenses	863714.12	796565.33
Car Expenses	303736.00	254858.76
Scooter Expenses	61132.00	52319.00
BUILDING Rent	0.00	240000.00
Service Tax ( GTA )	195918.00	186651.00
Bad Debts	211439.00	782091.25
Donation	5000.00	21000.00
<b>AUDITORS REMUNERATION</b>		
For Audit Fee	68700.00	67416.00
<b>TOTAL RS :-</b>	<b>14440525.28</b>	<b>12916884.58</b>

**NOTE 28 SELLING & DISTRIBUTION EXPENSES**

<b>PARTICULAR</b>	<b>CURRENT YEAR 31.03.2016</b>	<b>PREVIOUS YEAR 31.03.2015</b>
Grading & Packing Expenses	7878109.00	6305760.50
Sales Promotion	1149190.49	667424.50
Commission & Brokerage	3383792.00	2454462.00
Rebate & Discount	9096797.00	7443204.00
Freight (Outward)	13105.00	24600.00
Freight & Clearing Charges	0.00	17228.00
<b>TOTAL RS :-</b>	<b>21520993.49</b>	<b>16912679.00</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, Shirts & 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 Companeis 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 liabilities 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, 2015. The carrying amounts as at 1st April, 2015 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. 13413570.37/- on account of this change and accordingly the profit for the year is lower by Rs. 13413570.37/-

- (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.

**(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 Textile Clothes. 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 other 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>PARTCULARS</b>	<b>As at 31/03/2016</b>	<b>As at 31/03/2015</b>
1. Profit attributable to the Equity Shareholders (A)	<b>9387125.09</b>	2582201.10
2. Basic/Weighted average no. of Equity shares o/s during the year (B)	<b>3160300</b>	3160300
3. Nominal Value of Shares Rs.	<b>10</b>	10
4. Basic/Diluted E.P.S Rs. (A)/(B)	<b>2.97</b>	0.82

- 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

**(A) Transactions with the Related Parties**

<b>Name of Transactions during the Year</b>	<b>Associates</b>	<b>Key Management Personnel</b>	<b>Relatives of Key Management Personnel</b>
<b>Remuneration</b>	<b>NIL</b>	<b>3025000</b>	<b>NIL</b>
<b>Salary</b>	<b>NIL</b>	<b>611201.00</b>	<b>2435000.00</b>
<b>Interest Paid</b>	<b>2799513.00</b>	<b>NIL</b>	<b>NIL</b>
<b>Rent Paid</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Loan Taken</b>	<b>20003706</b>	<b>5255000.00</b>	<b>NIL</b>
<b>Loan Repaid</b>	<b>23771625</b>	<b>392383</b>	<b>NIL</b>
<b>Sales</b>	<b>219847502.00</b>	<b>NIL</b>	<b>NIL</b>
<b>Purchase(Job Work)</b>	<b>9100450.00</b>	<b>NIL</b>	<b>NIL</b>

**FOR DAVINDER PAL SINGH & CO.  
CHARTERED ACCOUNTANTS**

SD/-  
**DAVINDER PAL SINGH**  
(PARTNER)  
M.No. - 086596  
FRN : - 007601N

## PROXY FORM

Form No. MGT-11

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

### **PARMESHWARI SILK MILLS LIMITED**

CIN : L17116PB1993PLC012917

Regd. Office: Village Bajra, Rahon Road, Ludhiana

Website : www.parmeshwarisilk.com Email id : psmltex@gmail.com

Name of the Member(s)			
Registered address			
E-mail I.d			
Folio no./Client Id		DP Id	

I/We, being the member (s) of..... shares of Parmeshwari Silk Mills Limited, 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 23<sup>rd</sup> Annual General Meeting of the company, to be held on **Thursday, the 29<sup>th</sup> day of September, 2016** at 01:30 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.	Resolution	For	Against
1.	Adoption of Audited financial statement of company for the financial year ended March 31, 2016 together with the report of Directors and Auditor's thereon.		
2.	Reappointment of Ms. Kuljeet Kaur (DIN No. 01661755) as the Director of the Company, who retires by the rotation.		
3.	Appointment of M/s. Davinder Pal Singh & Co. Chartered Accountants as statutory auditors of the company and fix their remuneration for the financial year 2016-17.		
4.	Authorization for Borrowings		
5.	Creation of Charges/mortgages on the properties of the Company		
6.	Approval of Related Party Transactions		

Signed this..... day of \_\_\_\_\_ 2016.

Signature of Shareholder.....

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

Affix Revenue Stamp of Rs. 1/-
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**Notes:**

- (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.

# PARMESHWARI SILK MILLS LIMITED

CIN : L17116PB1993PLC012917

Regd. Office: Village Bajra, Rahon Road, Ludhiana

Website : www.parmeshwarisilk.com Email id : psmltex@gmail.com

## ATTENDANCE SLIP

### 23<sup>rd</sup> Annual General Meeting

I/we hereby confirm and record my / our presence at the 23<sup>rd</sup> Annual General Meeting of PARMESHWARI SILK MILLS LIMITED to be held on 29<sup>th</sup> day of September, 2016 at 1:30 p.m. at Registered Office: Village Bajra, Rahon Road, Ludhiana.

Folio No.:	DP ID*	Client ID*
Full name and address of the Shareholder/ Proxy Holder (in block letters)		
Joint Holder 1		
Joint Holder 2		
No. of Shares Held		

Signature of Member/Proxy

#### NOTES :

Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and handover at the entrance of the premise.

\*Applicable for shareholders holding shares in electronic form.

### ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	User ID	Password / PIN
<b>150902123</b>	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. 20 to the Notice of the 23<sup>rd</sup> Annual General Meeting. The Voting period starts from 10.00 a.m.(IST) on 26<sup>th</sup> September, 2016 and ends at 5.00 p.m. (IST) on 28<sup>th</sup> September, 2016. The voting module shall be disabled by CDSL for voting thereafter.

**BOOK POST**

If undelivered please return to :  
**PARMESHWARI SILK MILLS LIMITED**  
Village Bajra Rahon Road,  
Ludhiana, Punjab-141007