



29th

**ANNUAL REPORT
2016-2017**

SUPREME TEX MART LIMITED

MANAGEMENT

BOARD OF DIRECTORS

Mr. Ajay Gupta
Mr. Gautam Gupta
Mr. Kuldip Singh
Mr. Bhupinder Singh Mann

Managing Director
Jt. Managing Director
Director
Director

Company Secretary

Mr. Gaurav Gupta (w.e.f. 05.07.2017)

Bankers

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

Registrar & Share Transfer Agent

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

Registered Office

B-72 Phase-VIII, Focal Point, Ludhiana
E-mail: info@supremetexmart.com
Ph. 0161-5082524, 5086524, 5087524,
Fax No. 0161-5083524, 5088524
CIN: L17117PB1988PLC016933

Works

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



DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS REPORT

Dear Members,

The Directors hereby present their 29th Annual Report on the business and operations of the Company together with the audited Financial Accounts for the year ended March 31, 2017. The Management Discussion and Analysis has also been incorporated into this report.

1. HIGHLIGHTS OF PERFORMANCE

- The net sale for the year is Rs. 396.00 crores as compared to Rs. 362.34 Crores of previous year.
- The Net Loss for the year ended 31.03.2017 is Rs. 43.38 Crores as compare to Net Loss of Rs. 178.84 Crores for the previous year.

2. FINANCIAL RESULTS

(Amount in Crores)

Particulars	Year ending 31.03.2017	Year ending 31.03.2016
Gross Sales and other Income	396.00	362.34
Depreciation and amortization	46.03	48.40
Interest	1.54	22.02
Profit Before exceptional and extraordinary Items and tax	(44.82)	(178.84)
Exceptional Items & Extraordinary Items	1.43	NIL
Provision for Tax	NIL	NIL
Share of loss transferred to minority	NIL	NIL
Profit/ (Loss) After Tax	(43.38)	(178.84)
Reserves and Surplus	(225.86)	(220.59)

3. RESERVE

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

4. DIVIDEND

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

5. SHARE CAPITAL

Company's Issued, Subscribed and paid-up equity share capital as on 31 March, 2017 comprises of the following-

Class of Share	Authorized Capital	Issued	Subscribed capital	Paid up Capital
Number of equity shares	9,00,00,000	6,82,30,235	68,23,0235	68,23,0235
Nominal value per share (in rupees)	5	5	5	5
Total amount of equity shares (in rupees)	45,00,00,000	34,11,51,175	34,05,56,075	34,05,56,075

6. FINANCE

Cash and Cash equivalent as at 31st March, 2017 is Rs. 13.00 Crores. The Company continues to focus on judicious management of working capital. Working Capital parameters are kept under strict check through continuous monitoring.



6.1 DEPOSITS

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

6.2 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Detail of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes of Financial Statements.

7. INDUSTRY AND ECONOMIC SCENARIO & OUTLOOK

India emerged as a 'bright spot' in an otherwise subdued world economy when it overtook China in 2016-17 as the fastest-growing major economy in the world. Though India's fundamentals still remain strong, the recent demonetization initiative undertaken by the Indian Government is expected to lower India's GDP growth from 7.6% in FY16 to 6.8% in FY17.

The Indian textiles industry is one of the oldest industries of the country. The textile industry has two broad segments. First, the unorganized sector consisting of handloom, handicrafts and sericulture and the second is the organized sector consisting of spinning, weaving, knitting, garments and home textiles segment. The industry has a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes 14% to industrial production, 4% to India's Gross Domestic Product (GDP) and 15% to the country's export earnings. It is the second largest employment provider in the country employing nearly 51 million people directly and 68 million people indirectly in 2016-17. Exports have been a core feature of India's textile sector. India remains the second largest exporter of Textile and Clothing (T&C) with global share of 4.8%. Overall T&C exports in key Asian geographies have come down over the last year primarily driven by fall in exports for both China and India. Driven by rising labor cost and strong currency, China has been losing market share over the last few years.

India textile exports, on the other hand, have fallen by ~5% in FY16-17 due to fall in cotton textile. While the medium term outlook for Indian textile remains strong, there are many near term challenges that can impact the growth of the sector. Indian currency has been gaining sharply and is likely to impact growth of export. Rising labour cost and high transportation costs are other key challenges facing Indian textile sector. Another key challenge facing Indian textile sector is rapid depreciation of currency by China over the last one year. Sharp depreciation of the yuan will effect India's export competitiveness, thus impacting the export volume growth trends going forward.

8. FINANCIAL / OPERATIONAL PERFORMANCE

Supreme is manufacturer and exporter of cotton yarn, synthetic yarn, blended yarn, knitted fabric (both grey and processed) and knitted garments. During the year under review, the Company's exports (FOB value) were to the tune of Rs. 41.46 crore and accounts for about 10.47% of company's revenues. The company has identified two segment- yarn and garments. The yarn segment comprises production of various types of yarn (from cotton, manmade fibers and blend thereof). Garment segment comprises of knitted garments.

9. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has formed requisite CSR Committee and CSR policy was also approved by the Board, as per the requirement of Companies Act, 2013. The details of the CSR Committee and CSR Policy is explained in the Corporate Governance Report and also posted on the website of the Company. The Report of the Corporate Social Responsibility (CSR) Activities is annexed herewith as "Annexure 1".

10. HUMAN RESOURCES

The Company believes that Human Resources will play a significant role in its future growth. With an unwavering focus on nurturing and retaining talent, the Company provides avenues for learning and development through functional, behavioral and leadership training programs, knowledge exchange conferences, communication channels for information sharing to name a few.

The Group's Corporate Human Resources plays a critical role in company's talent management process.

11. BUSINESS RISK MANAGEMENT

Pursuant to the requirement of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company has constituted a Business Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. The Company has



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

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

Foreign Exchange Risks:-

Around 10% of the Total Revenue of the Company is generated through Export sales. In this way the Company has to deal with foreign currency from time to time. The Company uses various types of foreign currency forward & option contracts to hedge the risks associated with fluctuations in the foreign currency.

Risk related to Personnel:-

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

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

Risk related to Safety:-

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

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

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

Compliance Related Risks:-

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

12. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has designed and implemented a process driven framework for Internal Financial Controls. For the year ended on March 31, 2017, the Board is of the opinion that the Company has sound Internal Financial Controls commensurate with the size, scale and complexity of its business operations. During the year, such controls were tested and no material weakness in their operating effectiveness was observed. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/ or improved controls whenever the effect of such gaps would have a material effect on the Company's operations.

13. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

14. SUBSIDIARY COMPANIES

Company does not have any Subsidiary Company.

15. EXPANSION PLAN

No expansion was done during the Financial Year 2016-17.



16. DIRECTORS/KMP

During the year, Ms. Kajal Rai (DIN 07366983) was appointed on 24.07.2016 as an additional Independent Director and her appointment as Independent director was being regularized by shareholder in their Extra Ordinary General meeting dated 30.09.2016. Punjab State Industrial & Development Corporation Ltd. (PSIDC) withdrew the nomination of Mr. Sanjay Krishna Ahuja (DIN-00399501) and Mr. Abhay Pal Gupta (DIN 00421536) w.e.f 11.01.2017 from the Board of the Company. Designation of Mr. Kuldeep Singh changed from Whole Time Executive Director to Non Executive Director w.e.f. 29.06.2017.

Furthermore, Ms. Simpal Kumari (DIN 07130429) and Ms. Kajal Rai (DIN-07366983) both Independent Directors resigned from the Directorship of the Company on 14.03.2017. Ms. Preeti Pandey (DIN-07864432) was appointed as women Independent Director w.e.f. 29.06.2017. Unfortunately, she resigned from Directorship w.e.f. 22.08.2017 and Mr. Gautam Gupta also resigned from the position of Joint Managing Director w.e.f. 22.08.2017.

Ms. Manpreet Kaur ceased to be Company Secretary of the company vide letter dated 22.05.2017. However, Company appointed Mr. Gaurav Gupta as Company Secretary and Compliance Officer of the company w.e.f. 05.07.2017. Mr. Inder Pal Singh resigned from the position of Chief Financial Officer of the company from 05.07.2017

Mr. Kuldeep Singh Director (DIN 05327381) is liable to retire by rotation at the ensuing Annual General Meeting of the Company.

17. Board Evaluation

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

Further, a Separate Meeting of the Independent Directors of the Company was held once during the year on 12.08.2016 which also reviewed the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole.

Declarations by Independent Directors

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

Remuneration Policy

The criteria for Directors' appointment has been set up by the Nomination, Remuneration and Compensation Committee, which includes criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Sub-section (3) of Section 178 of Companies Act, 2013 ("the Act"). The Remuneration Policy is attached as "**Annexure 2**" to this Board's Report.

18. Meetings

The details of the number of meetings of the Board held during the Financial Year 2016-17 forms part of the Corporate Governance Report.

19. Key Managerial Personnel

The following are the Key Managerial Personnel of the Company:

1. Mr. Ajay Gupta :Managing Director
2. Mr. Gautam Gupta :Joint Managing Director (upto 22.08.2017)
3. Mr. Kuldeep Singh : Whole Time Director (upto 29.06.2017)
4. Mr. Inder Pal Singh: Chief Financial Officer (upto 05.07.2017)
5. Ms. Manpreet Kaur : Company Secretary (upto 22.05.2017)
6. Mr. Gaurav Gupta : Company Secretary (w.e.f. 05.07.2017)



20. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there are no material departures;
- ii) that they have, in the selection of the Accounting Policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz. 31.03.2017 and of the profit of the Company for that period;
- iii) that they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956/ Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that they have prepared the annual accounts on a going concern basis.
- v) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

21. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Hence the Company is not required to disclose details of the related party transactions in Form AOC – 2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

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

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

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

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

23. AUDITORS

a) Statutory Auditors:-

At the Annual General Meeting held on September 30, 2016, M/s Datta Singla & Co., Chartered Accountants, Mandi Gobindgarh, (Firm Reg. No S06185N) were appointed as the Statutory Auditors of the Company be appointed as the Statutory Auditors of the Company for a period of 5 years, subject to ratification of their appointment by the members at every annual general meeting. The shareholders at the ensuing annual general meeting will consider the appointment of the Statutory Auditors. The Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

In this regard, the ratification in respect with the appointment of M/s. Datta Singla & Co., Chartered Accountants as the Statutory Auditors of the Company is proposed in the Notice of 29th Annual General Meeting of the Company.

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



- i) The company has not provided for finance cost in respect of Banks/Financial Institutions except for Punjab & Sind Bank and UCO Bank but the company has neither provided nor acknowledges the liability in respect of other consortium banks and financial institutions. The exact quantification of interest/finance cost accrued during the year has not been ascertained. However as computed by the company an amount of Rs. 5857.57 Lacs has not been provided for , which has resulted in understatement of loss and liabilities by Rs.5857.57 Lacs. (Refer Note No. 41 to the financial statements)
- ii) In the absence of information of Secured Borrowings (Long Term and Short Term) we are unable to comment upon the exact liabilities towards banks and financial institutions as on balance sheet date and its impact on financial statements.
- iii) In the absence of details and records of liability towards creditors covered under the Micro Small & Medium Enterprises Development Act 2006, we are unable to report the status as required by the Companies, Act 2013.
- iv) The company has credited capital reserve account by Rs. 4231.70 Lacs by writing off the liability towards Banks/FI's and debited capital reserve by Rs. 420.91 Lacs by increasing the liability towards Banks/FI's. The company has not produced any evidence facilitating such adjustment. This has resulted in overstatement of reserves and surplus under the head capital reserve and understatement of the liability by Rs. 3810.79 lacs.
- v) The secured term loan borrowing except that of Punjab National Bank amounting to Rs. 1560.33 lacs and IDBI amounting to Rs.1728.28 lacs should have been classified current liabilities since recall notice under SARFAESI Act by all banks except Punjab & Sind Bank and UCO Bank has been served. This has resulted in overstatement of long term borrowing and understatement of current liabilities by Rs. 15876.18 Lacs.
- vi) In respect of the following receivables the company has not provided complete information justifying their reliability :

Sr.No.	Particulars	(Rs. In Lacs)
i)	Interest Receivable On account Interest Subsidy (Tufts)	1104.04
ii)	Insurance Claim Recoverable	489.70
iii)	Interest on Insurance Claim Recoverable	446.51
iv)	Amount Receivable (Union Bank)	66.88
v)	Amount Receivable (PNB)	63.79
vi)	FDR Receivable from Bank	1123.88
vii)	Amount Receivable (Central Bank)	977.88
viii)	Vat (Notational)	239.46
	Total	4512.14

The above receivables at Sr. (i) to (iii) amounting to Rs.2279.71 Lacs are outstanding for last few years. The other receivables are due from banks, who are secured creditors of the company. We are of the view that the bank in the normal course have adjusted the amount at Sr. No. (iv) to (vii) amounting to Rs.2232.43 Lacs against their outstanding. The necessary adjustment has not been made by the company. This has resulted in overstatement of receivables and understatement of secured liabilities by Rs. 2232.43 lacs. The consequential impact on the profit and loss amount has not been quantified by the company.

- vii) The company has made a provision for gratuity and leave encashment on estimated basis without actuarial valuation, which is not in accordance with Accounting Standard-15 on Employee Benefits. In the absence of actuarial valuation we are unable to comment on the adequacy of the provision.
- viii) The company has accounted for interest on security deposit with PSPCL amounting to Rs. 47.28 lacs on receipt basis against accrual method of accounting adopted by the company. In the absence of interest recoverable from PSPCL for the current year we are unable to quantify the effect of the same on loss of the company.

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



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

b) Cost Auditors:-

The Board of Directors has on the recommendation of Audit Committee, approved the appointment of M/s Akhilesh Bhuchar and Co., Cost Accountants, (Firm Registration No. 101747) as the Cost Auditors of the company for the year 2017-2018 as fixed by Board of Directors as applicable and re-imbursement of out of pocket expenses incurred by them. The proposed remuneration of the Cost Auditors would be approved by the members in the ensuing AGM.

c) Secretarial Audit:-

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Rajeev Bhambri & Associates, (M. No 4327 & C.P. No 9491) a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for Financial year 2016-17. The Report of the Secretarial Audit Report is annexed herewith as **"Annexure 3"**.

The Secretarial Audit Report for the financial year ended March 31, 2017 contains certain reservation and remarks which are given along with the management reply for the same:

- a) The company has not provided for the interest of borrowings from banks which have not charged interest on accounts classified as non-performing assets.
- b) The provision for gratuity and leave encashment is made on an estimated basis, without Actuarial Valuation, which is not in accordance with the Accounting Standard – 15 on Employee Benefits.
- c) Company has delayed/defaulted in payment of statutory payments as required under Employee State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Income Tax Act, 1961.
- d) Company has defaulted in payment of interest and repayment of term loans to State Bank of India, Central Bank of India, SBER Bank, Punjab National Bank, IDBI Bank, Allahabad Bank and Union Bank of India.

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

The Board on the recommendation of Audit Committee, appointed M/s. Amandeep & Associates (M. No. 48541 & C.P. No. 17858) as Secretarial Auditors for the Financial Year 2017-18.

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

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2017) and the date of the Report.

25. CORPORATE GOVERNANCE

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

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

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

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure 4"**.



28. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “**Annexure 5**”.

29. LISTING

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

30. PARTICULARS OF EMPLOYEES

The details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, in respect of Employees of the Company, are given in “**Annexure 6**” of this Board's Report.

However, in terms of Section 136 (1) of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the Statement of Particulars of Employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended. The said statement is available for inspection by the Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting.

31. APPRECIATION AND ACKNOWLEDGEMENTS

The Directors wish to thank Customers, the Government Authorities, Financial Institutions, Bankers, Other Business Associates and Members for the co-operation and encouragement extended to the Company. The Directors also place on record their deep appreciation for the contribution made by the employees at all levels.

32. CAUTIONARY STATEMENT

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

For and on behalf of the Board

Place : Ludhiana
Dated : 22.08.2017

(AJAY GUPTA)
Managing Director
00842248

(KULDIP SINGH)
Director
05327381