

ACTIVE CLOTHING CO LIMITED

**17TH
ANNUAL REPORT**

2018-19

Registered office address: Plot No. E-225, Phase VIII B, Industrial Area, Focal Point, Mohali -160055

CIN:
L51311PB2002PLC033422

CORPORATE INFORMATION

Board of Directors

- Rajesh Mehra Managing Director (DIN: 00026176)
- Renu Mehra- Non- Executive Director (DIN 02033471)
- Kishore Kumar Bajaj
Independent Director (DIN: 06946343)
- Naval Kishore Gupta
Independent Director (DIN: 07362996)

Chief Financial Officer (CFO)
Mr. Amit Jaswal

Registrar & Transfer Agent

Bigshare Services Pvt. Ltd.
1st Floor, Bharat Tin Works Building, Opp.
Vasant Oasis, Makwana Road, Marol,
Andheri East, Mumbai, Maharashtra-400059

Bankers

- ❖ Indian Overseas Bank
- ❖ HDFC Bank

DEMAT ISIN No.

INE380Z01015

CIN:

L51311PB2002PLC033422

Investor Grievance Email

csc@activesourcing.org

Web site

www.activesourcing.org

Registered office and Corporate Office

Regt Office: Plot No. E-225, Phase-VIII B,
Industrial Area, Focal Point, Mohali 160055

Factory Works: Factory Works, Badali Ala
Singh, Distt Fatehgarh Saheb.

NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Members of **Active Clothing Co Limited** will be held at the Registered Office of the Company at: Plot No. E-225, Phase-VIII B, Industrial Area, Focal Point, MOHALI on Friday, **27th day of September, 2019 at 05:30 P.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company on standalone basis, for financial year ended 31st March 2019 including audited Balance Sheet as at 31st March, 2019 and Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Renu Mehra (holding DIN 02033471) who retires by rotation and being eligible, offers herself for re-appointment.

Place: Mohali

Date: 02nd September, 2019

By Order of the Board

Sd/-

(Rajesh Mehra)

Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty in number and holding in aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. In case of a Member holding more than ten per cent of the total share capital of the Company carrying voting rights, such a Member may appoint a single person as proxy, who however shall not act as proxy for any other person or shareholder.
4. Members / Proxies should bring the Attendance Slip duly filled in and signed for attending the meeting. Corporate Members intending to send their authorized representatives are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. Shareholders seeking any information with regard to accounts are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.
7. The Register of Members and Share Transfer Books of the Company will remain closed from **23.09.2019 to 27.09.2019** (both days inclusive).
8. Members are requested to send all communications concerning shares, change of address etc. to the Company's Registrar Big Share Services Pvt. Ltd. quoting their Client ID and reference no. Members are also requested to send their email address to the company's Registrar.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.
10. Shareholders who are still holding physical share certificate(s) are advised to dematerialize their shareholding to avail the benefits of dematerialization.
11. Members may also note that the Notice of the 17th Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website **www.activesourcing.org** for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mohali for inspection during normal business hours on working days. Even after registering for e- communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: rmehra@activesourcing.org.
12. SEBI has vide its Circular dated 20th April 2018, amongst others, mandated the listed companies through their RTAs to collect copy of PAN card and bank details of all security holders holding shares in physical form. Accordingly, those Members holding shares in physical / Electronic form who have not yet submitted the aforementioned details are requested to submit the same to the RTA / Depository Participants.
13. Pursuant to SEBI Notification dated 8th June 2018, amending Listing Regulations, the Company will not process the requests for transfer of shares unless the shares are held in dematerialized form, except in case of transmission or transposition of shares. This Amendment will come into force on 180th day from the date of publication of Notification i.e. from 5th December 2018.
14. As per Notification issued by Ministry of Corporate Affairs dated 19th of March, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and Chapter XC as per SEBI (ICDR) Regulations, 2009 are be exempted from e-voting provisions. Also, no such provision is available in SME Equity Listing Agreement. Company is covered under Chapter XB as it is a SME Company and listed on SME platform of NSE of India Limited. Therefore, Company is not providing e-voting facility to its shareholders.
15. The route map showing directions to reach the venue of the Annual General Meeting is annexed.

Place: Mohali
Date: 02nd September, 2019

Order of the Board

Sd/-
(Rajesh Mehra)
Managing Director

REGULATION 36(3) OF LODR, 2015

Name	Renu Mehra
Father Name	Baldev Krishan
Designation	Non- Executive Director and Non-Executive Chairman
Nature of expertise	25 years' experience
Relationship with director	Wife of Mr.Rajesh Mehra, Managing Director
Directorship in other listed Entities	NIL
Shareholding	29.7%
Original date of appointment	27/02/2002
Date of change in designation	27/11/2017

Place: Mohali
Date: 02nd September, 2019

By Order of the Board

**Sd/-
(Rajesh Mehra)
Managing Director**

Attendance Slip

(To be handed over at the entrance of the Meeting Hall)

Folio No./ DP ID & Client ID: _____

No. of Shares held: _____

I certify that I am a registered Share holder / Proxy for the registered Share holder of the Active Clothing Co Limited, I hereby record my presence at the 17th Annual General Meeting of the Company being held on Friday, 27th day of September, 2019 at 05:30 P.m. at Plot No. E-225, Phase-VIII B, Industrial Area, Focal Point, Mohali 160055

I Member's/Proxy's name in Block Letters

(Member's/Proxy's Signature)

Notes:

1. Please refer to the instructions printed under the Notes to the Notice of the 11th Annual General Meeting.
2. Shareholders/Proxy holders are requested to bring the attendance Slip with them when they come to the Meeting.
3. No attendance slip will be issued at the time of meeting.
4. Shareholders who come to attend the meeting are requested to bring their copies of the Annual Report with them, as spare copies will not be available at the meeting

Form No. MGT-11

PROXY FORM

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

CIN: L51311PB2002PLC033422

Name of the company: Active Clothing Co Limited.

Registered office: Plot No. E-225, Phase-VIII B, Industrial Area, Focal Point, Mohali 160055

Name of Shareholder: _____

Registered Address: _____

Email ID : _____

Folio/No. /DPID & Client ID _____

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

1) _____ of _____ having e-mail id _____
_____ or failing him

2) _____ of _____ having e-mail id _____ or
failing him

3) _____ of _____ having e-mail id _____

and whose and whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the Company, to be held on the Friday,

27th day of September, 2019 at 05:30 P.m. at Plot No. E-225, Phase-VIII B, Industrial Area, Focal Point, Mohali 160055 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Description	For	Against
	Ordinary Business:		
1.	The audited Financial Statements of the Company together with the reports of Board of Directors and the Auditors thereon.		
2.	Re-appointment of Mrs. Renu Mehra as a Director.		

Affix
Revenue
Stamp

Signature

Notes:

1. This Form of the proxy in order to be effective should be duly stamped, completed and signed and must be 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 the members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carry voting rights.
4. If a member holding more than 10% of the total share capital carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other member.
5. In case of Joint holder, the vote of the senior who tender as vote, whether in person or by proxy, shall be accepted to the exclusion to the vote of other joint holders. Seniority shall be determined by the order in which the name stand in the register of members.
6. This is optional please put a tick mark () in appropriate column against the resolution indicated above. In Case of members wishes his/her vote to be used differently, he/she should indicate the number of shares under the columns "For", "Against". In case the members leave the column(s) blank, the proxy will be entitled to vote in the manner he/she thinks appropriate.

ROUTE MAP TO THE VENUE OF 16TH ANNUAL GENERAL MEETING



**VENUE: PLOT NO. E-225, PHASE-VIII B, INDUSTRIAL AREA, FOCAL POINT,
MOHALI 16005**

DATE: 27.09.2019

TIME: 05:30PM

DIRECTORS' REPORT

To

The Members,

Your Directors have great pleasure in presenting the 17th Annual Report and the Audited Accounts of your Company for the year ended 31st March 2019.

FINANCIAL HIGHLIGHTS

(Amount In Rs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Turnover	1,54,48,58,418.95	1,27,35,27,100.94
(b) other income	24,29,882.54	13,96,014.68
(c) Gross Profit/(Loss) (before depreciation and tax)	10,44,78,049.15	9,40,34,342.52
Less : Depreciation	6,43,59,378.00	5,88,50,883.85
(d) Net Profit/(Loss) before tax	40118671.15	3,51,83,458.67
Less : Provision for Tax (including for deferred tax)	94,90,869.00	1,14,69,826
(e) Net Profit/(Loss) After Tax	3,06,27,802.15	2,37,13,632.67

DIVIDEND

In view of continuous expansion activities, directors do not recommend any dividend.

TRANSFER TO RESERVES: The Company has transferred the profit to the reserves during the financial year.

SHARE CAPITAL

There was no change in the Authorized and Paid up share capital of the Company during the year. However, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

PUBLIC DEPOSITS

During the financial year 2018-19, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

During the year under review, the Company has not made any Loans, Guarantees or Investments within the meaning of the provisions of Section 186 of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company. Therefore Company has not constituted a Corporate Social Responsibility Committee. The provisions of a Corporate Social Responsibility shall be complied by the Company as and when applicable

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN 31ST MARCH, 2019 AND THE DATE OF THIS REPORT.

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (31st March, 2019) and the date of this Report.

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL

As per Annexure attached.

PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

The information required Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors Report for the year ended 31st March, 2019.

Disclosure relating to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as provided in the Annual Report.

Having regard to the provision of the first proviso to section 136 (1) of the Act and as advised the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection by the Members at the Registered Office of the Company during business hours and any Member interested in obtaining such information may write to the Company Secretary and same will be furnished.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Companies Act, 2013 Mrs. Renu Mehra (DIN: 02033471), Director retires by rotation and being eligible has offered herself for re-appointment.

Mr. Mahesh Chandra Saxena, Independent Director Passed Away on 13.05.2019 Hence cease to be a Director.

None of the Directors of the company are disqualified for appointment or for continuation as Director of the Company in terms of the provisions of section 164 of the Companies Act, 2013.

DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS

All the Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Act and that they qualify to be independent directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. They have also confirmed that they meet the requirements of 'Independent Director' as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The confirmations were placed before and noted by the Board.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

Pursuant to the provisions of companies Act, 2013 and in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration, and Stakeholder Relationship Committee.

The directors expressed their satisfaction with the evaluation process.

A CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE THAT NONE OF THE DIRECTORS ON THE BOARD OF THE COMPANY HAVE BEEN DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTOR OF THE COMPANY BY THE BOARD/MINISTRY OF CORPORATE AFFAIR OR ANY SUCH STATUTORY AUTHORITY.

The Certificate of the Company Secretary in practice is annexed herewith as a part of the report.

BUSINESS RISK MANAGEMENT

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adhered to the principles of sound risk management and has a Risk Management Policy in Place.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, the Company has a whistle blower policy in place for its Directors and Employees to report concern about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time. None of the Directors or employees have been denied access to the Audit Committee of the Board. During the year, under review, the Company did not receive any complaint under the said Mechanism.

BOARD COMMITTEES

The Board of Directors has constituted three committees ,viz;

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholder's Relationship Committee

BOARD MEETINGS

During the year (Eight) Board Meetings were held. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between the two meetings.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section on 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors confirm:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the Profits of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;

- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

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

All Related Party Transactions were placed before the Audit Committee & Board for their approval.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

SECRETARIAL AUDITOR

The company had appointed Sethi Poonam & Associates to conduct its secretarial Audit for the financial year March 31st, 2019. The Secretarial Auditor has Submitted their report, confirming Compliance by the Company of all the provisions of applicable Corporate laws. The report doesn't contain any qualification, reservation, disclaim or adverse remark. The Secretarial Audit Report (in Form No. MR. 3) is attached as "Annexure- A" to this Report. The board has reappointed Sethi Poonam and Associates, as Secretarial Auditors of the Company for financial year 2019-20

AUDITORS

At the annual general meeting held on September 2018, M/s. Jiwan Goyal & Associates, Chartered Accountants, (Firm Registration No. 012874N, Chartered Accountants as Statutory Auditors of the company to hold office till the conclusion of the annual general meeting of the company to be held in the calendar year 2023.

Pursuant to the notification issued by the ministry of the corporate affairs on the 7th May 2018 amending section 139 of the Companies Act 2013 the mandatory requirement for ratification of the appointment of auditors by the members at every AGM has been omitted and hence company has not proposed ratification of appointment of M/s. Jiwan Goyal & Associates, Chartered Accountants, (Firm Registration No. 012874N, at the forthcoming AGM.

AUDITORS' REPORT

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self explanatory.

REPORTS ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS

Since the Company is listed on SME platform of Bombay Stock Exchange of India Limited, the provisions of Corporate Governance are not applicable to the Company. However, the Directors are complying with the corporate norms

The reports on Corporate Governance and Management Discussion and Analysis for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 form part of this Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

ENERGY CONSERVATION

The prescribed particulars of conservation of energy, technology absorption as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The Company plays a proactive role in the area of energy conservation and significant improvement by continuously improving

operating practices and energy conservation.

TECHNOLOGICAL ABSORPTION

Having installed the latest, state-of-art machinery imported from different parts of the world, the research and development department is continuously on a lookout for adapting to latest technology innovation and absorption

FOREIGN EXCHANGE OUTGO AND EARNINGS

FOREIGN OUTGO: Rs. 7382179.98

FOREIGN EARNINGS: Rs. 16790336.14

EXTRACT OF ANNUAL RETURN

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

INSURANCE

All the properties of the Company are adequately insured. The Company is also adequately insured for its activities as stock & currency brokers and depository participant.

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

The Company has zero tolerance for sexual harassment at work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed hereunder.

Your Directors further state that as on date there is no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their thanks and gratitude to the Company's Bankers, Customers and other Authorities for their support, co-operation, guidance and assistance. The Board is also grateful to the shareholders for their continued confidence. The Board of Directors takes this opportunity to express their appreciation of the sincere efforts put in by the staff and executives at all the levels and hopes that they would continue their dedicated efforts in the future too.

For and on behalf of the Board

Place: Mohali

Date: 02nd September, 2019

Sd/-

**(Rajesh Mehra)
Managing Director**

Sd/-

**(Renu Mehra)
Director**

FORM NO. 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.

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 transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Again Lifestyle P Ltd, Ludhiana
b)	Nature of contracts/arrangements/transaction	Purchase/ Sale
c)	Duration of the contracts/arrangements/transaction	1 year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Purchase Rs.8283302.65/-
e)	Date of approval by the Board	22.05.2018
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board

Sd/-

**(Rajesh Mehra
Managing Director**

Sd/-

**(Renu Mehra)
Director**

Annexure to the Board Report

Disclosure u/s 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19,	Name of Director/ KMP and Designation	increase in Remuneration in the Financial Year 2018-19
		Mr. Rajesh Mehra (Managing Director)	NIL
		Mrs. Renu mehra (Non Executive Director & Non executive Chairman)	NIL
		Mr. Naval Kishore Gupta (Independent Director)	NIL
		Mr. Kishore Kumar Bajaj (Independent Director)	NIL
		Mr. Amit Jaswal (CFO)	NIL
		Mrs. Avneet Kaur Bedi Company Secretary	NIL
2	The % increase in the median remuneration of employees in the financial year.		
3	The number of permanent employees on the rolls of Company.		
4.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.		
5.	Affirmation that the remuneration is as per the remuneration policy of the Company.		

By Order of the Board

Sd/-

Rajesh Mehra
Managing director

ANNEXURE i

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2019

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L51311PB2002PLC033422
2.	Registration Date	27/02/2002
3.	Name of the Company	Active Clothing Co Limited
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES INDIAN NON-GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	Plot No. E-225, Phase-VIII B, Industrial Area, Focal Point, Mohali 160055
6.	Whether listed company	YES, LISTED ON BSE (SME SEGMENT) on 26.03.2018
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PRIVATE LIMITED 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai, Maharashtra-400059

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 Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of wearing apparel n.e.c	14109	50.00
2	Retail sale of readymade garments,	47711	50.00

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	11407915		11407915	73.54	11407915		11407915	73.54	

i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	537590		537590	3.46	2259502		2259502	14.57	
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	2102610		2102610	13.55	1016610		1016610	6.55	
b) NBFC's registered with RBI	0	0	0	0	0	0	0	0	0
c) Employee Trusts	0	0	0	0	0	0	0	0	0
d) Overseas Depositories (holding DRs)(Balancing Figure)	0	0	0	0	0	0	0	0	0
c) Others (Body Corp., clearing Member	1452000		1452000	9.36	816088		816088	5.26	
Non Resident Indians	6000	0	6000	0.04	6000		6000	0.04	
Sub-total (B)(3):-		200	200	0.1	4098200		4098200	26.42	
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)					4098200		4098200	26.42	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0					
Grand Total (A+B+C)		15512215	15512215	100	15512215		15512215	100	

B) Shareholding of Promoter-

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	RAJESH MEHRA	5722715	36.89		5722715	36.89		
2	RENU MEHRA	4617700	29.77		4617700	29.77		
3	RAJESH MEHRA HUF	1067500	6.88		1067500	6.88		
4	KALIKA MEHRA	6100	0.04		6100	0.04		

(relative of promoter)							
Total	11414015	73.58		11414015	73.58		

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

SN	Particulars	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	11414015	73.58	11414015	73.58
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	11414015	73.58	11414015	73.58

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

S N	For Each of the Top 10 Shareholders	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	2448610	15.78	2448610	15.78
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	2266611	14.61	226611	14.61

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	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	1,03,40,415	66.66	1,03,40,415	66.66
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	1,03,40,415	66.66	1,03,40,415	66.66

F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	47,06,83,449.07	---	---	47,06,83,449.07
ii) Interest due but not paid		---		
iii) Interest accrued but not due				
Total (i+ii+iii)	47,06,83,449.07	---	---	47,06,83,449.07
Change in Indebtedness during the financial year	---	---	---	---
* Addition	109459338.1	---	---	109459338.1
* Reduction	--	---		
Net Change	109459338.1	---		109459338.1
Indebtedness at the end of the financial year		---		
i) Principal Amount	580142787.17	---	---	580142787.17
ii) Interest due but not paid	---	---	---	
iii) Interest accrued but not due	---	---	---	
Total (i+ii+iii)	580142787.17	---	---	580142787.17

IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Rajesh Mehra (M.D)			
1	Gross salary	12,00,000			12,00,000
	(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	Nil			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil			
2	Stock Option	Nil			
3	Sweat Equity	Nil			
4	Commission - as % of profit - others, specify...	Nil			
5	Others, please specify	Nil			

	Total (A)	12,00,000			12,00,000
	Ceiling as per the Act				5% of Net profit

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount

1	Independent Directors			
	Fee for attending board committee meetings	Nil	Nil	
	Commission	Nil	Nil	
	Others, please specify	Nil	Nil	
	Total (1)	Nil	Nil	Nil
2	Other Non-Executive Directors		-	
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	Nil	Nil	Nil
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			11% of Net profit

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	168,000/-	8,40,000/-	
	(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	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil

4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total		168,000/-	8,40,000/-	

V. 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					
Penalty					
Punishment					
Compounding					
B. DIRECTORS: NIL					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT: NIL					
Penalty					
Punishment					
Compounding					

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

Rajesh Mehra
Managing Director
DIN: 00026176

Sd/-

Avneet Kaur Bedi
Company Secretary
M. NO: A43929

DECLARATION BY INDEPENDENT DIRECTORS

Dated: 01.10.2018

To

The Board of Directors,
Active Clothing Co Private Limited
Regt Office: Plot No. E-225, Phase-VIII B,
Industrial Area, Focal Point, Mohali

Sub: Declaration of independence and sub-section (6) of section 149 of the companies Act, 2013

I, Naval Kishore Gupta, S/o Sh. Gujjar Mal House No. 56, Sector 10, Panchkula Director Identification Number 07362996 hereby certify that:

- 1) I possess relevant expertise and experience to be an independent director of the company.
- 2) I am/was not a promoter of the company or its holding, subsidiary or associate company;
- 3) I am not related to promoters or directors in the company, its holding, subsidiary or associate company
- 4) None of my relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors.
- 5) neither myself nor any of my relatives—
 - (a) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company.
 - (b) or has been an employee or proprietor or a partner.
 - (c) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company.
 - (d) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
 - (e) holds together with his relatives two per cent. or more of the total voting power of the company; or
 - (f) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;
- 6) I am not the material supplier, service provider or customer or lessor or lessee of the company.
- 7) I am not less than 21 years of age.

DECLARATION

I undertake that I shall seek prior approval of the Board if and when I have any such relationship/transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship/transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine, if any, imposed on the Company, its directors, if the same found wrong or incorrect in the future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking You,

Yours faithfully,

Sd/-

Naval Kishore Gupta

Dated: 01.10.2018

To

The Board of Directors,
Active Clothing Co Private Limited
Regt Office: Plot No. E-225, Phase-VIII B,
Industrial Area, Focal Point, Mohali

Sub: Declaration of independence and sub-section (6) of section 149 of the companies Act, 2013

I, Kishore Kumar Bajaj, S/o Mr. Ved Parkash Bajaj, D-3/3385, Vasant Kunj, South West Delhi having Director Identification Number 06946343 hereby certify that:

- 1) I possess relevant expertise and experience to be an independent director of the company.
- 2) I am/was not a promoter of the company or its holding, subsidiary or associate company;
- 3) I am not related to promoters or directors in the company, its holding, subsidiary or associate company
- 4) None of my relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors.
- 5) neither myself nor any of my relatives:
 - (a) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company.
 - (b) or has been an employee or proprietor or a partner.
 - (c) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company.
 - (d) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
 - (e) holds together with his relatives two per cent. or more of the total voting power of the company; or
 - (f) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;
- 6) I am not the material supplier, service provider or customer or lessor or lessee of the company.
- 7) I am not less than 21 years of age.

DECLARATION

I undertake that I shall seek prior approval of the Board if and when I have any such relationship/transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship/transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine, if any, imposed on the Company, its directors, if the same found wrong or incorrect in the future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking You,

Yours faithfully,

Sd/-

Kishore Kumar Bajaj

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel)Rules, 2014]

To,
The Board of Directors
Active Clothing Co Limited
Regd Off: Plot No. E-225, Phase-VIII B,
Industrial Area, Focal Point, Mohali-160055

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Active Clothing Co Limited** (the Company'). The 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 **Active Clothing Co Limited** 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 ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Active Clothing Co Limited** ("the Company") for the financial year ended on 31st March, 2019 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; **Company has made the general compliances under the said Act.**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **Company has made the general compliances under the said Act.**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not applicable during the period under review**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Company has not issued any debt security. Hence, Not applicable during the 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; **Company has made the general compliances under the said Act.**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable during the period under review** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable during the period under review**

I have relied on the representation made by the Company and its officers for systems and mechanism formed by the company for compliance under other applicable acts, Laws and Regulations of the Company and records in pursuit there to, on test check basis, we report that the company has generally complied with the following laws applicable to the company.

- Payment of wages Act, 1936
- The Minimum Wages Act, 1948
- Employees State Insurance Act,
- The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- The Payment Of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- Factories Act,

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 Bombay Stock Exchange(s),

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

I further report that

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

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

I further report that the Company is listed on **Bombay Stock exchange on SME segment**

For Sethi Poonam & Associates
Practicing Company Secretary

Sd/-

Poonam Sethi (Prop.
Certificate of Practice No. 21751

Date: 02nd September, 2019

Place: Ludhiana

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

‘ANNEXURE A’

To

The Board of Directors

Active Clothing Co Limited

Regd Offc: Plot No. E-225, Phase-VIII B, Industrial Area, Focal Point, Mohali-160055

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our examination was limited to the verification of procedures 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.

For Sethi Poonam & Associates
Practicing Company Secretary

Sd/-

Poonam Sethi (Prop.
Certificate of Practice No. 21751

Date: 02nd September, 2019

Place: Ludhiana

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

Based on our verification of the books, Paper, minute books, forms and returns filed and other records maintained by ACTIVE Clothing CO LIMITED, having its Registered office at Plot no.E-225, Phase-VIII B, industrial Area, Focal Point, Mohali-160055 and also the information provided by the Company, its officers, agents and authorized representatives, we hereby report that during the financial Year ended on March 31, 2019, in our opinion, none of the director on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Board/Ministry of Corporate Affair or any such Statutory Authority.

Place: Ludhiana
Date: April 30, 2019

POONAM SETHI
SETHI POONAM & ASSOCIATES
Company Secretaries

Sd/-
C.P. No: 21751

REPORT ON CORPORATE GOVERNANCE

As per Regulation 34 (3) read along with Schedule V (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that Corporate Governance is a set of processes, customs, policies, rules, regulation and laws for ensuring transparency, professionalism and accountability in its dealings with its customers, principal, employees, shareholders and with every individual who comes in contact with the Company. The Company's philosophy on Corporate Governance is bounded upon a rich legacy of fair ethical governance practices which has been in practice since the beginning. In fact the company has long been a staunch supporter of this code even before it became mandatory. Integrity, transparency, accountability and compliance with laws which are columns of good governance have always been the hallmark of company. The Company is in full compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in this regard, submits a report on the matters mentioned in the said clause and also the practices followed by the Company as stated below:

2. BOARD OF DIRECTORS

- i. Composition, Category and their attendance at the Board meetings during the year and at the last Annual General Meeting as also the number of other company Directorships / Memberships of Committees are as follows:

As on 31st March, 2018 the Board of Directors comprised the Managing Director, one non- executive Director who is also Non-Executive chairman who is a Lady and Two Independent Directors, who bring in a wide range of skill and experience to the Board. The composition of the Board is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CATEGORY OF DIRECTORSHIP	NAMES OF THE DIRECTOR	ATTENDANCE DETAILS		OTHER DIRECTOR SHIPS*	OTHER BOARD COMMITTEE	
		BOARD MEETINGS	LAST AGM 27.09.2018		MEMBER SHIPS	CHAIRMAN SHIPS
Managing Director	Mr. Rajesh Mehra	8	Yes	NIL	-	-
Non-Executive Director and Non Executive Chairman	Mrs Renu Mehra	8	Yes	NIL	-	-
Independent Directors	Mr. Naval Kishore Gupta	4	No	NIL	-	-
	Mr. Kishore Kumar Bajaj	4	No	NIL	-	-

- ii. No. of Board Meetings held during the year along with the dates of the meeting: During the year eighteen Board Meetings were held on following dates:

S.No	Date
1	22.05.2018
2	30.05.2018
3	05.07.2018
4	02.09.2018
5	15.10.2018
6	12.11.2018
7	30.11.2018
8	22.03.2019

- iii. Independent Directors do not hold any shares in the Company .
Mrs. Renu Mehra, who is non executive director holds 4617700 equity shares in the Company.
- iv. None of other Directors are related to each other except Mr. Mr. Rajesh mehra and Mrs. Renu Mehra. Mrs. Renu Mehra is the wife of Mr. Rajesh Mehra.

3. Audit Committee:

a) Composition, Meetings and Attendance:

The Audit Committee Comprises of two Independent Directors Mr. Kishore Kumar Bajaj (Chairman) , Mr. Naval Kishore Gupta (Member)and One nonexecutive Director Mrs. Renu Mehra (Member). All the members of Audit Committee are financially literate.

NO. OF MEETING HELD OF AUDIT COMMITTEE:

S. No.	Date
1.	10.04.2018
2.	22.05.2018
3.	30.05.2018
4.	22.10.2018
5.	12.11.2018

Term of reference:

The brief terms of reference, inter-alia, includes the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of section 134(5) of the Companies Act, 2013

- b. Changes, if any, in accounting policies and practices and reasons for the same.
- c. Major accounting entries involving estimates based on the exercise of judgment by management.
- d. Significant adjustments made in the financial statements arising out of audit findings.
- e. Compliance with listing and other legal requirements relating to financial statements.
- f. Disclosure of any related party transactions.
- g. Qualifications in the draft audit report.
- Reviewing with the management, the half yearly and annual financial statements before submission to the board for approval
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 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.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

4. Nomination and Remuneration Committee

a) Composition:

The Nomination and Remuneration comprise of two Independent Directors namely Mr. Kishore Kumar Bajaj (Chairman), Mr. Naval Kishore Gupta (Member), and one non –executive Director, Mrs. Renu Mehra (Member).

NO. OF MEETING HELD.

S NO.	DATE
1.	30.05.2018
2.	02.09.2018

b) Terms of reference:

- To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/ Executive Directors, including pension rights and any compensation payment;
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee. “

c) Policy on selection and appointment of Directors and their remuneration.**(a) Criteria of selection of Non-executive Directors**

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 marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

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.

In case of re-appointment of Non-executive Directors, the Board shall take into consideration the performance evaluation of the Director and his / her engagement level.

Remuneration: The Non- Executive / Independent Directors shall be entitled to receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time and reimbursement of expenses for participation in the Board Meeting. An Independent Director shall not be entitled to any stock option of the Company.

(b) Managing Director & Whole-Time Director - Criteria for selection / appointment.

For the purpose of selection of the Managing Director or Whole-Time Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration: At the time of appointment or re-appointment, the Managing Director or Whole-Time Director may be paid such remuneration as may be mutually agreed between the Companies (which includes the nomination & Remuneration Committee and the Board of Directors) and the Managing Director or Whole-Time Director within the overall limits prescribed under the Companies Act, 2013.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

(c) Remuneration policy for senior Management Employees

In determining the remuneration of the Senior Management Employees the Committee shall ensure the relationship of remuneration and performance benchmark is clear.

5. Stakeholder Relationship Committee:

A. Composition :

The Stakeholder Relationship Committee comprises of one non-executive Director Mrs. Renu Mehra (Chairman) and two independent Directors Mr. Naval Kishore Gupta, and Mr. Kishore Kumar Bajaj, of the company.

NO OF MEETING HELD:

S NO.	DATE
1.	30.05.2018

Terms of reference:

- Redressal of shareholders’/investors’ complaints;
- Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Non-receipt of declared dividends, balance sheets of the Company; and
- Carrying out any other function as prescribed under the Listing Agreement non-receipt of annual reports etc. and also reviews the reports presented by the Share Transfer Agents of the Company;
 - a) Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and rematerialization of shares, split and issue of duplicate/ consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
 - b) Carrying out such other functions as may be specified by the Board from time to time.

B. Details of Complaints received and resolved during the year ended on 31.03.2019:

Number of complaints pending at the beginning of the year	Nil
Number of complaints received from shareholders	Nil
Number of complaints redressed	Nil
Number of complaints pending share transfers	Nil

c. Compliance officer:

The Board has designated Mrs. Avneet Kaur Bedi as Company Secretary and Compliance Officer

of the Company.

6. General Body Meetings:

A. Date, Time and Location of the last three Annual General Meetings:

YEAR	LOCATION	DATE	TIME
2017-18	Plot No E-225, Phase – VIII B, Industrial Area, Focal Point, Mohali – 160055	27.09.2018	5.30P.M
2016-17	Plot No E-225, Phase – VIII B, Industrial Area, Focal Point, Mohali – 160055	29.09.2017	11.00 A.M.
2015-16	F-279, Phase-8B, Mohali, Punjab-160055	30.09.2016	11.00 A.M.

B Date, Time and Location of the last three Extraordinary General Meetings: NIL

C. Special Resolutions passed in previous three Annual General Meetings:

Date of Annual General Meeting	Particulars of Special Resolutions
27.09.2018	Appointment of Mr. Naval Kishore Gupta as an Independent Director Appointment of Mr. Kishore Kumar Bajaj as an Independent Director
29.09.2017	No such Special Resolution was passed.
30.09.2016	No such Special Resolution was passed.

D. Special Resolutions passed in previous three Extra Ordinary General Meetings: Nil

E-Resolution passed by postal ballot during 2018-2019:

No resolution was passed by postal ballot during the year 2018-2019. At present, the Company does not have any resolution to be decided by members by postal ballot.

Disclosures:

- None of the transactions with any of the related parties were in conflict with the interest of the Company.
- None of the Directors of the company are disqualified for being appointed as Directors as stipulated under section 164(2) and rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014 of the Companies Act, 2013.
- The Company promotes ethical behavior in its operations and has a Vigil mechanism which is overseen through the Audit Committee. Under the Vigil Mechanism, employees are free to report violations of applicable laws and regulations and the Code of Conduct. During the year under

review, no employee was denied access to the Audit Committee.

- d. The Company has complied with the mandatory requirements on Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e. Your Company having no material subsidiary company in terms of Regulation 16 (c) of the SEBI (listing Obligation & Disclosure Requirements) Regulations, 2015.

Means of Communication:

- a. These results are also displayed on the Company's Website viz. www.activesourcing.org.
- b. These results are also submitted to BSE for display on their website www.bseindia.com.
- c. The Management Discussion and Analysis report forms part of this Annual Report.

General Shareholders Information:

a) ANNUAL GENERAL MEETING

Day, Date & Time	Friday, 27 th September, 2019 at 5.30 P.M.
Venue	Plot No. E-225, Phase-VIII B, Industrial Area, Focal Point, Mohali PB 160055

- b) **BOOK CLOSURE** : Monday, 23rd September, 2019 to Friday, 27th September, 2019 (Both days inclusive)

c) LISTING ON STOCK EXCHANGES

BSE SME Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

Annual Listing Fees, as prescribed has been paid to the Stock Exchange for the year 2018-19.

- d) **STOCK EXCHANGE SCRIP CODE:** 541144 (*BSE-SME*)

- e) **CORPORATE IDENTIFICATION NUMBER:** L51311PB2002PLC033422

- f) **DEMAT ISIN No:** *INE380Z01015*

- g) **SHARE TRANSFERS AND OTHER COMMUNICATIONS SHOULD BE ADDRESSED TO:**

BIGSHARE SERVICES PVT. LTD.

1st Floor, Bharat TIN works building, opp. Vasant Oasis Apartments (next to Keys Hotel), Marol

Maroshi Road, Andheri East, Mumbai 400059.

Tel.: 022-62638294, Fax: 022-62638299

- i) **INVESTORS' COMPLAINTS MAY BE**

ADDRESSED TO: Compliance Officer

Active Clothing Co Limited

Correspondence and Corporate Office: Plot No. E-225,

Phase-VIII B, Industrial Area, Focal Point, Mohali

Email: csco@activesourcing.org

MANAGEMENT DISCUSSION ANALYSIS REPORT

Our Business:

Threats:

ISSUES	TYPICAL CONCERNS	MITIGATION
Product	Single Product	Developed Multiple Products
Customer	Product may go out of fashion	Product Range includes Winter wear (sweaters and jackets) and T-shirts & Sweats. Manufacturing facilities get blocked one year in advance.
Customer	Reliance on Single customer	Levis India has provided the scale and Growth which was required in initial phase.
	If the Customer collapses, the whole business Collapses	Working with Multiple New Customers in all the verticals
Supplier of machinery	Over reliance on single supplier	Machinery being sourced from the world's best Japanese and German Suppliers incorporating both Technical and Price advantage.
		Long Term Contracts for unhindered supply with Deferred payments agreements
Geography	Geo Political Risk	A complete division of Exports is being created
Weather	Unpredictable seasons	Product diversification

Adequacy of Internal Controls & Internal Audits: Your Company believes in formulating adequate and effective internal control system and implementing the same to ensure that assets and interests of the Company are protected and safeguarded and reliability of accounting data and accuracy are ensured with proper checks and balances. The internal control system is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements. The Company has internal audit which is commensurate with the size of its operations.

Human Resources: The Company has been following standard procedure for recruitment of best personnel for all the departments and is making constant and continuous efforts to retain and groom them to meet its present and future requirements. The relation between the management and staff remained very cordial during the year.

Segment - wise performance:

Your company has only one segment and entire revenue is generated from garments sale only. Accordingly, segment reporting as required under Accounting Standard-17, issued by the Institute of Chartered Accountants of India, is not applicable.

Code for Prevention of Insider Trading Practices: As a part of code of conduct, the Company has a well defined and laid down policy approved by the Board for the prevention of insider Trading in line with SEBI Insider Trading Prohibition Regulations which is applicable to all Directors, senior management/ Employees categorized as "Designated Employees".

By Order of the Board

Place: Mohali
Date: 02.09.2019

Sd/-
(Rajesh Mehra)
Managing Director

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

In terms of the requirements of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the members of the Board and the Senior Management personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2019.

For Active Clothing Co Limited

Place: Mohali
Date: 02.09.2019

Sd/-
(Rajesh Mehra)
Managing Director

**CERTIFICATION UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS
AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**The Board of Directors,
Active Clothing Co Limited**

- a) We have reviewed financial statements of **Active Clothing Co Limited** for the year ended 31st March, 2019 and to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we was aware and the steps we have taken or proposes to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there is:
- (i) No significant change in internal control over financial reporting during the year
 - (ii) No significant change in accounting policies during the year under review and
 - (iii) No instance of any fraud in the Company in which the management has any role.

**Sd/-
Rajesh Mehra
Managing Director**

**Sd/-
Amit Jaswal
Chief Financial Officer**

Place: Mohali

Date: 02.09.2019

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Active Clothing Co Limited.

We have examined all relevant records of for the purpose of certifying compliance Active Clothing Co limited of conditions of Corporate Governance as stipulated under para C of Schedule V read with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on 31st March, 2019.

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

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

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

For Jiwan Goyal & Associates Chartered Accountants
F.R.N. : 012874N

Sd/-
Jiwan Goyal (Prop.) M. No. 091937

Place: Mohali
Date: 27th May, 2019

JIWAN GOYAL & CO
CHARTERED ACCOUNTANTS

H. No. 43, Tagore Nagar, 1st Floor, Dr. Mela Ram Road
Near Improvement Trust Office, Bhatinda – 151 005
PHONE No. 98145 99305

INDEPENDENT AUDITOR'S REPORT

To the Members of
Active Clothing Co Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Active Clothing Co Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, the cash flow statement and the statement of changes in Equity 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 stated 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, the Cash Flows and change in Equity in company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these 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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of 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, of the state of affairs of the Company as at March 31, 2019, its profit, its Cash Flows and the change in Equity for the year ended on that date.

Report on other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 purpose 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.
 - c) The Balance Sheet, the Statement of Profit and Loss & Cash Flows, statement of change in Equity dealt with by this Report are in agreement with the books of account

- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) (Amendment) Rules, 2016.
- e) On the basis of the written representations received from the Directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164 of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure-II".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended by the companies (Audit and Auditors) Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigation on its financial position in its financial statements as of March 31, 2019;
 - ii) The Company has made provisions in its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts;
 - iii) Company is not required to transfer any amount to the Investor Education and Protection Fund.

For Jiwan Goyal & Co
Chartered Accountants
FRN 012874N

(Jiwan Goyal)
Proprietor
Membership No.: 091937

DATE: 27.05.2019
Place: Mohali

ACTIVE CLOTHING CO LIMITED
(CIN: L51311PB2002PLC033422)

Annexure I to the Auditors' Report

The Annexure referred to in our report to the members of ACTIVE CLOTHING Co Limited for the year ended on March 31, 2019

We report that:

- 1) In respect of its fixed assets:
 - (a) the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (C) As explained to us, the title deeds of immovable properties are held in the name of the company.
- 2) In respect of its inventories:

As explain to us physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- 3) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies act 2013.
 - (a) Not Applicable
 - (b) Not Applicable
- 4) The company has not granted any loans or provided any guarantees or securities to the parties covered under section 185 and 186 of the Companies Act, 2013.
- 5) The company has not accepted any deposits from the public, with in the meaning of section 73 to 76 of the act and the Rules framed there under.
- 6) This clause is not applicable as no cost records has been specified by the Central Govt. under sub-section (1) of section 148 of the Companies Act, 2013.
- 7) According to the information and explanation given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, employee's state insurance, Income tax, Sales tax, Service tax, duty of customs, duty of excise, value added tax/ Goods and Service Tax , cess and any other statutory dues to the appropriate authorities wherever applicable.
 - (b) This clause is not applicable

- 8) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- 9) In our opinion and according to the information and explanations given to us, term loans were applied for the purposes for which those are raised.
- 10) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, no instance of Material Fraud by the company or on the company by its officers and employees have been noticed or reported during the year.
- 11) According to the information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- 12) This clause is not applicable to the company as the Company is not a Nidhi Company.
- 13) To the best of our knowledge and according to the information and explanations given to us, 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.
- 14) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- 15) The company has not entered into any non-cash transactions with directors or persons connected to directors and hence provisions of section 192 of the Companies Act 2013 are not applicable.
- 16) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Jiwan Goyal & Co
Chartered Accountants
FRN 012874N

(Jiwan Goyal)
Proprietor
Membership No.: 091937

DATE: 27.05.2019
Place: Mohali

Annexure - II to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Active Clothing Co Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their

operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Jiwan Goyal & Co
Chartered Accountants
FRN 012874N

(Jiwan Goyal)
Proprietor
Membership No.: 091937

DATE:27.05.2019
Place: Mohali

ACTIVE CLOTHING CO LIMITED
E-225, INDUSTRIAL AREA, PHASE-VIII-B, MOHALI

BALANCE SHEET AS AT 31.03.2019

(Rs.)			
Particulars	Notes No.	Figures as at 31.03.2019	Figures as at 31.03.2018
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	155122150.00	155122150.00
(b) Reserves and surplus	2	452793969.63	415406408.48
(c) Money received against share warrants			
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	229493052.48	280482812.94
(b) Deferred tax liabilities (Net)	4		4296323.00
(c) Other Long term liabilities	5	6750000.00	3000000.00
(d) Long term provisions	6		
(4) Current Liabilities			
(a) Short-term borrowings	7	374019152.27	230417052.13
(b) Trade payables	8	301122644.75	192150666.65
(c) Other current liabilities	9	74438285.68	89644406.32
(d) Short-term provisions	10	1373331.00	0.00
TOTAL		1595112585.81	1370519819.52
II. ASSETS			
Non Current Assets			
(1) (a) Fixed assets			
(i) Tangible assets	11	412053938.50	465439758.48
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible Assets Under development			
(b) Non current investment	12		
(c) Deferred tax assets (net)		1231718.00	
(d) Long term loans & advances	13	2765283.36	4866986.00
(e) Other non -current assets	14	6859157.10	16668230.40
(2) Current Assets			
(a) Current investments	15		
(b) Inventories	16	706599676.65	588313860.00
(c) Trade receivables	17	394967279.91	240019548.06
(d) Cash and cash equivalents	18	31577196.13	16836637.74
(e) Short-term loans and advances	19	39058336.16	38374798.84
(f) Other current assets	20	0.00	0.00
TOTAL		1595112585.81	1370519819.52

1 to 36

NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS

As per our report of even date
For Jiwan Goyal & Co
Chartered Accountants
FRN 012874N

(Jiwan Goyal)
Proprietor
Membership No.: 091937

FOR AND ON BEHALF OF THE BOARD

Rajesh Mehra
Managing Director

Renu Mehra
Director

Amit Jaswal
Chief Financial Officer

Avneet Bedi
Company Secretary
PLACE: MOHALI
DATED: 27.05.2019

ACTIVE CLOTHING CO LIMITED
E-225, INDUSTRIAL AREA, PHASE-VIII-B, MOHALI

PROFIT & LOSS STATEMENT FOR THE PERIOD 01.04.2018 TO 31.03.2019

(Rs.)				
	Particulars	Notes No.	Figures as at 31.03.2019	Figures as at 31.03.2018
I.	Revenue from operations	21	1544858418.95	1273527100.94
II.	Other Income	22	2429882.54	1396014.68
III.	Total Revenue (I +II)		1547288301.49	1274923115.62
IV.	Expenses:			
	Cost of materials consumed	23	412499760.30	536785230.92
	Purchases of Stock-in-Trade	24	741516714.95	506685654.51
	Changes in inventories of finished goods, work-in-progress and Stock in Trade	25	(49820070.65)	(132855040.00)
	Employee Benefits Expense	26	221870861.44	164098212.88
	Finance costs	27	59860095.60	66994225.79
	Depreciation & amortization expense	28	64359378.00	58850883.85
	Other expenses	29	56882890.70	39180489.00
	Total Expenses		1507169630.34	1239739656.95
V.	Profit before exceptional and extraordinary items and tax (III-IV)		40118671.15	35183458.67
VI.	Exceptional Items			
VII.	Profit before extraordinary items and tax (V - VI)		40118671.15	35183458.67
VIII.	Extraordinary Items			
IX.	Profit before tax (VII - VIII)		40118671.15	35183458.67
X.	Tax expense:			
	(1) Current tax		8259151.00	7173503.00
	(2) Deferred tax		1231718.00	4296323.00
XI.	Profit(Loss) for the perid from continuing operations (VII-VIII)		30627802.15	23713632.67
XII.	Profit/(Loss) from discontinuing operations			
XIII.	Tax expense of discontinuing operations			
XIV.	Profit/(Loss) from Discontinuing operations(after tax) (XII - XIII)		0.00	0.00
XV.	Profit/(Loss) for the period (XI + XIV)		30627802.15	23713632.67
XVI.	Earnings per equity share:			
	(1) Basic		1.97	53.99
	(2) Diluted		1.97	53.99

NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS

As per our report of even date

As per our report of even date
 For Jiwan Goyal & Co
 Chartered Accountants
 FRN 012874N

(Jiwan Goyal)
 Proprietor

Membership No.: 091937

1 to 36

FOR AND ON BEHALF OF THE BOARD

Rajesh Mehra
 Managing Director

Renu Mehra
 Director

Amit Jaswal
 Chief Financial Officer

Avneet Bedi
 Company Secretary
 PLACE: MOHALI
 DATED: 27.05.2019

ACTIVE CLOTHING CO LIMITED
E-225, INDUSTRIAL AREA, PHASE-VIII-B, MOHALI

STATEMENT OF CHANGES IN EQUITY
Period 01.04.2018 to 31.03.2019

Particulars	Current Year	Previous Year
AUTHORIZED 16000000 Equity Shares of Rs. 10/- each.	160000000.00	160000000.00
	160000000.00	160000000.00
ISSUED , SUBSCRIBED & PAID UP 15512215 Equity Shares of Rs. 10/- each, Fully paid up	155122150.00	155122150.00
	155122150.00	155122150.00

Equity Shares	As at 31st March, 2019	As at 31st March, 2018
At the beginning of the reporting period	15512215	187315
Add: Allotted as fully paid Bonus Shares		11238900
Add: Alloted as fully paid through IPO		4086000
Add: Private Placement		
Outstanding at the end of the reporting period	15512215	15512215
Rights, preferences and restrictions attached to equity shares		
<p>The company has one class of equity shares having a face value of Rs. 10/- each which are issued and subscribed. Each holder of equity shares is entitled to one vote per share. No dividend has been declared.</p> <p>In the event of the winding up of the Company, the holders of equity shares will be entitled to receive the assets of the Company in proportion to the number of equity shares held by the shareholders and the amount paid up thereon.</p>		

Reserves & Surplus

Particulars	Current Year	Previous Year
Securities Premium Account		
Balance as per the last financial Statements	254957150.00	142616150.00
Less		
Transfer for Bonus Issue		112389000.00
Balance	254957150.00	30227150.00
Add: Amount received during the year (IPO)		224730000.00
Closing Balance	254957150.00	254957150.00

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

As per our report of even date

For Jiwan Goyal & Co
Chartered Accountants
FRN 012874N

Rajesh Mehra
Managing Director

Renu Mehra
Director

(Jiwan Goyal)
Proprietor

Amit Jaswal
Chief Financial Officer

Avneet Bedi
Company Secretary

Membership No.: 091937

PLACE: MOHALI
DATED: 27.05.2019

ACTIVE CLOTHING CO LIMITED
E-225, INDUSTRIAL AREA, PHASE-VIII-B, MOHALI

Notes to Financial Statements for the the period 01.04.2018 to 31.03.2019

Note No. 1 Share Capital

Sr. No	Particulars	Current Year	Previous Year
a	AUTHORIZED 16000000 Equity Shares of Rs. 10/- each.	160000000.00	160000000.00
		160000000.00	160000000.00
b	ISSUED , SUBSCRIBED & PAID UP 15512215 Equity Shares of Rs. 10/- each, Fully paid up	155122150.00	155122150.00
		155122150.00	155122150.00
a	Reconciliation of the Number of shares outstanding at the beginning and at the end of the reporting period		
	Equity Shares	As at 31st March, 2019	As at 31st March, 2018
	At the beginning of the reporting period	15512215	187315
	Add: Allotted as fully paid Bonus Shares		11238900
	Add: Alloted as fully paid through IPO		4086000
	Outstanding at the end of the reporting period	15512215	15512215
b	Rights, preferences and restrictions attached to equity shares		
	The company has one class of equity shares having a face value of Rs. 10/- each which are issued and subscribed. Each holder of equity shares is entitled to one vote per share. No Dividend has been proposed.		
c	Detail of shareholders holding more than 5% shares in the Company		
	Class of Shares and Name of shareholders	As at 31st March, 2019 Number %shareholding	As at 31st March, 2018 Number %shareholding
	Equity shares of Rs. 10/- each fully paid		
	Shri.Rajesh Mehra	5722715 36.89 %	5722715 36.89 %
	Smt.Renu Mehra	4617700 29.77%	4617700 29.77%
	Rajesh Mehra HUF	1067500 6.88%	1067500 6.88%

Note No. 2 Reserves & Surplus

Sr. No	Particulars	Current Year	Previous Year
	Securities Premium Account		
	Balance as per the last financial Statements	254957150.00	142616150.00
	Less		
	Transfer for Bonus Issue		112389000.00
	Balance	254957150.00	30227150.00
	Add: Amount received during the year		224730000.00
	Closing Balance	254957150.00	254957150.00
	Surplus i.e.balance in the statement of Profit and Loss		
	Balance as per the last financial Statements	160449258.48	151925100.70
	Add: Profit for the year	40118671.15	35183458.67
	Deferred Tax (Previous Year)	4296323.00	620716.00
	Deferred Tax	1231718.00	
	Less: Appropriations		15810190.89
	Income Tax	8259151.00	7173503.00
	Deferred Tax		4296323.00
	Closing Balance	197836819.63	160449258.48
	Total	452793969.63	415406408.48

ACTIVE CLOTHING CO LIMITED
E-225, INDUSTRIAL AREA, PHASE-VIII-B, MOHALI

Notes to Financial Statements for the the period 01.04.2018 to 31.03.2019

Note No.3 Long Term Borrowings

Sr. No	Particulars	Current Year	Previous Year
a	Term Loans		
	Secured		
	- From Banks		
	<u>HDFC Bank</u>		
	Tata Ace	113114.08	224212.42
	Fortuner	76014.24	944072.00
	SML	531645.78	888514.6
	Car Xylo	587327.39	737994.12
	Term Loans	20403681.69	21198328.99
	Daimler Financial Service India Pvt Ltd	3169761.72	4751633.81
	<u>Indian Overseas Bank</u>		
	A/c No.1300001	6234480.00	12419845.00
	A/c No.1500001	156540000.00	189044899.00
	A/c No.1000001	18466610.00	10055897.00
	A/c No.1000003	1000.00	1000.00
		206123634.90	240266396.94
	Less: Current maturities of long term debts	49565648.32	48494299.00
		156557986.58	191772097.94
	Unsecured		
b	Deferred payment liabilities	72935065.90	88710715.00
	Total	229493052.48	280482812.94

a	Details of security for term loans
	Vehicle Loans from HDFC Bank and Daimler Financial Service India P Ltd are secured against hypothecation of the vehicles and guaranteed by Directors.
	Term Loans from Indian Overseas Bank
	Prime security
	i) First Exclusive charge on the entire plant & machinery and other fixed assets excluding vehicles.
	ii) Equitable Mortgage of lease hold land and building situated at E-225, Industrial Area, Phase-VIII-B, Mohali.
	iii) Equitable Mortgage of land and building at Vill Badali,Ala Singh, Distt Fathegarh Sahib.
	Collateral Security
	i) Equitable Mortgage of plot at Punjab Apparel Park, Ludhiana.
	Term Loans from HDFC
	Is secured against the residential house of Directors

b	Terms of repayment of Term Loans	EMI	ROI
	<u>HDFC Bank</u>		
	Tata Ace	Rs. 10858/-p.m	11.00%
	Fortuner	Rs. 76600/-p.m	9.25%
	SML	Rs. 35513/- p.m	9.52%
	Car Xylo	Rs. 17276/- p.m	8.42%
	Term Loans	Rs. 244236/- p.m	10.25%
	Daimler Financial Service India Pvt Ltd	Rs. 156145/- p.m	7.77%
	<u>Indian Overseas Bank</u>		
	A/c No.1300001	Rs. 627000/- p.m	10.75%
	A/c No.1500001	Rs.2956000/- p.m	10.75%
	A/c No.1000001	Rs. 186000/- p.m	12.05%

ACTIVE CLOTHING CO LIMITED
E-225, INDUSTRIAL AREA, PHASE-VIII-B, MOHALI

Notes to Financial Statements for the the period 01.04.2018 to 31.03.2019

Note No. 4 Deferred Tax Liabilities

(Rs.)

Particulars	Current Year	Previous Year
Deferred Tax Liabilities		
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	4427454.00	12994352.15
a Gross deferred tax Liability		4296323.00
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		
b Gross deferred tax assets	1231718.00	
Deferred Tax Liability (Net) (a-b)	1231718.00	4296323.00

Deferred payment liabilities

Relates to machineries purchased on deferred payment.
From Stoll Financial Services GmbH
From Fukuhara Industrial and Trading Co Ltd against LC
From Kauo Heng Precision Machinery Industrial Co.,Ltd against LC

Note No. 5 Other long term liabilities

Securities from Customers

	6750000.00	3000000.00
TOTAL	6750000.00	3000000.00

Note No. 6 Long term provisions

TOTAL	-	

ACTIVE CLOTHING CO LIMITED
E-225, INDUSTRIAL AREA, PHASE-VIII-B, MOHALI

Notes to Financial Statements for the the period 01.04.2018 to 31.03.2019

Note No. 7 Short Term Borrowings

Sr. No	Particulars	Current Year	Previous Year
	Loans repayable on demand		
	Working Capital Loans		
	Secured		
	Indian Overseas Bank	252928114.41	230417052.13
	HDFC Bank	73591037.86	
	Yes Bank	47500000.00	
	TOTAL	374019152.27	230417052.13

Detail of security for working capital borrowings

- i) First Exclusive charge on the entire plant & machinery and other fixed assets excluding vehicles.
- ii) Equitable Mortgage of lease hold land and building at E-225, Industrial Area, Phase-VIII-B, Mohali.
- iii) Equitable Mortgage of land and building at Vill Badali Ala Singh , Distt. Fatehgarhsahib
- iv) Equitable Mortgage of plot at Punjab Apparel Park, Ludhiana.
- v) Hypothecation of stocks and book debts and first exclusive charge on entire current assets

Terms of Repayment

Repayable on Demand

Note No. 8 Trade Payables

Sr. No	Particulars	Current Year	Previous Year
	- Dues to others	301122644.75	192150666.65
	Disclosures required U/s. 22 of the Micro, Small and Medium Enterprises Development Act, 2006 under the chapter on delayed payments to micro & small enterprises		
i)	Principal amount remaining unpaid to any supplier as at the end of accounting period		
ii)	Interest due on remaining unpaid to any supplier as at the end of accounting period		
iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during accounting period		
iv)	The amount of interest due and payable for the year		
v)	The amount of interest accrued and remaining unpaid at the end of accounting Year		
vi)	The amount of further interest due and payable even in the succeeding year, untill such date when the interest dues as above are actullay paid.		
	Dues of Micro, Small and Medium enterprises have been determined on the basis of information collected by the management. This has been relied upon by the auditors		
	Total	301122644.75	192150666.65

ACTIVE CLOTHING CO LIMITED
E-225, INDUSTRIAL AREA, PHASE-VIII-B, MOHALI

Notes to Financial Statements for the the period 01.04.2018 to 31.03.2019

Note No. 9 Other Current Liabilities

Sr. No	Particulars	Current Year	Previous Year
	Current maturities of long term debt	49565648.32	48494299.00
	Advances Received from Customers	1455819.66	1306844.28
	<u>Payables</u>		
a	Statutory remittances	1251641.00	1956436.00
b	Expenses	4529312.14	20531190.29
c	Due to Employees	17635864.56	16419609.00
d	Others	0.00	936027.75
	Total	74438285.68	89644406.32

Note No. 10 Short Term Provisions

Sr. No	Particulars	Current Year	Previous Year
	Income Tax	1373331.00	0.00
	Total	1373331.00	566435.34

ACTIVE CLOTHING CO LIMITED
E-225, INDUSTRIAL AREA, PHASE-VIII-B, MOHALI

Notes to Financial Statements for the the period 01.04.2018 to 31.03.2019

Note No. 11

FIXED ASSETS

Particulars	Land-Freehold	Land-Leasehold	Building	Plant & Equipments	Furniture & Fixture	Vehicles	Office Equipments	Total
Gross Block								
As on 01.04.2018	39019683.00	6189565.00	222164446.29	401035844.05	2910384.86	29809864.72	23532015.15	724661803.07
Additions	0.00	0.00	147475.00	10351628.00	0.00	0.00	1374455.00	11873558.00
Deductions	0.00	0.00	0.00	900000.00	0.00	0.00	0.00	900000.00
As on 31.03.2019	39019683.00	6189565.00	222311921.29	410487472.05	2910384.86	29809864.72	24906470.15	735635361.07
Depreciation/Amortisation								
As on 01.04.2018	0.00	0.00	45785769.78	175460262.63	1126401.22	18373864.58	18475746.36	259222044.57
For the Period	0.00	0.00	16176792.00	42053241.00	463900.00	3311938.00	2353507.00	64359378.00
Deduction/Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As on 31.03.2019	0.00	0.00	61962561.78	217513503.63	1590301.22	21685802.58	20829253.36	323581422.57
Net Block as on 01.04.2018	39019683.00	6189565.00	176378676.51	225575581.42	1783983.64	11436000.14	5056268.79	465439758.50
Net Block as on 31.03.2019	39019683.00	6189565.00	160349359.51	192973968.42	1320083.64	8124062.14	4077216.79	412053938.50

ACTIVE CLOTHING CO LIMITED
E-225, INDUSTRIAL AREA, PHASE-VIII-B, MOHALI

Notes to Financial Statements for the the period 01.04.2018 to 31.03.2019

Note No. 12 Non Current Investment
(Long Term Investments)

Sr. No	Particulars	Current Year	Previous Year
a	TRADE INVESTMENTS (At Cost)		
	Total	0.00	0.00

Note No. 13 Long Term Loans and Advances
(Unsecured, Considered Good)

Sr. No	Particulars	Current Year	Previous Year
a	Security Deposits	2765283.36	4866986.00
	Total	2765283.36	4866986.00

Note No. 14 Other Non Current Assets
(Unsecured considered Goods)

Sr. No	Particulars	Current Year	Previous Year
	- Fixed Deposits with Banks with maturity after 12 months		
	With Indian Overseas Bank		
	- Sale Tax	50000.00	50000.00
	44604111401523	106594.00	98148.00
	44604111401764	371988.00	343333.00
	44604111401791	4272840.00	3943766.00
	44604111200122	293101.00	270547.00
	4460400003466	398123.00	377221.00
	4460400003199	179146.00	169737.00
	4460400003584	267648.00	252133.00
	4460400003705	34656.00	32838.00
	4460400003917	746075.00	706950.00
	4460400003553		3541455.00
	4460400002542		2068825.00
	4460400003270		1351535.00
	400001191		3331084.00
	With HDFC Bank		
	50300144908097	138986.10	130658.40
	Total	6859157.10	16668230.40

ACTIVE CLOTHING CO LIMITED
E-225, INDUSTRIAL AREA, PHASE-VIII-B, MOHALI

Notes to Financial Statements for the the period 01.04.2018 to 31.03.2019

Note No. 15 Current Investments

Sr. No	Particulars	Current Year	Previous Year
	Trade Investments(At cost)		
	Total	0.00	0.00

Note No. 16 Inventories

Sr. No	Particulars	Current Year	Previous Year
a	Raw Materials	220016346.00	151550600.00
b	Work-in-Progress	193186840.65	167768900.00
c	Finished Goods	125259020.00	104594980.00
d	Stock-in-Trade (in respect of goods acquired for trading)	164581350.00	161858400.00
e	Stores & Spares/Consumables	3556120.00	2540980.00
	Total	706599676.65	588313860.00

Note No. 17 Trade Recievables

Sr. No	Particulars	Current Year	Previous Year
a	Outstanding for more than six months from the due date of payment		
	Unsecured, Considered Good	30930488.07	11684467.87
b	Others		
	Unsecured, Considered Good	364036791.84	228335080.19
	Total	394967279.91	240019548.06

Note No. 18 Cash & Cash Equivalents

Sr. No	Particulars	Current Year	Previous Year
	Cash & Bank Balances		
a	Balances with Banks		
	- In current Accounts		
	<u>HDFC Bank</u>		
	-30000010	0.00	2568641.5
	-20001949	291463.92	5471752.24
	-20001885	0.00	29143.24
	With HDFC Bank 12	11795.11	32748.52
	HDFC Bank	29143.24	70100.00
	Axis Bank	0.00	18587.95
	Yes bank	64256.94	0.00
	<u>With IOB</u>		
	R/D Account	18744310.00	6073491.00
b	Credit Cards	14793.00	999.00
d	Imprest		
	- Badali alla Singh -Staff	88145.00	79563.67
	- Dist	22778.00	79220.00
e	Cash in hand		
	H. O.	86904.32	1224935.32
	Retail Outlets	346550.00	12944.00
f	Cheque in hand	626525.00	39281.00
g	<u>- Deposits with less than 12 month maturity</u>		
	44604111100087	438412.00	415438.00
	44604111100653	591700.00	544734.00
	44604111101431	76363.00	70201.00
	400001191	3535517.00	
	4000004901	1049315.00	
	50300206589902	1049314.00	
	50300206589902	111352.60	104857.30
	4460400002542	2188649.00	
	4460400003270	1432333.00	
	4000002209	20055.00	
	4000006257	732437.00	
	4000006259	25084.00	
	TOTAL	31577196.13	16836637.74

ACTIVE CLOTHING CO LIMITED
E-225, INDUSTRIAL AREA, PHASE-VIII-B, MOHALI

Notes to Financial Statements for the the period 01.04.2018 to 31.03.2019

Note No. 19 Short Term Loans and Advances

(Unsecured considered good, unless otherwise stated)

Sr. No	Particulars	Current Year	Previous Year
	Balance With Revenue Authorities	12278327.96	25149082.74
	Prepaid Expenses	996732.54	1070641.00
	Staff Advance	2843120.00	2684485.59
	Travel Advance	23952.00	8851.00
	Advance to Suppliers	22916203.66	9461738.51
	Total	39058336.16	38374798.84

Note No. 20 Other Current Assets

(Unsecured considered good, unless otherwise stated)

Sr. No	Particulars	Current Year	Previous Year
	Total		

ACTIVE CLOTHING CO LIMITED
E-225, INDUSTRIAL AREA, PHASE-VIII-B, MOHALI

Notes to Financial Statements for the the period 01.04.2018 to 31.03.2019

Note No. 21 Revenue from Operations

Sr. No	Particulars	Current Year	Previous Year
a	Sale of Products	1672658527.25	1354882671.13
	Other Operating Revenues		
	- Duty Drawback	310381.70	249102.64
	Less		
	GST	128110490.00	81604672.83
	Total	1544858418.95	1273527100.94

Note No. 22 Other Income

Sr. No	Particulars	Current Year	Previous Year
a	Interest Income	2233283.01	1393151.00
b	Exchange Fluctuation	196599.53	2863.68
	Total	2429882.54	1396014.68

Note No. 23 Cost of Materials Consumed

Sr. No	Particulars	Current Year	Previous Year
a	Opening Stock	151550600.00	122080890.00
	Add		
	Purchases	409902810.06	518166424.74
	Less		
	Closing Stock	220016346.00	151550600.00
	Sub-total (a)	341437064.06	488696714.74
b	Direct /Production Expenses		
	Job Work	47335534.87	29889182.46
	Compliance	1106768.00	704659.32
	Power & Fuel	19493792.00	14552285.00
	Garment Performance Testing	3126601.37	2942389.4
	Sub-total (b)	71062696.24	48088516.18
	Total (a) + (b)	412499760.30	536785230.92

ACTIVE CLOTHING CO LIMITED
E-225, INDUSTRIAL AREA, PHASE-VIII-B, MOHALI

Notes to Financial Statements for the the period 01.04.2018 to 31.03.2019

Note No. 24 Purchases of Stock in Trade

Sr. No	Particulars	Current Year	Previous Year
	Purchases of Stock-in-Trade	741516714.95	506685654.51
	Total	741516714.95	506685654.51

Note No. 25 Change in Inventories of Finished Goods, Work-in-progress and stock in trade

Sr. No	Particulars	Current Year	Previous Year
a	Opening Stock		
i)	Finished Goods	104594980.00	75649430.00
ii)	WIP (Work in Progress)	167768900.00	112138600.00
iii)	Stock in Trade	161858400.00	113989370.00
iv)	Stores & Spares/Consumables	2540980.00	2130820.00
b	Closing Stock		
i)	Finished Goods	125259020.00	104594980.00
ii)	WIP (Work in Progress)	193186840.65	167768900.00
iii)	Stock in Trade	164581350.00	161858400.00
iv)	Stores & Spares/Consumables	3556120.00	2540980.00
	Total	(49820070.65)	(132855040.00)

Note No. 26 Employee Benefits Expense

Sr. No	Particulars	Current Year	Previous Year
a	Contribution to Labour Funds	2056463.00	2080617.00
b	Salaries & Wages	214524827.49	157544882.93
c	Staff Welfare Expenses	4089570.95	2272712.95
d	Director Salary	1200000.00	2200000.00
	Total	221870861.44	164098212.88

Note No. 27 Finance Costs

Sr. No	Particulars	Current Year	Previous Year
a	Interest Expense	56640271.82	62337719.60
b	Bank Charges	3219823.78	4656506.19
	Total	59860095.60	66994225.79

Note No. 28 Depreciation & Amortization Expense

Sr. No	Particulars	Current Year	Previous Year
	Depreciation	64359378.00	58850883.85
	Total	64359378.00	58850883.85

ACTIVE CLOTHING CO LIMITED
E-225, INDUSTRIAL AREA, PHASE-VIII-B, MOHALI

Notes to Financial Statements for the the period 01.04.2018 to 31.03.2019

Note No. 29 Other Expenses

Sr. No	Particulars	Current Year	Previous Year
a	Alteration Charges	51250.00	22030.00
b	Advertisement	60218.00	87126.00
c	AMC	647007.36	591392.80
d	Booking Expenses	508937.46	245135.37
e	Commission	1591190.73	1020322.89
f	Charity & Donation		14200.00
g	Custodian & Depostory charges	70024.63	30000.00
h	Electricity Charges (Retail Outlet)	1459967.64	116609.00
i	Fees & Taxes	606603.26	675323.00
j	Freight & Cartages	13346494.92	10385602.68
k	Festival expenses	4920.00	1118960.00
n	Insurance Expenses	1021519.86	1120871.00
o	Loss on Sale of Assets		298402.00
p	Listing fees	98735.00	7500.00
q	Misc. Expenses		257619.33
r	Director Sitting Fee	180000.00	30000.00
s	Payment to Auditors		
	- Audit Fee	50000.00	30000.00
	- Stock Audit		48844.00
t	Printing & Stationery	559696.70	418405.30
u	Professional Charges	6487510.00	2585193.00
v	Postage & Telegram	566288.51	115139.00
w	Rebate & Discount		1085546.71
x	Rent	5297752.64	3144116.00
y	Royalty	600000.00	600000.00
z	Repair & Maintenance		
	- Building	1416898.80	97554.55
	- Computer	282964.88	233563.78
	- Electricity	431992.44	600871.00
	- Generator	208118.68	110016.00
	- Machinery	5984495.01	3357898.46
	- General	702770.34	368695.22
	- Vehicle	7252020.01	4022622.64
aa	Security Charges	1462632.00	794120.00
ab	Service Tax		18516.00
ac	Telephone Expenses	641555.95	665205.36
ad	Tour & Travelling Exp	5198035.88	4796581.91
ae	Water Exp	1750.00	14587.00
af	Web Charges	91540.00	51919.00
	Total	56882890.70	39180489.00

ACTIVE CLOTHING CO LIMITED
E-225, PHASE-VIII-B, INDUSTRIAL AREA, MOHALI

Notes to financial Statements for the year ended 31st March, 2019

Background and nature of Operations

Active Clothing Co Limited (The Company) is a Public Limited Company Incorporated under the provisions of Companies Act,1956 on 27.02.2002 . The Company is engaged in Manufacture of Apparels. Shares of the Company are listed on BSE-SME Exchange.

30. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial results in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of its assets and liabilities.

B) USE OF JUDGEMENT AND ESTIMATES

The preparation of the financial results in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial results and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial results in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial results.

C) REVENUE RECOGNITION

i) Sales are accounted for at the time of issuance of bill/invoices to the customers.

li Revenue in respect of the export incentives is recognized on post export basis.

D) EMPLOYEES' BENEFIT

Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognized in the statement of profit and loss in the period in which the employee renders the related service.

Post-employment benefits

Defined contribution plan Provident fund

The company makes specified contribution towards employee provident fund to Employees Provident Fund administered by the Regional Provident Commissioner. The Company's contribution to provident fund, being a defined contribution plan, is recognized in the statement of profit and loss in the financial year to which it relates

Defined benefit Gratuity Plan

The company has not provided for in the books of accounts as required by IAS-19 issued by the Institute of Chartered Accountants of India.

E) PROPERTY, PLANTS AND EQUIPMENTS

Fixed Assets are carried at cost of acquisition less accumulated depreciation. Costs include all expenses incurred to bring the asset to its present location and condition.

F) DEPRECIATION AND AMORTISATION

Pursuant to the notification of Schedule II of the Companies Act, 2013, by the Ministry of Corporate Affairs effective 01 April 2014, the management has reassessed and changed, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the Companies Act, 2013. Depreciation on fixed assets for year ended 31 March 2018 is provided on written down value method as per the rates prescribed under Schedule II of the Companies Act, 2013.

Block of asset	Useful life as per Companies Act, 2013 (in years)
Buildings	30
Plant and machinery	15
Furniture and fixture	10
Office equipment	5
Computers	3
Vehicles	8 – 10

BORROWING COST

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the date on which each assets is put to use as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

H) FOREIGN EXCHANGE TRANSACTIONS

Foreign currency transactions are recorded at the exchange rates prevailing at the date of

transaction. Exchange differences arising on settlement of transactions are recognized as income or expense in the year in which they arise.

I) Provision and Contingent Liabilities :

i) Provision is recognized (for liabilities that can be measured by using a substantial degree of estimation) when:

a) the Company has a present obligation as a result of a past event ;

b) a probable outflow of resources embodying economic benefits is expected to settle the obligation ; and

c) the amount of the obligation can be reliably estimated

ii) Contingent liability is disclosed in case there is :

a) (i) possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise ; or

(ii) a reliable estimate of the amount of the obligation cannot be made.

b) a present obligation arising from past events but is not recognized

i) when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation ; or

(ii) a reliable estimate of the amount of the obligation cannot be made.

J) INVENTORIES

Raw Material , Work in Progress, Store & Spares, Finished Goods are valued at lower of cost or market value (net releasable value). Costs includes direct material and labor costs and proportion of manufacturing over heads.

K) GOVERNMENT GRANTS AND SUBSIDIES:

a) Government grants and subsidies are recognized as and when the same are received.

b) Capital Government Grants or Subsidies relating to specific fixed assets are deducted from the gross value of the respective fixed assets and other capital grants are credited to Capital Reserve.

c) Other Government Grants or Subsidies relating to an expense item are deducted from related expenses.

L) ACCOUNTING FOR TAXES ON INCOME

Provision for taxation has been duly made under the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences. Deferred tax assets are carried forward to the extent it is reasonably / virtually certain that future taxable profit will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each balance sheet date and written down/written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or

substantively enacted at the balance sheet date.

In Crores

31. CONTINGENT LIABILITIES:	31.03.2019	31.03.2018
(i) Letter of Credits outstanding	1.31	1.31
(ii) Bank Guarantees and letters of Credit outstanding	0.71	0.60
(iii) Unhedged Foreign Currency Exposure	7.80	8.87
(iv) Other monies for which the company is Contingently liable.	NIL	NIL

32. IMPAIRMENT OF ASSETS:

In accordance with the Accounting Standard (Ind AS)-36 on "Impairment of Assets" the Company has assessed as on the balance sheet date, whether there are any indications (Listed in paragraphs 8 to 10 of the Standard) with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

33. EARNING PER SHARE

The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Accounting Standard (Ind AS)-33 on "Earning Per Share" issued by Companies (Accounting Standard) Rules, 2006.

A statement on calculation of basic EPS is as under:

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Net Profit after tax attributable to equity Shareholders (A)	30627802.15	23713632.67
Weighted average number of equity shares (B)	15512215	439231*
Basic earning per Share (Rs.) (A)/(B)	1.97	53.99
Diluted earning per share (Rs.)	1.97	53.99

*Weighted average number of equity shares have been calculated on the number of days the IPO proceeds were ploughed in business.

34. RELATED PARTY DISCLOSURE

(a) Disclosure of Related Parties and relationship between the parties.

1. Subsidiaries NIL

2. Associates Again Lifestyle Pvt. Ltd.

Purchase	8283302.65
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3. Key Management Personnel

PARTICULARS	Director Salary
Sh.Rajesh Mehra	1200000.00

Relative of Key Management Personnel

PARTICULARS	Nature	Amount
Rajesh Mehra HUF	Royalty	600000.00
Kalika Mehra	Salary	360000.00
	Professional fee	1350000.00

35. The Information required by paragraph 5 of general instructions for preparation of the statement of profit and loss as per revised Schedule -III of the Companies Act, 2013.

(a) CIF VALUE OF IMPORTS

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Raw Material/Consumables	4141410.83	5232267.19
Machinery	1357043.46	102118370.00
TOTAL	5498454.29	107350637.19

(b) EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
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Foreign Travelling	1883725.69	1876341.00
TOTAL	1883725.69	1876341.00

(c) EARNING IN FOREIGN CURRENCY

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
FOB value of Export	16790336.14	5855683.00
TOTAL	16790336.14	5855683.00

(d) VALUE OF RAW MATERIALS CONSUMED

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Material consumed	1104196404.60	910615845.43

36. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

FOR AND ON BEHALF OF THE BOARD

For Jiwan Goyal & Co
Chartered Accountants
FRN 012874N

(DIRECTOR)

(DIRECTOR)

(Jiwan Goyal)

Proprietor

Membership No. 091937

(CFO)

(C.S.)

Dated : 27.05.2019

Place; Mohali

IMPORTANT & URGENT FOR YOUR IMMEDIATE ACTION

Dear Shareholder(s),

Sub.: Mandatory update of PAN and Bank details against your share holding

SEBI vide circular dated April 20, 2018 directed to the Bank through their RTA to collect copy of PAN and Bank Account details of all shareholders holding securities in physical form. Further, the Company / RTA of the Company has to follow the procedure mentioned in the said circular. In compliance of the said circular of SEBI, shareholders, who have not furnished PAN and Bank Account particulars till date, are requested to furnish PAN and Bank Account particulars to the RTA/Company for registration, as per the format enclosed. You are hence requested to submit the following documents within 21 days of receipt of this communication:

- Enclosed form duly filled in and signed by all the shareholders.
- Self-attested copy of Pan Card of all the holders.
- Cancelled personalised cheque leaf
(In absence of personalised cheque, self-attested copy of first page of pass book)
- Address proof (self-attested copy of Aadhaar-card)

In case if you have any queries or need any assistance in this regard, please contact;

Bigshare Services Pvt. Ltd.

Office Address : 1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol, Andheri - East,
Mumbai - 400059, Maharashtra. Email
id: + 91-22-6263 8200
Tel. : investor@bigshareonline.com

FORM FOR FURNISHING PAN AND BANK DETAILS

To,

Bigshare Services Pvt. Ltd.

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East, Mumbai 400059,
Maharashtra.

Folio No. _____

Dear Sir/Madam,

Unit: Active Clothing Co Limited

I/we hereby furnish our PAN and Bank mandate details for update in your records. I/we are enclosing herewith:

- Self-attested copies of PAN cards of all the holders,
- Original personalized cancelled cheque leaf/First page of attested bank pass book and
- Address proof viz., Aadhaar card as required for updation of the details:

Folio No.

Mobile No.

E-Mail id

**Bank Account Details:
(for electronic credit of dividends)**

Name of the Bank

Name of the Branch

Account Number
(as appearing in your cheque book)

Account Type (Please tick as applicable)	Saving	Current	Cash Credit
9 Digit MICR Number (as appearing on the MICR cheque issued by the bank) Please enclose a photocopy of a cheque for verification			
11 Digit IFSC Code			

	Name	PAN	Signature
First Holder			
Joint Holder1			
Joint Holder2			

Date:

Place:

NB: The above details will not be updated if the supporting documents are not attached and not duly signed by all the shareholders

IMPORTANT & URGENT FOR YOUR IMMEDIATE ACTION

Dear Shareholder(s),

In terms of Regulation 40 of the SEBI (LODR) Regulations, 2015 as amended vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)(Fourth Amendment) Regulations, 2018 (Gazette Notification dated June 8, 2018 of SEBI), it is notified that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed w.e.f. from December 05, 2018, unless the securities are held in dematerialised form with a depository.

In view of the SEBI's circular dated June 08, 2018, all Members of the Company, who are holding shares of the Company in physical form, are requested to take note of the impact of the aforesaid amendment in Regulation 40 on transfer of shares held in physical form w.e.f. December 5, 2018 and get their shares dematerialized at the earliest.

Process for Dematerialization of shares in Physical form is as under:

A shareholder can get his shares dematerialized by submitting a Dematerialization Request Form (DRF) to its Depository Participant (DP). ADP is usually an intermediary between a shareholder and the Depository i.e. NSDL & CDSL.

After submission of DRF, a demat request is raised by DP with a unique DRN (Demat Request Number) and the physical share certificates are sent for verification to the concerned authorities (RTA).

Upon verification from RTA, the DP team will convert all the physical share certificates into electronic form. It takes approximately 21 days for the DP team to convert physical shares into demat Form or electronic form.

In case of death of a shareholder before converting shares into demat mode, legal heirs will have to transmit the shares in their name and then get the dematerialization done in their respective names.

In case of loss of physical shares, the shareholder will have to get the duplicate share certificates issued in his name from the Company. After receiving the duplicate share certificates, the shareholder can get his shares dematerialized by filling the DRF.

Request you to please dematerialize your physical shares.

Thanking you,

Yours faithfully,
For Active Clothing Co Limited

Sd/-
Avneet Kaur Bedi
Company Secretary & Compliance Officer