



# Active Clothing Co. Limited

To,  
The Manager (Listing)  
BSE Ltd.  
P.J. Towers, Dalal Street  
Mumbai-400001

Date: 24.08.2024

Dear Sir/Madam,

**Scrip Code: 541144 (Active Clothing Co Ltd)**

**Sub: Compliance under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the Financial Year ended 31st March, 2024, along with the Notice of 22<sup>nd</sup> Annual General Meeting, dispatched to the members. The Annual General Meeting of the Company is scheduled to be held on Wednesday, the 18<sup>th</sup> day of September, 2024 at 3:00 P.M at Registered office of the Company E-225, Phase-8 B, Focal Point, Mohali-160055.

Please take the same on record.

Thanking you,  
Your Sincerely,

**For and behalf of Active Clothing Co Limited**

Rajesh Kumar Mehra  
Digitally signed by  
Rajesh Kumar Mehra  
Date: 2024.08.24  
16:36:07 +05'30'

**Rajesh Kumar Mehra**  
(Managing Director)

**DIN: 00026176**

**Add: H. No. 1062, Phase-5 (Part-1)**

**Mohali 160059 PB IN**

**CIN: L51311PB2002PLC033422**

REGISTERED OFFICE:  
Plot No. E-225, Industrial Focal Point, Phase 8 B  
SAS Nagar, Mohali 160059  
Punjab, India. Phone: +91-172-4313300

FACTORY :  
Village Badali Ala Singh, Ghel Link Road  
District Fatehgarh Sahib 140406, Punjab, India  
Phone: +91-1763-506000

# **ACTIVE CLOTHING CO LIMITED**

**CIN: L51311PB2002PLC033422**

## **22<sup>nd</sup> Annual Report** **2023-24**

**ADDRESS: PLOT NO: E-225, PHASE-VIII B, INDUSTRIAL  
AREA, FOCAL POINT, MOHALI-160055**

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

## CHIEF FINANCIAL OFFICER (CFO)

Mr. Mandeep Singh

**DEMAT ISIN No:** INE380Z01015

**CIN:** L51311PB2002PLC033422

**INVESTOR GRIEVANCE EMAIL:**  
csc@activesourcing.org

**WEB SITE:** www.activesourcing.org

## BANKERS

- ❖ Indian Overseas Bank
- ❖ HDFC Bank

## REGISTERED OFFICE:

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

Factory Works: BadaliAla Singh, Distt  
FatehgarhSaheb.

## REGISTRAR & TRANSFER AGENT

**M/S Bigshare Services Pvt Ltd**

Office No: S6-2, 6<sup>th</sup> Floor, Pinnacle Business  
Park, Next to Ahura Centre, Mahakali Caves  
Road, Andheri (East) Mumbai-400093.

Tel: 022-40430200

Fax: 022-28475207



# ACTIVE CLOTHING CO LIMITED

Regd off: Plot No. E-225, Phase-VIII B, Industrial Area, Focal Point, Mohali  
Ph: 0 172-4313300 E-mail: rmehra@activesourcing.org  
CIN: L51311PB2002PLC033422

## NOTICE

Notice is hereby given that the 22<sup>nd</sup> 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 Wednesday, 18<sup>th</sup> day of September, 2024 at 3:00 PM . 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 31<sup>st</sup> March 2024 including audited Balance Sheet as at 31<sup>st</sup> March, 2024 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.

“RESOLVED THAT Audited Financial Results of the Company on standalone basis, for financial year ended 31<sup>st</sup> March 2024 including audited Balance Sheet as at 31<sup>st</sup> March, 2024 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 be and are hereby received, considered approved and adopted.”

2. **TO APPOINT A DIRECTOR IN PLACE OF MRS. RENU MEHRA (DIN: 02033471), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HERSELF FOR RE-APPOINTMENT:**

“RESOLVED THAT Mrs. Renu Mehra (DIN: 02033471), Director of the Company, who retires by rotation at this Annual General Meeting in accordance with section 152 of the Companies Act, 2013 and being eligible for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation.”

### SPECIAL BUSINESS:

3. **TO INCREASE IN AUTHORIZED CAPITAL OF THE COMPANY OF THE COMPANY.**

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

“RESOLVED THAT pursuant to the provisions of Section 13 read with section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the Rules framed thereunder and in terms of applicable provisions of SEBI (LODR) Regulation 2015 (including any statutory modification or reenactments thereof for the time being in force), as provision of Article of Association, the consent of Members of the Company be and is hereby accorded for increase in the Authorised Share Capital of the Company from existing Rs. 160000000 (Rupees Sixteen crore) divided into 16000000 one Crore sixty lacs Only) Equity Shares of Rs.10/- each to Rs. 25,00,00,000 (Rupees Twenty Five Crore) divided into 25000000 (Two Crore fifty lacs) Equity Shares of Rs.10/- each ranking pari passu in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed thereunder, consent of the Members of the Company



be and is hereby accorded, for alteration of Clause V of the Memorandum of Association of the Company by substituting in its place, the following:-

**“V. The Authorized Share Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty Five Crore) divided into 25000000 (Two Crore fifty lacs) Equity Shares of Rs.10 /-(Rupees Ten Only) each**

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board / Committee of the Board or any officer(s) authorized by the Board of Directors, be and are hereby authorized to do all such acts, deeds, matters and things whatsoever, including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard to the aforesaid purpose and which may deem fit in the interest of company

**4. TO APPROVE INCREASE OF BORROWING POWERS OF THE COMPANY UNDER SECTION 180 (1) (C ) OF THE COMPANIES ACT, 2013**

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

“RESOLVED that pursuant to the provisions of Section 180(1)(c) of Companies Act, 2013 and the Companies (Meeting of the Board and its Powers) Rules, 2014 and Rules Frame thereunder (“the act”) (Including any statutory modifications/amendment(s)/re-enactment(s) thereof, for the time being in force, the provisions contained in the Articles of association of the Company, the Consent of the members of the company be and is hereby accorded to borrow from time to time all such terms sums of money as they may deem requisite for the purpose of the business ventures or prospects) of the company, notwithstanding that moneys to borrowed together with the money already Borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the Ordinary course of business) may exceed the aggregate of paid up capital of the company ,free reserve and securities premium, provided, however the total amount so borrowed (other than temporary loans from the Company’s Bankers) and outstanding at any point of time shall not exceed a sum of Rs. 500 Crores (Rs.Five Hundred Crore only) plus paid up capital , free reserve and securities premium of the Company.

RESOLVED FURTHER THAT subject to the provisions of the act , the rules framed thereunder and other applicable laws (if any) the borrowing stated above may be secured or unsecured , and shall include but shall not be limited to , borrowing from any person(s) whether natural or artificial, by way of loans, Inter Corporate Deposits (ICD), Facilities from Banks , Commercial Papers (CP), Public Deposits, External Permitted to be issued by the Company under any law for the time being in force.

RESOLVED FURTHER THAT the Management Committee of the Board of Director or Managing Director be and is hereby severally authorized to sign and execute such documents deed, writing/papers/agreements as may be required , to settle any question, difficulty and doubt that raise in respect of aforesaid Borrowing to delegate all or any of the above powers to any Directors of the Company and generally to do all acts ,deeds, matters and things that may be deemed necessary , proper, Expedient or incidental, in its absolute discretion for the purpose of giving effect to the aforesaid resolution.

RESOLVED FURTHER THAT a true copy of Foregoing resolution certifying to be true by any of Directors be furnished to Concerned authority(ies)/persons/Bank(s) and they be requested to act accordingly.”

**By Order of the Board**

Sd/-

**(Rajesh Kumar Mehra)  
Managing Director**

**Place: Mohali  
Date: 24.08.2024**



**Notes:**

1. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to Item no. 3 and 4 of the Notice set out above is annexed hereto.
2. 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.
3. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the meeting.
4. 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.
5. 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.
6. 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.
7. 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.
8. Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42(5) of the Listing Regulations, the Share Transfer Books and Register of Members of the Company will remain closed from Wednesday, September 11, 2024 to Tuesday September 17, 2024 (both days inclusive)
9. 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.
10. 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.
11. Shareholders who are still holding physical share certificate(s) are advised to dematerialize their shareholding to avail the benefits of dematerialization.
12. Members may also note that the Notice of the 22<sup>nd</sup> Annual General Meeting and the Annual Report for 2023-24 will also be available on the Company's website **[www.activesourcing.org](http://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](mailto:rmehra@activesourcing.org).
13. 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.
14. 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.



15. In compliance with Regulation 44 of Listing Regulations and pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (which means e-voting from a place other than venue of the General Meeting) to exercise their right to vote on the resolutions proposed to be considered at the AGM. For this purpose, the Company has engaged with Bigshare Services Pvt. Ltd for facilitating Remote e-Voting facility to enable the members to cast their votes
16. . The facility for voting through ballot paper shall also be made available at the venue of the Annual General Meeting. The members attending the meeting, who have not casted their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again.
17. The Company has appointed Mrs. Poonam Sethi (CP No. 21751) of M/s. Sethi Poonam & Associates, Company Secretaries as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.
18. The scrutinizer, after scrutinizing the votes cast at the AGM and through remote e-voting, shall make a consolidated report and submit the same to the Chairman of the meeting. The Results of the voting shall be placed along with the Scrutinizer's Report on the website of the Company i.e. [www.activesourcing.org](http://www.activesourcing.org) and on <https://ivote.bigshareonline.com> and simultaneously be communicated to the Stock Exchanges.
19. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. September 18, 2024.
20. Voting through Electronic means.

#### **THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:**

- (i) The voting period begins on 09:00 A.M September 15<sup>th</sup>, 2024 and ends on 17<sup>th</sup> September, 2024 till 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 10<sup>th</sup> September, 2024 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.





In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:**

| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b> | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period</li> </ol> |
| Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b> | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>  |



|   |  |
|---|--|
|   | <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period</p> |
| <p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>   |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

| Login type  | Helpdesk details   |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30         |

**(iv) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.**

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>.
- Click on “LOGIN” button under the ‘INVESTOR LOGIN’ section to Login on E-Voting Platform
- Please enter you ‘USER ID’ (User id description is given below) and ‘PASSWORD’ which is shared separately on you register email id.
  - Shareholders holding shares in CDSL demat account should enter 16 Digit Beneficiary ID as user id.
  - Shareholders holding shares in NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID as user id.
  - Shareholders holding shares in physical form should enter Event No + Folio Number registered with the Company as user id.

Note If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).



- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

**NOTE:** If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on 'LOGIN' under 'INVESTOR LOGIN' tab and then Click on 'Forgot your password?'
- Enter "User ID" and "Registered email ID" Click on I AM NOT A ROBOT (CAPTCHA) option and click on 'Reset'.  
(In case a shareholder is having valid email address, Password will be sent to his / her registered email address)

### **Voting method for shareholders on i-Vote E-voting portal:**

- After successful login, **Bigshare E-voting system** page will appear.
- Click on "**VIEW EVENT DETAILS (CURRENT)**" under '**EVENTS**' option on investor portal.
- **Click on the EVENT NO of Active Clothing Co limited.**
- Click on "**VOTE NOW**" option which is appearing on the right hand side top corner of the page. Cast your vote by selecting an appropriate option "**IN FAVOUR**", "**NOT IN FAVOUR**" or "**ABSTAIN**" and click on "**SUBMIT VOTE**". A confirmation box will be displayed. Click "**OK**" to confirm, else "**CANCEL**" to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on investor portal.

### **3. Custodian registration process for i-Vote E-Voting Website:**

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on "REGISTER" under "CUSTODIAN LOGIN", to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with "User id and password will be sent via email on your registered email id".

**NOTE:** If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on 'LOGIN' under 'CUSTODIAN LOGIN' tab and further Click on 'Forgot your password?'



- Enter “User ID” and “Registered email ID” Click on I AM NOT A ROBOT (CAPTCHA) option and click on ‘RESET.

(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

**Voting method for Custodian on i-Vote E-voting portal:**

- After successful login, Bigshare E-voting system page will appear.

**Investor Mapping:**

- First you need to map the investor with your user ID under “**DOCUMENTS**” option on custodian portal.
- Click on “**DOCUMENT TYPE**” dropdown option and select document type power of attorney (POA).
- Click on upload document “**CHOOSE FILE**” and upload power of attorney (POA) or board resolution for respective investor and click on “**UPLOAD**”.

**Note:** The power of attorney (POA) or board resolution has to be named as the “**InvestorID.pdf**” (Mention Demat account number as Investor ID.)

- Your investor is now mapped and you can check the file status on display.

**Investor vote File Upload:**

- To cast your vote select “**VOTE FILE UPLOAD**” option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on “**UPLOAD**”. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on custodian portal.

**Helpdesk for queries regarding e-voting:**

| Login type   | Helpdesk details   |
|--|--|
| Shareholder’s other than individual shareholders holding shares in Demat mode & Physical mode. | In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions (‘FAQs’) and i-Vote e-Voting module available at <b>https://ivote.bigshareonline.com</b> , under download section or you can email us to <a href="mailto:ivote@bigshareonline.com">ivote@bigshareonline.com</a> or call us at: 1800 22 54 22. |

20. The route map showing directions to reach the venue of the Annual General Meeting is annexed.



**In accordance with Section 102 of the Companies Act, 2013, the Explanatory Statement setting out all the material facts for Item No.3 of Special Business by ordinary Resolution and Item No.4 of Special Business by special Resolution produced hereunder:-**

**Item no: 3**

**TO INCREASE IN AUTHORIZED CAPITAL OF THE COMPANY OF THE COMPANY**

The Company proposes to infuse more capital into its business and hence it is desirable to increase the authorized capital. Hence your Directors propose to increase the Authorized Share Capital of the Company be and is hereby from existing Rs. 160000000 (Rupees Sixteen crore) divided into 16000000 one Crore sixty lacs Only) Equity Shares of Rs.10/- each to Rs. 25,00,00,000 (Rupees Twenty Five Crore) divided into 25000000 (Two Crore fifty lacs) Equity Shares of Rs.10/- each The Proposed increase in Authorized Capital requires approval of members in general meeting. Consequently, Clause V of the Memorandum of association would also require alteration so as to reflect the increase in share capital. The proposal for increase in Authorized Share Capital and amendment of Memorandum of Association of the Company requires approval of members at a general meeting

The above said amendments should be approved by the general meeting by way of Ordinary Resolution.

The draft copy of the Memorandum of Association is available for inspection at the registered office of the company on any working day during the business hours.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said special resolution.

**Item no: 4**

**APPROVAL FOR INCREASE IN BORROWING POWERS OF THE COMPANY UNDER SECTION 180 (1) (C) OF THE COMPANIES ACT, 2013**

Consent of the members of the company is required to borrow from time to time all such terms sums of money as they may deem requisite for the purpose of the business ventures or prospects) of the company, not withstanding that moneys to borrowed together with the money already Borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the Ordinary course of business) may exceed the aggregate of paid up capital of the company ,free reserve and securities premium, provided, however the total amount so borrowed (other than temporary loans from the Company's Bankers) and outstanding at any point of time shall not exceed a sum of Rs. 500 Crores (Rs.Five Hundred Crore only) plus paid up capital , free reserve and securities premium of the Company.

None of the Directors , Key Managerial Personal of the Company or their relative ate Interested or Concerned Financially or otherwise , in this Resolution except to the extent of their respective shareholding in the company , if any

The Board of Director is of the option that the aforesaid proposal is in the best interest of the company and hence the Board recommends passing of the special Resolution set out at Item No.4 for the approval of Members

**Place: Mohali  
Date: 24.08.2024**

**Order of the Board**

Sd/-

**(Rajesh Kumar Mehra)  
Managing Director**



**DETAIL OF DIRECTORS SEEKING APPOINTMENT /RE-APPOINTMENT IN THE  
FORTHCOMING ANNUAL GENERAL MEETING  
REGULATION 36(3) OF LODR, 2015**

|   |  |
|---|--|
| Name  | Renu Mehra                                       |
| Father Name   | Baldev Krishan                                   |
| DIN   | 02033471   |
| Designation   | Non- Executive Director                          |
| Nature of expertise   | 30 years experience                              |
| Relationship with director                                      | Wife of Mr.Rajesh Kumar Mehra, Managing Director |
| Directorship in other listed Entities                           | NIL  |
| Shareholding  | 29.7%  |
| Term of employment  | Five years                                       |
| Date of previous appointment                                    | 27/11/2017                                       |
| Date of Re-appointment  | 26/11/2022                                       |
| No of Board Meeting attended during the year                    | 5  |
| Directorships in other Listed Companies as on 31st March, 2024: | Nil  |

**Place: Mohali**

**Date: 24.08.2024**

**By Order of the Board**

Sd/-

**Rajesh Kumar 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 22<sup>nd</sup> Annual General Meeting of the Company being held on Wednesday, 18<sup>th</sup> day of September, 2024 at 3:00 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 22<sup>nd</sup> 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.

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**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.

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 22<sup>nd</sup> Annual General Meeting of the Company, to be held on the Wednesday, 18<sup>th</sup> day of September, 2024 at 3:00 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 |
|---------|--|-----|---------|
|         | <b>ORDINARY BUSINESS:</b>  |     |         |
| 1.      | TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY TOGETHER WITH THE REPORTS OF BOARD OF DIRECTORS AND THE AUDITORS THEREON. |     |         |
| 2.      | TO APPOINT A DIRECTOR IN PLACE OF MRS. RENU MEHRA (DIN: 02033471), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HERSELF FOR RE-APPOINTMENT         |     |         |
|         | <b>SPECIAL BUSINESS</b>  |     |         |
| 3.      | TO INCREASE IN AUTHORIZED CAPITAL OF THE COMPANY OF THE COMPANY  |     |         |
| 4.      | APPROVAL FOR INCREASE IN BORROWING POWERS OF THE COMPANY UNDER SECTION 180 (1) (C) OF THE COMPANIES ACT, 2013  |     |         |

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 22<sup>nd</sup> ANNUAL GENERAL MEETING



**VENUE: PLOT NO. E-225, PHASE-VIII B, INDUSTRIAL AREA, FOCAL POINT,  
MOHALI 160055**

**DATE: 18.09.2024**

**TIME: 3:00 P.M**

## DIRECTORS' REPORT

**To**

**The Members,**

Your Directors have great pleasure in presenting the 22<sup>nd</sup> Annual Report and the Audited Accounts of your Company for the year ended 31<sup>st</sup> March 2024.

### **FINANCIAL HIGHLIGHTS**

(Amount In Lacs)

| Particulars  | Year ended<br>31 <sup>st</sup> March, 2024 | Year ended<br>31 <sup>st</sup> March, 2023 |
|--|--|--|
| (a) Turnover   | <b>21234.64</b>                            | <b>20048.80</b>                            |
| (b) other income   | 31.33                                      | 35.76                                      |
| (c) Gross Profit/(Loss)<br>(before depreciation and tax) | 1318.14                                    | 655.89                                     |
| Less : Depreciation                                      | 727.25                                     | 353.26                                     |
| (d) Net Profit/(Loss) before tax                         | 590.89                                     | 302.63                                     |
| Less : Provision for Tax (including for deferred tax)    | 104.64                                     | 76.64                                      |
| (e) Net Profit/(Loss) After Tax                          | 486.25                                     | 225.99                                     |

### **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.

### **PUBLIC DEPOSITS**

During the financial year 2023-24 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.

### **SUBSIDIARY, JOINT VENTURES OR ASSOCIATE COMPANIES**

Your Company does not have any Subsidiary, Joint Ventures or Associate Company

### **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 DURING THE YEAR**

The Company Has Not Material Changes and Commitments Affecting the Financial Position of the Company which have Occurred during the Year.

### **COMMITTEES OF THE BOARD:**

The Company has constituted the following committees in compliance with the Companies Act, 2013 and the Listing Regulations.

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee and

All these Committees have been established as a part of the best corporate governance practices. There have been no instances where the Board has not accepted any recommendation of the aforesaid Committees. The details in respect to the Compositions, Powers, Roles, and Terms of Reference etc. are provided in the Corporate Governance Report forming part 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, 2024.

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**

The Board of Directors presently consists of 4 (Four) Directors including a 1 (One) Chairman & Managing Director, 1 (One) Non-Executive Director, 2 (Two) Independent Directors

During the year under review Mr. Naval Kishore Gupta, Independent Director and Mr. Kishore Kumar Bajaj, Independent Director are re-appointment for another term of five consecutive years after passing a special resolution in the general meeting..

### **PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES**

During the year, there were no penalties/punishments/compounding offences under 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 MEETINGS**

During the year 5 (Five) 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.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS.**

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations.

### **ENVIRONMENT & SAFETY:**

The Company is very conscious of the need to protect environment. The company is taking all possible steps for safeguarding the environment.

### **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, 2024, 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, 2024 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.

### **SECRETARIAL AUDITOR**

The company had appointed Sethi Poonam & Associates to conduct its secretarial Audit for the financial year March 31st, 2024. 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 2024-25.

### **COST AUDITOR**

In terms of the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is not covered under the purview of Cost Audit.

### **AUDITORS**

The Members of the Company in their Annual General Meeting held on 22.09.2023 had appointed Swarn K Jain & Co, Chartered Accountants, (Firm Registration No: 032917N) as statutory auditors of the Company, to hold office for a period of 5 years from the conclusion of the twenty first Annual General Meeting (AGM) of the Company till the conclusion of the 26<sup>th</sup> Annual General Meeting on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.

### **AUDITORS' REPORT**

The Statutory Auditors of the Company had submitted Auditors' Report on the accounts of the Company for the Financial Year ended 31st March, 2024. There is no audit qualification reservations or adverse remarks or disclaimer in the said financial statements. The comments in the Auditors' Report read with Notes to Accounts are self- explanatory and do not call for any further explanation.

### **REPORTS ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS**

The Company is committed to follow the best Corporate Governance practices, including the requirements under the SEBI Listing Regulations and the Board is responsible to ensure the same, from time to time. The Company has duly complied with the Corporate Governance requirements. Further a separate section on Corporate Governance in compliance with the provisions of Regulation 34 of the Listing Regulations read with Schedule V of the said regulations alongwith a Certificate from a Practicing Company Secretary confirming that the Company is and has been compliant with the conditions stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 forms part of the Annual Report.

### **LISTING OF EQUITY SHARES**

The fully paid up Equity Shares 15512215 (face value of Rs. 10/- each of the Company are listed on Main Board BSE Limited (BSE), Mumbai and the listing fees for the Financial Year have been duly paid to the Stock Exchanges

### **CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all Senior Manager Personnel in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The Code has been posted on the Company's website The Code lays down the standard procedure of business conduct which is expected to be followed by the directors and all Senior Manager Personnel in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

### **DISCLOSURE FOR FRAUD AGAINST THE COMPANY**

In term of provision of section 134(3) (a) of the Companies Act, 2013, there were no instances of fraud which are reported by auditors of the company under section 143(12) of the companies act, 2013, to the Audit Committee.

### **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: Nil

FOREIGN EARNINGS: Rs. 3673.16 Lakhs

### **ANNUAL RETURN**

The Draft of annual Return of the Company has been placed at the website([www.activesourcing.org](http://www.activesourcing.org)) of the company pursuant to the provision of section 92 read with rule 12 of the Companies (Management and administration) Rules, 2014

### **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 thereunder.

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: 24.08.2024**

Sd/-  
**Rajesh Kumar Mehra**  
Managing Director

Sd/-  
**Renu Mehra**  
Director



## ANNEXURE TO THE BOARD REPORT

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

|           |   |   |   |
|-----------|---|---|---|
| <b>1</b>  | The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24   | Name of Director/<br>KMP and<br>Designation                                   | increase in Remuneration in<br>the Financial Year 2023-24 |
|           |   | Mr. Rajesh Kumar<br>Mehra (Managing<br>Director)                              | NIL   |
|           |   | Mrs. Renu mehra<br>(Non Executive<br>Director &<br>Non executive<br>Chairman) | NIL   |
|           |   | Mr. Naval<br>Kishore Gupta<br>(Independent<br>Director)                       | NIL   |
|           |   | Mr. Kishore<br>Kumar Bajaj<br>(Independent<br>Director)                       | NIL   |
|           |   | Mr. Mandeep<br>Singh (CFO)  | 42%   |
|           |   | Mrs. Avneet<br>Kaur Bedi<br>Company Secretary                                 | NIL   |
| <b>2</b>  | The median remuneration of employees of the Company during the financial year<br>The % increase in the median remuneration of employees in the financial year-  | 1500000<br><br>20%  |   |
| <b>3</b>  | The number of permanent employees on the rolls of Company.  | 1688  |   |
| <b>4.</b> | Average percentile increase already made in the <b>salaries of employees*</b> 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. | 17.7%<br><br>NA   |   |
| <b>5.</b> | Affirmation that the remuneration is as per the remuneration policy of the Company.   | YES   |   |



**A. DETAILS OF THE PERSONS EMPLOYED THROUGHOUT THE YEAR, WHO WERE IN RECEIPT OF REMUNERATION WHICH IN AGGREGATE WAS NOT LESS THAN ` 102 LAKHS PER ANNUM AND 8.50 LAKHS PER MONTH AS FOLLOWS:- Not Applicable**

| Name of Employees | Age | Designation | Qualification | Nature of Employment | Experience | Date of Joining | Remuneration |
|-------------------|-----|-------------|---------------|----------------------|------------|-----------------|--------------|
|                   |     |             |               |                      |            |                 |              |
|                   |     |             |               |                      |            |                 |              |

**B: STATEMENT SHOWING NAMES OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE YEAR IS AS FOLLOWS**

| Name of Employees | Age | Designation      | Qualification       | Nature of Employment  | Experience | Date of Joining | Remuneration |
|-------------------|-----|------------------|---------------------|-----------------------|------------|-----------------|--------------|
|                   |     |                  |                     |                       |            |                 | Per annum    |
| R.K Aggarwal      | 49  | Manager          | Graduate            | Distribution business | 15 years   | 01.03.2017      | 720000       |
| Surinder Singh    | 52  | HR, head         | MBA                 | Compliance head       | 15 year    | 01.04.2019      | 1080000      |
| Mandeep Singh     | 59  | CFO              | B. COM              | Account and Finance   | 30 Years   | 01.06.2010      | 1200000      |
| Shivam khurana    | 50  | GM               | BE                  | Sweater division      | 22 years   | 18.10.2019      | 1320000      |
| Devindra          | 51  | Manager          | Graduate            | Distribution Business | 25 years   | 01.10.2002      | 1500000      |
| Sandeep           | 49  | Manager          | Graduate            | Distribution business | 20 Years   | 01.08.2009      | 1500000      |
| Vijay             | 44  | Manager          | Mechanical Engineer | Knitting Division     | 19 years   | 06.07.2018      | 1800000      |
| Hans Kumar        | 50  | GM               | Graduate            | GM                    | 30 years   | 05.04.2018      | 1800000      |
| Hitesh Manuja     | 44  | CEO Sweater unit | B.Tech              | Sweater Business      | 20 Years   | 05.01.2017      | 2100000      |

**NOTES:**

1. The remuneration as shown above includes, inter-alia, House Rent Allowance, Company's contribution to Provident Fund, incentives and other perquisites as per the Company's policy.
2. There is no change in professional fee paid to managing Director, Non-Executive Director and Sitting Fees to Independent Directors.

**By Order of the Board**

Sd/-

**Rajesh Kumar Mehra**  
Managing 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                                    |         |
| 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)      | Date of approval by the Board   |         |
| f)      | Amount paid as advances, if any   |         |

**Note:**

- Professional fee paid to Mrs. Renu Mehra, Non-executive Director (Wife of Mr Rajesh Kumar Mehra Managing Director) is in Ordinary Course of business of the company and is at arm length basis. According to Regulation 23(1) of LODR it is not a material transaction and is as per remuneration policy of the company.
- Fee paid to Mrs Kalika Mehra (Daughter of Mr. Rajesh Kumar Mehra and Mrs. Renu Mehra Directors) for availing professional services. The Service rendered is of professional nature and In the opinion of nomination and Remuneration Committee and is approved by special resolution approved by requisite shareholders of the companies in 20<sup>th</sup> AGM.

**For and on behalf of the Board**

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

Sd/-  
**( Renu Mehra)**  
**Director**



## DECLARATION BY INDEPENDENT DIRECTORS

Dated: 30.05.2024

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: 30.05.2024**

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;
7. I am not the material supplier, service provider or customer or lessor or lessee of the company.
8. 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 31.03.2024

*[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 Office: 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, 2024 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 31<sup>st</sup> March, 2024 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; (External Commercial Borrowings are not applicable to the Company during the Audit Period);
- (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, 2018; (not applicable to the Company during the audit period)
  - 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 all 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.

1. The Factories Act, 1948;
2. The Payment of Wages Act, 1936 and The Payment of Wages (Amendment) Act, 2017;
3. The Payment of Bonus Act, 1965 and The Payment of Bonus (Amendment) Act, 2015;
4. The Payment of Gratuity Act, 1972;
5. The Industrial Employment (Standing Orders) Act, 1946;
6. The Industrial Disputes Act, 1947;
7. The Employees' State Insurance Act, 1948;
8. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
9. The Environment (Protection) Act, 1986;
10. The Hazardous Wastes (Management, Handling and Trans-boundary Movement) Rules, 2008;
11. The Water (Prevention And Control of Pollution) Act, 1974;
12. The Air (Prevention And Control of Pollution) Act, 1981;
13. The Indian Boilers Act, 1923 and The Indian Boilers (Amendment) Act, 2007

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 and Listing Regulation.

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 was listed on Bombay Stock exchange as on 31.03.2024.

For Sethi Poonam & Associates  
Practicing Company Secretary

**Sd/-**

Poonam Sethi (Prop.  
Certificate of Practice No. 21751  
UDIN: A033856F000997808  
PR: 2340/2022

Date: 24.08.2024

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  
UDIN: A033856F000997808  
PR: 2340/2022

Date: 24.08.2024  
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, 2024, 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: 24.08.2024

POONAM SETHI  
SETHI POONAM & ASSOCIATES  
Company Secretaries

Sd/-  
C.P. No: 21751  
UDIN: A033856F000997821

## **REPORT ON CORPORATE GOVERNANCE**

[In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')]

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2024, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### **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:

#### **1. CODE OF BUSINESS CONDUCT & ETHICS.**

The Company has adopted a Code of Conduct and Business Ethics for Directors and Senior Management of the Company, as required under Regulation 17(5)(a) of the Listing Regulations. The Company has received confirmations from the Directors and Senior Management regarding compliance with the Code for the year ended 31st March, 2024. A certificate from the Managing Director to this effect is attached to this Report. The Code has been displayed on the Company's website.

#### **2. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

As required by the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amended as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company Secretary acts as the Compliance Officer. The Code of Conduct is applicable to Promoter(s), Director(s), Key Managerial Personnel, specified employees and other Connected Person of the Company who are expected to have access to Unpublished Price Sensitive Information (UPSI) relating to the Company. All of them have duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. These Codes are displayed on the website of the Company. The Directors and senior employees have given affirmation for the compliance under this code.

The Company is in compliance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for Corporate governance.

#### **3. 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, 2024 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 Directorships | Other board committee |                |
|---|-------------------------|--------------------|---------------------|---------------------|-----------------------|----------------|
|   |                         | Board meetings     | Last Agm 22.09.2023 |                     | Member-ships          | Chairman-ships |
| Managing Director                                 | Mr. Rajesh Kumar Mehra  | 5                  | Yes                 | 1                   | -                     | -              |
| Non-Executive Director and Non Executive Chairman | Mrs Renu Mehra          | 5                  | Yes                 | NIL                 | 3                     | 1              |
| Independent Directors                             | Mr. Naval Kishore Gupta | 5                  | Yes                 | NIL                 | 3                     | -              |
|   | Mr. Kishore Kumar Bajaj | 5                  | Yes                 | NIL                 | 3                     | 2              |

- II. NO. OF BOARD MEETINGS HELD DURING THE YEAR ALONG WITH THE DATES OF THE MEETING: DURING THE YEAR FIVE BOARD MEETINGS WERE HELD ON FOLLOWING DATES:

| S.No | Date       |
|------|------------|
| 1    | 30.05.2023 |
| 2    | 14.08.2023 |
| 3    | 26.08.2023 |
| 4    | 14.11.2023 |
| 5    | 12.02.2024 |

III. **SHAREHOLDING DETAIL OF DIRECTORS AS ON MARCH 31, 2024:**

- 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
- Mr. Rajesh Kumar Mehra , who is Managing Director holds 5722715 equity shares in the Company
- None of other Directors are related to each other except Mr. Mr. Rajesh Kumar Mehra and Mrs. Renu Mehra. Mrs. Renu Mehra is the wife of Mr. Rajesh Kumar Mehra

IV. **THE FOLLOWING TABLE GIVES THE NAMES OF THE LISTED ENTITIES WHERE THE DIRECTORS OF THE COMPANY ARE DIRECTORS AND THE CATEGORY OF THEIR RESPECTIVE DIRECTORSHIP AS ON MARCH 31, 2024:-**

| Name of the Director   | Name of the companies in which The Director of the Company is a Director | Category of Directorship in the listed companies |
|------------------------|--|--|
| Mr. Rajesh Kumar Mehra | Guram Neutra Pharma P Limited  | Director   |

V. **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The Company on appointment of an Independent Director, issues a formal Letter of Appointment setting out the terms of appointment, duties and responsibilities. The Company in terms of Regulation 25(7) of Listing Regulations, has also put in place a system to familiarize the Independent Directors of their roles, rights, responsibilities, nature of industry in which the Company operates, business model of the Company and the ongoing events relating to the Company. It aims to provide the Independent Directors an insight into the Company's functioning and to help them to understand its business in depth, so as to enable them to contribute

## **VI. CORE SKILLS / EXPERTISE/COMPETENCIES OF THE BOARD MEMBERS**

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Business Dynamics, Research & Development and Innovation
- Strategy and planning
- Leadership / Operational experience
- Financial, Regulatory / Legal & Risk Management
- Corporate Governance

## **VII. INDEPENDENT DIRECTORS CONFIRMATION BY THE BOARD**

All the Independent Directors (IDs) have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Board of Directors hereby confirms that in its opinion, the Independent Directors of the Company fulfill the conditions as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations and are independent of the management.

### **Resignation of Independent Director**

During the year under review, none of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable

## **VIII. DIRECTORS' DIRECTORSHIPS/COMMITTEE MEMBERSHIPS**

The number of Directorships and Committee positions held by the Directors are in conformity with the limits laid down in the Companies Act, 2013 and Listing Regulations, as on March 31, 2024. As per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 none of the directors were a member in more than ten committees, nor a chairman in more than five committees across all companies. Further, As per Regulation 17A of the Listing Regulations, IDs of the Company do not serve as ID in more than seven listed companies. Further, the Managing Director of the Company does not serve as an ID in any listed entity.

## **IX. BOARD MEETING PROCEDURES**

The Board is presented with detailed notes, along with the agenda papers, well in advance of the meeting. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted. The required information as enumerated in Part A of Schedule II of the Listing Regulations are regularly made available to the Board of Directors for discussion and consideration at Board Meetings.

## **X. INFORMATION SUPPLIED TO THE BOARD**

Regular presentations are made to the Board of Directors covering Business Operations, Finance, Sales, Accounts, Marketing, Compliances and other important business issues. The Annual Operating and Capital Budget(s) are approved by the Board of Directors. The Board spends considerable time in reviewing the actual performance of the Company vis- à-vis the approved budget.

### **4. 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 non executive Director Mrs. Renu Mehra (Member). All the members of Audit Committee are financially literate.

**b) NO. OF MEETING HELD OF AUDIT COMMITTEE:**

| S. No. | Date       |
|--------|------------|
| 1.     | 30.05.2023 |
| 2.     | 14.08.2023 |
| 3.     | 26.08.2023 |
| 4.     | 14.11.2023 |
| 5.     | 12.02.2024 |

**c) TERM OF REFERENCE OF AUDIT COMMITTEE ARE AS FOLLOWS:**

**Terms of Reference**

The terms of reference of the Audit Committee are in line with Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 and rules made thereunder. The brief description of the terms of reference of the Committee is described below:

**Power of the Audit Committee:**

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Role of the Audit Committee**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 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; and
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. 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;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
12. 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;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. 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;
15. 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;
16. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. Reviewing the functioning of the Whistle Blower Policy /Vigil Mechanism;
18. 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 and background, etc. of the candidate;
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

## **5. 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).

### **b) NO. OF MEETING HELD**

| S NO. | DATE       |
|-------|------------|
| 1.    | 30.05.2023 |
| 2.    | 26.08.2023 |



**c) THE TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE ARE AS FOLLOWS:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- To identify persons who are qualified to become directors and persons who may be appointed in Senior Management Position including Key Managerial Personnel in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- To recommend to the Board of Directors, qualifications, appointment, remuneration and removal of directors, key managerial personnel and persons in senior management positions in accordance with the Nomination and Remuneration policy.
- To devise a policy on diversity of Board of Directors.
- To carry out performance evaluation of every Director in accordance with the Nomination and Remuneration policy.
- To consider grant of stock options to eligible Directors, to formulate detailed terms and conditions of Employee Stock Option Scheme (ESOS) and to administer and exercise superintendence over ESOS.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.

**c) PERFORMANCE EVALUATION:**

In compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and the listing regulations, the Company has devised a policy for performance evaluation of Independent Directors, Board Committees and other Directors which includes criteria for performance evaluation of the non- executive directors and executive directors. The evaluation of the Independent Directors was carried out by the Board excluding the director being evaluated and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. The performance was reviewed on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. The Directors express their satisfaction over the entire evaluation process.

**d) REMUNERATION TO DIRECTORS:**

**Directors with pecuniary relationship or business transaction with the company:**

The Executive Directors receives Salary, Perquisites, Allowances and other benefits in accordance with their terms of appointment, while all the Non-Executive Directors Receives Professional Fee and Independent Directors receives Sitting Fees for attending the Board Meetings. It is also to be noted that the transactions with other entities where Chairman & Managing Director/ Executive Directors are interested are being carried out by the Company in its ordinary course of business and on arm's length basis, in compliance with the laws applicable thereto.

**e) CRITERIA MAKING PAYMENT TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**

As per the Nomination & Remuneration Policy of the Company, the Board, on the recommendation of the Nomination and Remuneration Committee, reviews and approves the remuneration payable to the

Executive Directors and Key Managerial Personnel. The Board and the Committee considers the provisions of the Companies Act, 2013, the limits approved by the shareholders and the individual and corporate performance in recommending and approving the remuneration of the Executive Directors and Key Managerial Personnel. Further, the Chairman & Managing Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Executive Director) and Senior Management based on prevailing HR policies of the Company. The remuneration / sitting fees, as the case may be paid to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made there under for the time being in force or as may be decided by the Committee / Board / Shareholders.

## 6. STAKEHOLDERS' 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.

### b. NO OF MEETING HELD:

| S NO. | DATE       |
|-------|------------|
| 1.    | 30.05.2023 |

### c. 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;
- Carrying out any other function as may be decided by the board or prescribed under the company act, Listing Regulations or by any other regulatory authority.
- Details of Complaints received and resolved during the year ended on 31.03.2024:

|   |     |
|---|-----|
| 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 |

### d. COMPLIANCE OFFICER:

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

## INDEPENDENT DIRECTORS' MEETING

The Company has complied with the definition of Independence as per Listing Regulations and according to the provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013 and regulation 25(8) of SEBI (LODR) Regulations 2015.

During the year under review, a separate meeting of Independent Directors was held on August 14, 2023, interalia:-

- To review the performance of Non-Independent directors and the Board as a whole;
- To review the performance of the Chairperson of the Company, and;
- To assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. All the Independent Directors were present at the meeting.

## 7. SUBSIDIARY COMPANIES

There is no material subsidiary of the Company and hence requirements relating to composition of Board of Directors of unlisted material subsidiary do not apply to the Company.

## 8. GENERAL BODY MEETINGS:

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

| YEAR    | LOCATION   | DATE       | TIME     |
|---------|--|------------|----------|
| 2022-23 | Plot No E-225, Phase – VIII B, Industrial Area, Focal Point, Mohali – 160055 | 22.09.2023 | 4.30 PM  |
| 2021-22 | Plot No E-225, Phase – VIII B, Industrial Area, Focal Point, Mohali – 160055 | 29.09.2022 | 11.00A.M |
| 2020-21 | Plot No E-225, Phase – VIII B, Industrial Area, Focal Point, Mohali – 160055 | 28.09.2021 | 5.00P.M  |

### II. Date Time and Location of the Extraordinary General Meetings/ Postal Ballot:

| YEAR | LOCATION | DATE |
|------|----------|------|
|      |          |      |

### III. Special Resolutions passed in previous three Annual General Meetings:

| Date of Annual General Meeting | Particulars of Special Resolutions  |
|--------------------------------|---|
| 22.09.2023                     | <p><b>Ordinary Business</b></p> <ul style="list-style-type: none"> <li>• To receive, consider and adopt the audited financial statements of the company together with the reports of board of directors and the auditors thereon.</li> <li>• To appoint a director in place of mrs. Renu mehra (din: 02033471), who retires by rotation and being eligible, offers herself for re-appointment</li> <li>• To appoint m/s. Swarn k jain &amp; co, chartered accountants as statutory auditors from the conclusion of this annual general meeting until the conclusion of the 26<sup>th</sup> annual general meeting and to fix their remuneration.</li> </ul> <p><b>Special Business</b></p> <ul style="list-style-type: none"> <li>• Re-appointment of Mr. Kishore Kumar Bajaj (DIN: 06946343) as an independent director of the company</li> <li>• Re-appointment of Mr. Naval Kishore Gupta (DIN: 07362996) as an independent director of the company</li> </ul> |
| 29.09.2022                     | <ul style="list-style-type: none"> <li>• To Re-appoint Mr. Rajesh Kumar Mehra (DIN 00026176) as Managing Director</li> <li>• To re-appoint Mrs. Renu Mehra (DIN: 02033471) as Non-Executive Director</li> <li>• Approval of professional fee to Mrs. Renu Mehra (DIN: 02033471), non-executive director of the company in case of inadequate profits:</li> <li>• Approval for related party transactions</li> </ul>   |
| 28.09.2021                     | No Special Resolution was passed.   |

**IV. Special Resolutions passed in previous three Extra Ordinary General Meetings during 2023-24: Not Applicable**

**V. Resolution passed by postal ballot during 2023-24: Not applicable**

| DATE | Particulars of Special Resolutions |
|------|------------------------------------|
|      |                                    |

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

**VII. Means of Communication:**

- These results are also displayed on the Company's Website viz.
- These results are also submitted to BSE for display on their website [www.bseindia.com](http://www.bseindia.com).
- The Management Discussion and Analysis report forms part of this Annual Report.

**9. GENERAL SHAREHOLDERS INFORMATION:**

**Distribution of shareholding as on 31<sup>st</sup> March, 2024:**

| S no: | Shareholding of nominal | No. of shareholders | % age of Total | Share Amount     | % age of total |
|-------|-------------------------|---------------------|----------------|------------------|----------------|
| 1.    | 1-5000                  | 543                 | 68.3879        | 461710           | 0.2976         |
| 2.    | 5001-10000              | 61                  | 7.6826         | 506430           | 0.3265         |
| 3.    | 10001-20000             | 86                  | 10.8312        | 1533690          | 0.9887         |
| 4.    | 20001-30000             | 11                  | 1.3854         | 278580           | 0.1796         |
| 5.    | 30001-40000             | 23                  | 2.8967         | 876800           | 0.5652         |
| 6.    | 40001-50000             | 8                   | 1.0076         | 384150           | 0.2476         |
| 7.    | 50001-100000            | 19                  | 2.3929         | 1344840          | 0.8670         |
| 8.    | 100001-15512215         | 43                  | 5.4156         | 149735950        | 96.5278        |
|       | <b>Total</b>            | <b>724</b>          | <b>100.00</b>  | <b>155122150</b> | <b>100</b>     |

**Shareholding pattern as on March 31, 2024:**

| Category   | No. of Shares |
|--|---------------|
| Promoters & Promoters Group                      | 11419415      |
| Bodies Corporate, Mutual Fund, Public and Others | 4092800       |

**Market Price data of Company's Equity Shares Traded on BSE Limited, during the period April 01, 2023 to March 31, 2024.**

| Month  | Open   | High   | Low   | Close  | No. of Shares | No. of Trades |
|--------|--------|--------|-------|--------|---------------|---------------|
| Apr 23 | 44.27  | 44.27  | 38.13 | 40.00  | 10,041        | 131           |
| May 23 | 39.00  | 43.60  | 38.00 | 39.66  | 23,187        | 140           |
| Jun 23 | 39.66  | 45.30  | 39.66 | 44.00  | 51,802        | 268           |
| Jul 23 | 44.62  | 52.50  | 42.30 | 49.00  | 20,495        | 222           |
| Aug 23 | 49.00  | 52.55  | 44.85 | 49.90  | 33,194        | 309           |
| Sep 23 | 47.50  | 72.00  | 47.42 | 70.40  | 1,26,427      | 904           |
| Oct 23 | 71.55  | 72.90  | 63.00 | 69.48  | 3,72,960      | 614           |
| Nov 23 | 68.50  | 86.85  | 66.80 | 80.61  | 14,44,415     | 2,061         |
| Dec 23 | 78.06  | 118.16 | 78.05 | 118.16 | 6,13,672      | 2,425         |
| Jan 24 | 120.50 | 125.35 | 98.55 | 104.60 | 1,46,885      | 388           |
| Feb 24 | 102.55 | 118.80 | 96.20 | 100.00 | 75,236        | 357           |
| Mar 24 | 99.75  | 114.75 | 90.40 | 114.75 | 55,212        | 285           |

(Market Price data Source: [www.bseindia.com](http://www.bseindia.com))

**Reconciliation of Share Capital Audit:**

As stipulated by SEBI under Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018 a Company Secretary in whole time practice carries out Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's Shares are listed. The audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL).

**Outstanding GDR/ADR/Warrants or any convertible instruments, conversion instruments, conversion date and impact on equity: NIL**

**(i) ANNUAL GENERAL MEETING**

|                  |  |
|------------------|--|
| Day, Date & Time | Wednesday, 18 <sup>th</sup> September, 2024 at 3:00 P.M.                     |
| Venue            | Plot No. E-225, Phase-VIII B, Industrial Area, Focal Point, Mohali PB 160055 |

- (ii) **BOOK CLOSURE: Wednesday , 11<sup>th</sup> September, 2024 to Tuesday, 17<sup>th</sup> September, 2024 (Both days inclusive)**
- (iii) **LISTING ON STOCK EXCHANGES**  
**BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001**  
**Annual Listing Fees, as prescribed has been paid to the Stock Exchange for the year 2023-24.**
- (iv) **STOCK EXCHANGE SCRIP CODE: 541144 (BSE MAIN BOARD),**
- (v) **CORPORATE IDENTIFICATION NUMBER: L51311PB2002PLC033422**
- (vi) **DEMAT ISIN No: INE380Z01015**
- (vii) **SHARE TRANSFERS AND OTHER COMMUNICATIONS SHOULD BE ADDRESSED TO:**  
**BIGSHARE SERVICES PVT. LTD.**  
Office No: S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai-400093  
Tel.: 022-62638294, Fax: 022-62638299
- (viii) **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: cscsco@activesourcing.org

#### **10. DEMATERIALIZATION OF EQUITY SHARES AND LIQUIDITY:**

About 100% of the total equity share capital of the Company (15512215 Equity Shares) were held in dematerialized form. The Company has entered into agreements with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of shares through Bigshare Services Private Limited, Registrar & Transfer Agent (RTA) of the Company. The Company's shares are liquid and actively traded on Stock Exchanges i.e. BSE.

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended March 31, 2024.

#### **11. CODE OF BUSINESS CONDUCT & ETHICS**

The Company has adopted a Code of Business Conduct & Ethics for all employees and for members of the Board and Senior Management Personnel. The Company through its Code of Conduct provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all stakeholders, and to avoid practices like bribery, corruption and anti – competitive practices. All members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board and Senior Management for the financial year 2023-24. The declaration to this effect signed by Chairman and Managing Director of the Company is annexed to this report as Annexure 'A.' The Code of Conduct for employees and the Board and Senior Management have clear policy and guidelines for avoiding and disclosing actual or potential conflict of interest with the Company, if any.

#### **12. Details of non-compliance by the company, penalties, imposed on the company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and SEBI guidelines. Consequently, there were no penalties imposed either by SEBI

or Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital markets during the last three financial year.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

### **ECONOMIC OVERVIEW**

The latest World Economic Outlook (WEO) of the International Monetary Fund (IMF) expects that the world economy is projected to maintain a modest but steady growth pace of 3.2% in 2024 and 2025, mirroring the performance of 2023. The US economy is expected to expand by 2.7% in 2024 and the euro zone is expected to expand under 1%. India is projected to expand by 6.8% in 2024-25 and China by 4.6%. The US economy grew at a slower-than-expected pace in the first quarter of 2024, raising concerns about its future trajectory. Gross Domestic Product (GDP) only increased at a 1.6% annualized rate, missing Wall Street's projections of 2.4% growth. Adding to the economic woes, inflation picked up in the first quarter, with service-sector inflation jumping by 5.1%. On the positive side, global inflation is anticipated to show a steady decline, falling from 6.8% in 2023 to 5.9% in 2024 and further reduce to 4.5% in 2025. It suggests a potential return to a more stable economic environment. Despite the challenges, the World Trade Organization (WTO) forecasts a 2.6% expansion in global trade volumes for 2024, following a 1.2% contraction in 2023. In value terms, world merchandise trade had declined by 5% in 2023. The global economy surprised many by demonstrating resilience during 2022-2023. Economic activity continued to grow even as concerns about stagflation (stagnant growth with high inflation) and recession were raised, while the short-term outlook appears stable, the projected growth rate for the next five years is the lowest in decades. This raises concerns about long-term economic health. The report emphasizes the need for urgent reforms to address these long-term challenges. While acknowledging the recent Israel-Palestine conflict adds uncertainty, IMF believes its impact on global supply and demand will be less severe compared to the war in Ukraine. It remains cautiously optimistic about the overall global economic situation.

#### **Performance of major economies, 2023**

United States: Reported GDP growth of 2.5% in 2023 compared to 1.9% in 2022

China: GDP growth was 5.2% in 2023 compared to 3% in 2022

United Kingdom: GDP grew by 0.4% in 2023 compared to 4.3% in 2022

Japan: GDP grew 1.9% in 2023 unchanged from a preliminary 1.9% in 2022

Germany: GDP contracted by 0.3% in 2023 compared to 1.8% in 2022

(Source: PWC report, EY report, IMF data, OECD data, Livemint)

Outlook: Asia is expected to continue to account for the bulk of global growth in 2024-25. Inflation is expected to ease gradually as cost pressures moderate; headline inflation in G20 countries is expected to decline. The global economy has shown resilience despite high inflation and monetary tightening, with growth expected to remain around previous levels for the next two years.

(Source: World Bank)

### **INDIAN ECONOMY OVERVIEW**

The IMF is bullish on India's economic future. It believes India will be a major driver of global growth in the coming years, pointing to its consistent growth exceeding 7% even after the COVID-19 pandemic. The IMF predicts an impressive 8% growth for India in the final quarter of 2023-24, highlighting its resilience in the current global economic climate. The IMF has also revised India's 2023-24 growth projection upwards to 7.8% compared to 6.7% in its January report. Overall, IMF paints a positive picture of India's economic future, highlighting its potential to be a significant contributor to global growth. The IMF has raised India's GDP growth projection for 2024-25 by 30 basis points to 6.8% and for 2025-26 to 6.5% in its update to the WEO, citing buoyant domestic demand. However, the fund's estimate is below the 7% growth projection by the government.



The Indian economy grew at its fastest pace in six quarters, prompting the statistics office to project a 7.6% growth for 2023-24 against a growth rate of 7% in 2022-23. Finance Minister Nirmala Sitharaman indicated that the economy is expected to grow 8% or more in the Jan-Mar 2024 quarter driven by improved inflation management and overall macroeconomic stability. India's recently released Interim Budget allocated Rs. 11.1 lakh crore (\$133.6 billion) for capital expenditure in fiscal year 2025 (April 2024 - March 2025). This represents 3.4% of GDP, a significant increase of 16.9% compared to the 2023-24 budget. The increased spending is expected to maintain India's strong GDP growth trajectory as companies look to diversify their supply chains away from China, India is a potential beneficiary. This could attract more investment in manufacturing. The government's schemes to boost targeted manufacturing industries could see a better response from investors with an improved infrastructure base.

## **INDIAN TEXTILE AND APPAREL INDUSTRY REVIEW**

India's textile and apparel industry holds a significant position in the country's economy, contributing approximately 2.3% to the GDP, 13% to industrial production, and 12% to exports. It also stands as the second-largest employer, providing jobs to 45 million people directly and 100 million in allied sectors. India is the world's fourth-largest producer and exporter of garments after China, Bangladesh and Vietnam and the world's second-largest producer and exporter of textiles after China. Nearly two-thirds of India's textile exports go to the US and the UK due to its enterprises' commitment to high quality. However, adverse economic conditions, compounded by the Red Sea crisis, have taken a toll on textile exports. In the fiscal year 2023-24, textile exports declined by 3.4% year-on-year, with textiles worth \$34.43 billion exported between April 2023 to February 2024, down from \$35.58 billion in the previous fiscal period. This decline particularly affected ready-made garment exports, which fell to \$13.05 billion from \$14.73 billion in the corresponding months of the previous year. Similarly, yarn exports saw a decrease from \$4.47 billion to \$4.23 billion. The adverse economic conditions in Western markets, coupled with the Red Sea crisis, have led to higher shipping costs and extended shipping times, impacting the exports further.

Despite the current challenges, industry experts remain optimistic about the potential for export improvement, especially with signs of revival in the US market. However, the domestic market presents its own set of challenges, with sluggish demand observed even during festive seasons. Reduced yarn imports by China, and decreased buying by weavers and knitters have contributed to under-utilization in the spinning sector. Additionally, reduced exports and subdued local consumption have posed challenges for the local textile industry. More than 70% of the industry's output is based on cotton as opposed to the global average, where goods made of man-made fibre account for a bigger share, the industry is vulnerable to changes in the cotton market. Bilateral agreements with countries like the UAE and Australia along with upcoming agreements with the US, UK and European Union, offer opportunities for India to increase its market share. (Source: dfupublications.com, Times of India)

### **INDIA - KNITTING THE FUTURE**

#### **India is among the world's largest producers of Textiles and Apparel**

The domestic apparel & textile industry in India contributes approx. 2.3 % to the country's GDP, 13% to industrial production and 12% to exports. India has a 4% share of the global trade in textiles and apparel.

India is one of the largest producers of cotton and jute in the world. India is also the 2nd largest producer of silk in the world and 95% of the world's hand-woven fabric comes from India. Total textile exports are expected to reach \$65 Bn by FY26 and is expected to grow at 10% CAGR from 2019-20 to reach \$190 Bn by 2025-26.

The textiles and apparel industry in India is the 2nd largest employer in the country providing direct employment to 45 Mn people and 100 Mn people in allied industries.

India has also become the second-largest manufacturer of PPE in the world. More than 600 companies in India are certified to produce PPEs today, whose global market worth is expected to be over \$92.5 Bn by 2025, up from \$52.7 Bn in 2019.

- India is set to achieve \$250 Bn textiles production and \$100 Bn exports by 2030.
- The domestic apparel & textile industry in India contributed to 2% to the country's GDP, 7% of industry output in value terms.

(Source: <https://www.investindia.gov.in/sector/textiles-apparel>)

### **Growth drivers for apparel market in India**

- The government's focus on creating a conducive environment for trade and investments augur well for the fashion industry and the textile industry as a whole.
- The Performance Linked Incentive (PLI) scheme helps to build a robust ecosystem for MMSF (man-made staple fibre). India's position as a key cotton supplier benefits domestic RMG manufacturers.
- Government schemes continue to incentivise companies to increase their manufacturing capacity

### **OPPORTUNITIES**

The fashion industry has historically demonstrated tremendous resilience and adaptability. Over the years, industry players have successfully navigated challenges and emerged stronger with new and innovative methods of winning over consumer loyalty. Innovation in areas such as sustainable fashion and digitalisation initiatives will be key to driving growth and profitability in the long run.

**Deploying Augmented Technology:** the fashion industry is witnessing a rising trending the adoption of augmented reality (AR) and Virtual Reality. Allow consumer to try on the clothing virtually, making the shopping experience more immersive and personalized and help to reduce the number of returns.

**Export potential:** The Indian fashion industry has a vast export potential, with its rich heritage, craftsmanship, and diversity. Many Indian fashion brands are already exporting to the US, Europe, and Asia, and the demand is growing. With the increasing interest in sustainable and ethical fashion, Indian brands have a unique selling proposition in the global market. To tap into the export potential, Indian fashion brands need to focus on quality, design, and innovation, and adapt to the international standards and regulations.

**E-commerce growth:** The e-commerce market in India is growing rapidly, with a projected CAGR of 20% to reach \$99 billion by 2024. This presents a significant opportunity for Indian fashion brands to reach.

### **Economic Shift:**

- Growth in organized retail providing a larger opportunity for branded play
- Increase in consumption with factors like education, occupation, urbanization, nuclear families, influence of social media, disposable incomes moving in a positive direction
- Increase in fashion and brand consciousness making consumers more aspirational and discerning
- Increasing urban women population and women corporate workforce

### **Consumer Behaviour:**

- The 'stepping-out' of consumers post lock-down promises a resurgence of offline retail in FY22-23.
- The hybrid work culture provides excellent opportunities for categories like work-leisure to expand and grow

Transitioning to Sustainable Fashion

Popularity of direct to consumer Business Models

### **Challenges**

- The apparel industry is known for its ability to adapt to change, with new trends and styles merging regularly. Change has always been the wardrobe essential of this industry, happening almost every quarter of each year, this constant need for adaptation also brings its own set of challenges for the industry.
- Keeping up with fast paces nature of the industry can be difficult for the brands and retailers as they need to stay ahead of the latest trends and styles while also managing costs and maintaining profitability. With a rotational shift happening in the industry

- **Competition:** As a vertically-integrated apparel company, we have numerous competitors in both domestic and international markets, many of which are larger and have more brand recognition and greater marketing budgets. Some of these competitors may benefit from lower production costs that can result from greater operational scale, a differing supply chain footprint, or trade-related agreements and other macroeconomic factors that may enable them to compete more effectively.
- **Seasonality** Although our various product lines are sold on a year-round basis, the demand for specific products or styles reflects some seasonality. By diversifying our product lines and go-to-market strategies over the years, we have reduced the overall seasonality of our business. Consumer demand for apparel is cyclical and dependent upon the overall level of demand for soft goods, which may or may not coincide with the overall level of discretionary consumer spending. These levels of demand change as regional, domestic and international economic conditions change. Therefore, the distribution of sales by quarter in 2022 may not be indicative of the distribution in future years.
- Economic conditions may adversely impact demand for our products.

**Skills gap:** Despite the growth potential, the Indian fashion industry is facing a skills gap in the workforce. Many fashion graduates lack the practical skills and industry knowledge required to excel in the competitive market. To bridge the gap, Indian fashion brands need to invest in talent development, mentorship, and collaboration with educational institutions

**ACTIVE'** is blossoming into a leader in wearing apparels –glowing reflection on inroads it has made an evolution of introducing novel trends in a multi faceted designing , color, print, flashy, facetious life enhancing , a giant in sexiness antithesis to the grey sobriety . Active's strong commitment to quality and customer satisfaction has made it to be one of the most admired garment companies which follows and supports sustainable environmental friendly processes; practices high level of integrity and fairness in dealing and remains focused on developing Specialty and Technical products for safety and functional wear. Active is the only manufacturing Company providing an end to end solutions to national and international brands which starts from inception of a garment i.e. its designing followed by manufacturing, distribution and it's final retail all being managed together. To act responsibly with integrity, demonstrating strength of character and being customer oriented the success story has taken over. Caring, dedication, commitment, passion with demonstrates excellence has been its backbone.

ACTIVE is transcending all obstacles and is likely to be focal point for the fashion industry reflecting a rapidly growing middle class and an increasing powerful manufacturing sector. These forces together with strong economic fundamentals and growing tech savvy "active' is propelling itself to grow phenomenally both in Indian and international markets . New Developments, innovations, increased buyer presence, enhanced production capacity have become a boom post Corona with the industry in full up beat.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY** A properly designed and consistently enforced system of operational and financial control helps the Company's Board of Directors and management to safeguard the resources, produce reliable financial reports, and comply with laws and regulations. Effective internal control also reduces the possibility of significant errors and irregularities and assists in their timely detection when they do occur. The internal Auditors regularly monitor and evaluate the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems and accounting procedures, and ensures that the internal control systems are properly followed by all concerned departments of the Company. Significant audit observations and corrective actions are taken thereon and are presented to the Audit Committee of the Board

**HUMAN RESOURCE & INDUSTRIAL RELATIONS** The Company has an excellent track record of cordial and harmonious industrial relations and, over the years, not a single man-day was lost on account of labour unrest. In view of its aggressive growth plans, the Company enhanced its focus on improving

human resource productivity and efficiency. The Company is of the firm belief that human resource is the driving force that propels a Company towards progress and success. The Company is committed to the development of its people. The total permanent employee strength of the Company was 1688 as of March 31, 2024. The Industrial relations were cordial and satisfactory.

### STRONG POLICY SUPPORT

India aims to increase its share in the global textile and hence the Indian government with multiple initiatives in place will boost the apparel and textile market in the coming years.

**Production-Linked Incentive (PLI) Scheme:** Under this scheme, incentives will be provided to manufacture and export specific textile products made of man-made fibres. The government approved Rs. 10,683 crore (\$1.44 billion) for man-made fibre and technical textiles. This is expected to enable India's textile sector to achieve size and scale and to become competitive.

**Foreign direct investment (FDI):** FDI of upto 100% is allowed in the textile sector through the automatic route.

Further The Government of India announced various schemes to support the textile sector. Schemes like Scheme for Capacity Building in Textile Sector (SAMARTH); Amended Technology Up-Gradation Fund Scheme (ATUFS); National Technical Textiles Mission; Production Linked Incentive Scheme (PLI); PM-MITRA; Scheme for Integrated Textile Parks (SITP); Integrated Processing Development Scheme (IPDS); Kasturi Cotton Bharat; National Technical Textile Mission (NTTM); and National Institute of Fashion Technology (NIFT) are aimed to skill manpower, promote ease of doing business, promote development and use of technical textiles, manmade fibre apparels and fabrics, setting up worldclass infrastructure including plug-and -play facilities, among others.

### OPERATIONAL PERFORMANCE & FINANCIAL REVIEW during the FY2024

| Particulars         | YOY<br>Audited Financial Results<br>Year ended 31.03.2024<br>(In Lacs) |            | Growth in<br>Value<br>(In Lacs) |
|---------------------|--|------------|---------------------------------|
|                     | 31.03.2024   | 31.03.2023 |                                 |
| <b>Total Income</b> | 21234.64   | 20048.80   | ↑ 1185.84                       |
| <b>EBIDTA</b>       | 2122.65  | 1376.95    | ↑ 745.70                        |
| <b>PBT</b>          | 590.89   | 302.63     | ↑ 288.26                        |

## SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

As per SEBI (Listing Obligations and Disclosure Requirements)( Amendment) Regulations,2018, the Company is required to provide details of significant changes (change of 25% or more as compared to immediately previous year) in key financial ratios. Accordingly, the Company has identified the following ratios as key financial ratios:-

| Ratio                       | Unit  | FY 2023-24 | FY 2022-23 | % Change |
|-----------------------------|-------|------------|------------|----------|
| Debtors turnover            | Times | 2.84       | 4.21       | -32.54   |
| Inventory turnover          | Times | 2.92       | 3.05       | -4.20    |
| Debt Service Coverage Ratio | Times | 1.48       | 2.33       | -36.48   |
| Current Ratio               | Times | 1.35       | 1.42       | -4.93    |

Debtors Turnover Ratio and Inventory Turnover Ratios have gone down on account of increased Debtors and Stock holding which has been necessitated to increase the turnovers in the next fiscal. Debt service coverage Ratio has gone down owing to increased repayment of long term liabilities during the next fiscal. Current Ratio has been effected on account of increased Debtors and stock and consequent increase of current liabilities.

However, the Company anticipates significant improvement in the upcoming years on account of increased forecasts of turnover and it's subsequent profits.

**By Order of the Board**

Sd/-

**(Rajesh Kumar Mehra)**  
**Managing Director**

**Place: Mohali**  
**Date: 24.08.2024**

## **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, 2024.

For Active Clothing Co Limited

Place: Mohali  
Date: 24.08.2024

Sd/-  
(Rajesh Kumar Mehra)  
Managing Director

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

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

- a) We have reviewed financial statements of **Active Clothing Co Limited** for the year ended 31<sup>st</sup> March, 2024 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 Kumar Mehra**  
Managing Director

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

Place: Mohali  
Date: 24.08.2024

## 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, 2024.

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 Sethi Poonam & Associates

**Sd/-**  
Poonam Sethi (Prop.)  
CP No: 21751  
UDIN: A033856F000997830

Date: 24.08.2024



**SWARN K JAIN & CO  
CHARTERED ACCOUNTANTS**

1st Floor, 63, Rose Enclave, Civil Lines, Ludhiana  
PHONE No. 0161-2410386, 2403386  
Mobile : 90410 15299, E-Mail : [jainswam@rediffmail.com](mailto:jainswam@rediffmail.com)

**INDEPENDENT AUDITOR'S REPORT**

To the Members of

**Active Clothing Co Limited**

**Report on the Audit of the Standalone Financial Statements**

**OPINION**

*We have audited the accompanying standalone financial statements of **Active Clothing Co Limited ("the Company")**, which comprise the Balance sheet as at 31<sup>st</sup> March, 2024, and the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the Year ended, and a summary of significant accounting policies and other explanatory information.*

In our Opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies ( Indian Accounting Standards) Rules, 2015, as amended ( " Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March,2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**BASIS OF OPINION**

We conducted our audit of the standalone financial statements in accordance with the Standards on Accounting specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Business Responsibility Report, Director's Report including annexures to the Director's Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our Audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements of our knowledge obtained during the course of our Audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the Audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by Section 143(3) of the Companies Act 2013, based on our Audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Separate Report in "Annexure A", our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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 in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements .

ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii) a) the Management has represented that, to the best of it's knowledge and belief to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds ) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of it's knowledge and belief , no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and II of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

2. As required by the Companies ( Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in " Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Swarn K Jain & Co.  
Chartered Accountants  
Firm Registration No. 032917N

Sd/-

Swarn K Jain

Proprietor  
Membership No. 092951  
UDIN:

Place: Mohali  
Dated: 30.05.2024

## **ANNEXURE 'A' TO INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report in Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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 March 31, 2024 in conjunction with our audit of the standalone Ind AS 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. These responsibilities include 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. 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 on 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 Controls 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection or unauthorized 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 limitation 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, to the best of our information and according to the explanations given to us, 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 March,31, 2024, based on the criteria for Internal Financial Control over financial reporting 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 Swarn K Jain & Co.  
Chartered Accountants  
Firm Registration No. 032917N

Sd/-

Swarn K Jain  
Proprietor  
Membership No. 092951

Place: Mohali  
Dated: 30.05.2024

## ANNEXURE 'B'

### TO THE INDEPENDENT AUDITOR'S REPORT- ACTIVE CLOTHING CO. LIMITED

(Referred to in paragraph 2) under 'Report in Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments, capital work-in-progress and relevant details of right of use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant & equipment, capital work-in-progress and right -of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and where physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed/transfer deed/ conveyance deed/ court order provided to us, we report that, the title deed of all the immovable properties of land and building (other than properties where the Company is the Lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and non current assets held for sale, are held in the name of the Company as at the Balance Sheet Date, immovable properties of land whose title deeds

have been pledged for obtaining credit facility extended to the Company as security are held in the name of the Company.

- (d) The Company has not revalued any of its property, plant and equipment during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March, 2024 for holding any benami property under the Benami Transactions (Prohibition ) Act, 1988 ( as amended in 2016 ) and rules made thereunder.
- (ii) (a)The inventories except for goods-in-transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories /alternate procedures performed as applicable, when compared with the books of accounts.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements comprising stock statements, book debt statements, statements of ageing analysis of the debtors/ other receivables, and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- (iii) The Company has not provided guarantee or security and granted advances in the nature of loans, secured or unsecured, to companies, firms, Limited liability Partnerships or any other parties during the year. The company has made investments in and granted loans to employees, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

- (a) The Company has provided loans to employees and details of which are given below:

|  | <b>Amount in Rs. Lacs</b> |
|--|---------------------------|
| A. Aggregate amount of loans granted during the year to Employees: | 70.44                     |
| B. Balance outstanding as at Balance Sheet date with Employees     | 70.44                     |

The Company has not provided any guarantee or security to any other entity during the year.

- (b) The investments made and the terms and conditions of the grant of all the above –mentioned loans to employees during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted to employees, the schedule of repayment of principal has been stipulated and the repayments of principal amount are regular as per stipulation. There are no interest bearing loans given by the company.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the Balance Sheet date.
- (e) No Loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii) (f) is not applicable.

- (iv) According to information and explanation and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposited or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 and hence reporting under clause (iv) of the Order is not applicable.
- (vii) (a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.  
There were no undisputed amount payable in respect of Goods and Service Tax, Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2024 for a period of more than six months from the date they became payable.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961 ) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

- (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term purposes by the Company.
- (e) The Company has not made any investment in or given any new loan or advances to any of its subsidiaries, associates or joint ventures during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.  
  
(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally ) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.  
  
(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.  
  
(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March,2024.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Assets Liability Maturity (ALM) pattern ) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- (xx) (a) In respect of other than ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount which is required to be transfer to a Fund specified in Schedule VII to the Companies Act, 2013 before the date of this report and within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

For Swarn K Jain & Co.  
Chartered Accountants  
Firm Registration No. 032917N

Sd/-

Swarn K Jain  
Proprietor  
Membership No. 092951

Place: Mohali  
Dated: 30.05.2024

**ACTIVE CLOTHING CO LIMITED**  
**BALANCE SHEET AS AT March 31,2024**

(All amounts in Lakhs ,unless otherwise stated)

| Particulars   | Notes No. | As at<br>March 31,2024 | As at<br>March 31,2023 |
|---|-----------|------------------------|------------------------|
| <b>ASSETS</b>   |           |                        |                        |
| <b>Non Current Assets</b>   |           |                        |                        |
| (a) Property , Plant And Equipment  | 3         | 5753.73                | 3335.85                |
| (b) Right of Use Asset  |           |                        |                        |
| (c) Capital Work-in-progress  |           |                        | 1195.82                |
| (d) Intangible assets   |           |                        |                        |
| (e) Financial assets  |           |                        |                        |
| i) Investments  |           |                        |                        |
| ii) Loans   |           |                        |                        |
| iii) Other financial assets   | 4         | 110.54                 | 57.11                  |
| (f) Other non-current assets  | 5         | 152.71                 | 1110.96                |
| <b>Total Non Current Assets</b>   |           | <b>6016.98</b>         | <b>5699.74</b>         |
| <b>Current Assets</b>   |           |                        |                        |
| (a) Inventories   | 6         | 7268.17                | 6561.45                |
| (b) Financial Assets  |           |                        |                        |
| i) Investments  |           |                        |                        |
| ii) Trade Receivables   | 7         | 7470.14                | 4758.36                |
| iii) Cash and Cash Equivalents  | 8         | 30.94                  | 14.28                  |
| iv) Bank balance other than above   |           |                        |                        |
| v) Loans  |           |                        |                        |
| vi) Other financial assets  |           |                        |                        |
| (c) Other current assets  | 9         | 1226.76                | 784.80                 |
| (d) Assets held-for-sale  |           |                        |                        |
| <b>Total Current Assets</b>   |           | <b>15996.01</b>        | <b>12118.89</b>        |
| <b>TOTAL ASSETS</b>   |           | <b>22012.99</b>        | <b>17818.63</b>        |
| <b>EQUITY AND LIABILITIES</b>   |           |                        |                        |
| <b>Equity</b>   |           |                        |                        |
| (a) Equity share capital  | 10        | 1551.22                | 1551.22                |
| (b) Other Equity  | 10A       | 5368.67                | 4883.33                |
| <b>Total Equity</b>   |           | <b>6919.89</b>         | <b>6434.55</b>         |
| <b>Liabilities</b>  |           |                        |                        |
| <b>Non Current Liabilities</b>  |           |                        |                        |
| (a) Financial Liabilities   |           |                        |                        |
| i) Borrowings   | 11        | 2809.76                | 2724.19                |
| ii) Lease Liability   |           |                        |                        |
| iii) Other financial liabilities  |           |                        |                        |
| (b) Provisions  |           |                        |                        |
| (c) Deferred tax liabilities (net)  | 12        | -0.07                  | -0.47                  |
| (d) Other non-current liabilities   | 13        | 449.28                 | 163.50                 |
| <b>Total Non-current liabilities</b>  |           | <b>3258.97</b>         | <b>2887.22</b>         |
| <b>Current Liabilities</b>  |           |                        |                        |
| (a) Financial Liabilities   |           |                        |                        |
| i) Borrowings   | 14        | 5778.59                | 5174.70                |
| ii) Trade payables  |           |                        |                        |
| (a) total outstanding dues of micro enterprises and small enterprises and small enterprises | 15        | 4519.60                | 2335.01                |
| iii) Other financial liabilities  |           |                        |                        |
| (b) Other current liabilities   | 16        | 1535.94                | 981.24                 |
| (c) Provisions  |           |                        |                        |
| (d) Current tax liabilities (net)   | 17        |                        | 5.93                   |
| <b>Total Current liabilities</b>  |           | <b>11834.13</b>        | <b>8496.88</b>         |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |           | <b>22012.99</b>        | <b>17818.65</b>        |

See accompanying notes to the standalone financial statements

In terms of our Report Attached

For Swarn K Jain & Co.

Chartered Accountants

Firm Registration No:032917N

Sd/-

Swarn K Jain

Proprietor

Membership No.092951

For and on Behalf of the Board of Directors

sd/-

Rajesh Mehra

Managing Director

DIN: 00026176

sd/-

Mandeep Singh

Chief Financial Officer

PLACE: MOHAI

DATED : 30.05.2024

sd/-

Renu Mehra

Director

DIN: 02033471

sd/-

Avneet Bedi

Company secretary

**ACTIVE CLOTHING CO LIMITED**

**STATEMENT Of Profit and Loss for the year ended March 31,2024**

(All amounts in Lakhs ,unless otherwise stated)

| Particulars  | Note No.  | For the year ended<br>March 31,2024             | For the year ended<br>March 31,2023 |
|--|---|---|-------------------------------------|
| <b>INCOME</b>  |   |   |                                     |
| I. Revenue from operations   | 18  | 21234.64  | 20048.80                            |
| II. Other Income   | 19  | 31.33   | 35.76                               |
| <b>III. Total Income (I +II)</b>   |   | <b>21265.97</b>                                 | <b>20084.56</b>                     |
| <b>IV. Expenses:</b>   |   |   |                                     |
| Cost of materials consumed   | 20  | 6483.14   | 7053.25                             |
| Purchases of Stock-in-Trade  | 21  | 9204.18   | 7413.89                             |
| Changes in inventories of finished goods, work-in-progress<br>and stock-in-trade                                   | 22  | -1516.69  | -147.13                             |
| Employee Benefits Expense  | 23  | 3988.69   | 3410.45                             |
| Finance costs  | 24  | 804.51  | 721.06                              |
| Depreciation and amortization  | 25  | 727.25  | 353.26                              |
| Other expenses   | 26  | 984.00  | 977.16                              |
| <b>Total Expenses</b>  |   | <b>20675.08</b>                                 | <b>19781.94</b>                     |
| <b>V. Profit before Tax (III-IV)</b>   |   | <b>590.89</b>                                   | <b>302.62</b>                       |
| <b>VI. Tax Expenses</b>  |   |   |                                     |
| Current Tax  |   | 104.64  | 76.64                               |
| Deffered Tax   |   |   |                                     |
| <b>VII. Profit for the year (V-VI)</b>   |   | <b>486.25</b>                                   | <b>225.98</b>                       |
| <b>VIII. Other Comprehensive Expenses</b>  |   |   |                                     |
| A Items that will not be reclassified to profit or loss  |   |   |                                     |
| (a) (i) Remeasurements of the defined benefits plans   |   |   |                                     |
| (ii) Income tax relating to items that will not be<br>reclassified to profit or loss                               |   |   |                                     |
| (b) (i) Equity instruments through other comprehensive<br>income   |   |   |                                     |
| (ii) Income tax relating to items that will not be<br>reclassified to profit or loss                               |   |   |                                     |
| <b>IX. Total other Comprehensive Income</b>  |   | <b>0.00</b>                                     | <b>0.00</b>                         |
| <b>X. Total Comprehensive Income for the year (VII-IX)</b>   |   | <b>486.25</b>                                   | <b>225.98</b>                       |
| Earnings per equity share: ( amount in Rs.)  |   |   |                                     |
| (1) Basic  |   | 3.13  | 1.46                                |
| (2) Diluted  |   | 3.13  | 1.46                                |
| See accompanying notes to the standalone financial statements  |   |   |                                     |
| In terms of our Report Attached<br>For Swarn K Jain & Co.<br>Chartered Accountants<br>Firm Registration No:032917N |   | For and on Behalf of the Board of Directors     |                                     |
| Sd/-<br>Swarn K Jain<br>Proprietor<br>Membership No.092951   | Sd/-<br>Rajesh Mehra<br>Managing Director<br>DIN: 00026176                              | Sd/-<br>Renu Mehra<br>Director<br>DIN: 02033471 |                                     |
|  | Sd/-<br>Mandeep Singh<br>Chief Financial Officer<br>PLACE: MOHALI<br>DATED : 30.05.2024 | Sd/-<br>Avneet Bedi<br>Company secretary        |                                     |

**ACTIVE CLOTHING CO LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2024**  
(All amounts in Lakhs ,unless otherwise stated)

| Particulars   | Year ended<br>31st March, 2024 | Year ended<br>31st March, 2023 |
|---|--------------------------------|--------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>   |                                |                                |
| Profit before tax   | 590.89                         | 302.63                         |
| <b>Adjustments for :</b>  |                                |                                |
| Finance Costs   | 804.52                         | 721.06                         |
| Fair Valuation gain on investment   |                                |                                |
| Subsidy from Government   |                                |                                |
| Interest Income   | (3.82)                         | (4.88)                         |
| Dividend on Investments   |                                |                                |
| Net gain on Sale/ discarding of property, plant and equipment<br>(Profit)/ Loss on Sale of Investments (net)  |                                |                                |
| Provision no longer required written back (net)   |                                |                                |
| Assets written off  |                                |                                |
| Bad debt written off  |                                |                                |
| Allowances for doubtful trade receivables and advances written back(net)                                      |                                |                                |
| Depreciation and amortisation   | 727.26                         | 353.26                         |
| Share Options outstanding account   |                                |                                |
| Changes in working capital  | 2118.85                        | 1372.06                        |
| <b>Adjustments for (increase)/decrease in operating assets:</b>   |                                |                                |
| Trade Receivable  | (2711.78)                      | (856.86)                       |
| Inventories   | (706.72)                       | (358.81)                       |
| Capital Advances  |                                | (1062.35)                      |
| Other Assets (Current)  | (428.78)                       | 15.50                          |
| Other Financial Assets (Current)  |                                |                                |
| Other Financial Assets (Non Current)  | 57.11                          | (16.25)                        |
| Other Assets (Non Current)  | 847.71                         |                                |
| <b>Adjustments for (increase)/decrease in operating Liabilities</b>   |                                |                                |
| Trade Payable   | 2184.59                        | 344.46                         |
| Provisions ( Non Current)   |                                |                                |
| Provisions ( Current)   |                                |                                |
| Others Financial Liabilities (Current )   |                                | 2143.03                        |
| Others Financial Liabilities ( Non Current )  |                                |                                |
| Others Liabilities ( Non Current )  | 285.78                         | 129.35                         |
| Others Liabilities ( Current )  | 548.77                         | (212.92)                       |
| <b>Cash generated from operations</b>   | 76.68                          | 125.15                         |
| Income taxes paid (net of refund received)  | 118.32                         | 72.14                          |
| <b>Net cash generated by operating activities</b>   | (41.64)                        | 53.01                          |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>   | 2077.21                        | 1425.07                        |
| Purchase of Investments   |                                |                                |
| Proceeds from sale of Investments   |                                |                                |
| Interest Received   | 3.82                           | 4.88                           |
| Payment for purchase of property, plant and equipment<br>capital work in progress and other intangible assets | (3145.13)                      | (551.83)                       |
|   | 1195.82                        | (1195.82)                      |

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|  |           |           |
|--|-----------|-----------|
| Bank Balances not considered as cash and cash equivalents  |           |           |
| Proceeds from disposal of property , plant and equipment   |           |           |
| Dividend on subsidiaries, associates and other investments |           |           |
| <b>Net cash used in investing activities</b>               | (1945.49) | (1742.77) |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>              |           |           |
| Proceeds from equity share capital /share application      |           |           |
| Proceeds from borrowings (non current )                    | 85.57     | 626.72    |
| Repayment of borrowings (non current )                     |           |           |
| Proceeds/Repayment of borrowings (current ) (net)          | 603.89    |           |
| Dividends on equity share capital paid                     |           |           |
| Finance Costs paid   | (804.52)  | (721.06)  |
| Net Cash used in financing activities                      | (115.06)  | (94.34)   |
| Net Increase/ (decrease ) in cash and cash equivalents     | 16.66     | (412.03)  |
| Cash and Cash equivalents at the beginning of the year     | 14.28     | 426.32    |
| Cash and Cash equivalents at the end of the year           | 30.94     | 14.29     |

See accompanying notes to the standalone financial statements

In terms of our Report attached

For and on behalf of the Board of Directors

For Swarn K Jain & Co.  
Chartered Accountants  
Firm Registration No:032917N

|   |  |
|---|--|
| sd/-<br>Rajesh Mehra<br>Managing Director<br>DIN:00026176 | sd/-<br>Renu Mehra<br>Director<br>DIN:02033471 |
|---|--|

sd/-  
Swarn K Jain  
Proprietor  
Membership No.092951

|  |  |
|--|--|
| sd/-<br>Mandeep Singh<br>Chief Financial Officer<br>PLACE: MOHALI<br>DATED: 30.05.2024 | sd/-<br>Avneet Bedi<br>Company Secretary |
|--|--|

**ACTIVE CLOTHING CO LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024**  
(All amounts in Lakhs, unless otherwise stated)

**a Equity Share Capital**

| Particulars                   | Amount  |
|-------------------------------|---------|
| Balance as at April, 01, 2023 | 1551.22 |
| Balance as at March, 31, 2024 | 1551.22 |

**b Other Equity**

| Particulars                             | Share application money pending allotment | Reserve & Surplus |                            |                  |                              |                                   |                 |                   | Item of other comprehensive income                   | Total   |
|---|---|-------------------|----------------------------|------------------|------------------------------|-----------------------------------|-----------------|-------------------|--|---------|
|   |   | Capital reserve   | Capital redemption reserve | Security premium | Debenture redemption reserve | Share options outstanding account | General Reserve | Retained earnings | Equity instrument through other comprehensive income |         |
| <b>Balance as at April, 01, 2023</b>    |   |                   |                            | 2549.57          |                              |                                   |                 |                   | 2333.75  | 4883.32 |
| Retained Earning for the year 2023-2024 |   |                   |                            |                  |                              |                                   |                 |                   | 485.34   |         |
| <b>Balance as at March, 31, 2024</b>    |   |                   |                            | 2549.57          |                              |                                   |                 |                   | 2819.09  | 5368.66 |
|   |   |                   |                            | 2549.57          |                              |                                   |                 |                   | 2819.09  | 5368.66 |

For and on behalf of the Board of Directors

sd/-  
Rajesh Mehra  
Managing Director  
DIN:00026176

sd/-  
Renu Mehra  
Director  
DIN:02033471

PLACE: MOHALI  
DATED: 30.05.2024

sd/-  
Mandeep Singh  
Chief Financial Officer

sd/-  
Avneet Bedi  
Company Secretary

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

(All amounts in Lakhs ,unless otherwise stated)

**Note No.3**

**PROPERTY PLANT AND EQUIPMENT**

| Particulars                       | Land-<br>Freehold | Land-<br>Leasehold | Building       | Plant &<br>Equipments | Furniture &<br>Fixture | Vehicles     | Office<br>Equipments | Total          |
|-----------------------------------|-------------------|--------------------|----------------|-----------------------|------------------------|--------------|----------------------|----------------|
| Carrying Amount                   |                   |                    |                |                       |                        |              |                      |                |
|                                   | 449.11            | 61.90              | 2229.95        | 4601.27               | 74.15                  | 343.71       | 313.59               | 8073.68        |
| Additions                         |                   |                    | 501.68         | 2465.72               | 15.96                  | 63.48        | 98.29                | 3145.13        |
| Deductions                        |                   |                    |                |                       |                        | 110.54       |                      |                |
| Balance as at 31.03.2024          | 449.11            | 61.90              | 2731.63        | 7066.99               | 90.11                  | 296.65       | 411.88               | 11218.81       |
| <b>Accumulated Depreciation</b>   |                   |                    |                |                       |                        |              |                      |                |
| Balance as at 01.04.2023          | 0.00              | 0.00               | 1005.95        | 3152.56               | 37.36                  | 281.11       | 260.85               | 4737.82        |
| Charge for the Year               |                   |                    | 108.50         | 549.83                | 11.10                  | 17.11        | 40.71                | 727.25         |
| Disposals/Changes for the Year    |                   |                    |                |                       |                        |              |                      |                |
| Balance as at 31.03.2024          | 0.00              | 0.00               | 1114.45        | 3702.39               | 48.46                  | 298.22       | 301.56               | 5465.07        |
| Carrying Amounts ( Net )          |                   |                    |                |                       |                        |              |                      |                |
| <b>Net Block as on 31.03.2023</b> | <b>449.11</b>     | <b>61.90</b>       | <b>1224.00</b> | <b>1448.71</b>        | <b>36.79</b>           | <b>62.61</b> | <b>52.74</b>         | <b>3335.85</b> |
| <b>Net Block as on 31.03.2024</b> | <b>449.11</b>     | <b>61.90</b>       | <b>1617.18</b> | <b>3364.60</b>        | <b>41.65</b>           | <b>-1.56</b> | <b>110.32</b>        | <b>5753.73</b> |



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

(All amounts in Lakhs ,unless otherwise stated)

**Note No.4**

Loans- Non Current

**4 Other Financial Assets ( Non Current)**

| <b>Particulars</b>   | <b>As at<br/>31st March, 2024</b> | <b>As at<br/>31st March, 2023</b> |
|--|-----------------------------------|-----------------------------------|
| Fixed Deposits with Banks more than twelve months maturity | 110.54                            | 57.11                             |
|  | 110.54                            | 57.11                             |

**5 Other Non Current Assets**

| <b>Particulars</b> | <b>As at<br/>31st March, 2024</b> | <b>As at<br/>31st March, 2023</b> |
|--------------------|-----------------------------------|-----------------------------------|
| Capital Advances   |                                   | 1062.35                           |
| Security Deposits  | 152.71                            | 48.61                             |
|                    | 152.71                            | 1110.96                           |





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

(All amounts in Lakhs ,unless otherwise stated)

**Note No.6**

Inventories - Current Assets

**Inventories**

| <b>Particulars</b>  | <b>As at<br/>31st March, 2024</b> | <b>As at<br/>31st March, 2023</b> |
|---|-----------------------------------|-----------------------------------|
| (at cost or net realisable value, whichever is lower)         |                                   |                                   |
| Raw Materials   | 1080.56                           | 1890.55                           |
| Work-in-Progress  | 2588.23                           | 2252.87                           |
| Finished Goods  | 978.98                            | 898.48                            |
| Stock-in-Trade (in respect of goods acquired<br>for trading ) | 2360.74                           | 1359.30                           |
| Stores & Spares/Consumables                                   | 259.66                            | 160.25                            |
|   | <b>7268.17</b>                    | <b>6561.45</b>                    |

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

(All amounts in Lakhs ,unless otherwise stated)

**Note No.7**

Trade Receivables - Current Assets

**\* Trade Receivables**

| Particulars   | As at                     | As at                     |
|---|---------------------------|---------------------------|
|   | 31st March, 2024          | 31st March, 2023          |
| <b>Receivable from others</b>                           |                           |                           |
| - Secured, Considered good                              | 7470.14                   | 4758.36                   |
|   | 7470.14                   | 4758.36                   |
| <b>Ageing of provision of doubtful trade receivable</b> |                           |                           |
| Particulars   | Expected Credit Loss      |                           |
|   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| - Less than 180 Days                                    | 6848.03                   | 4287.27                   |
| - More than 180 days                                    | 622.11                    | 471.09                    |
|   | 7470.14                   | 4758.36                   |

The concentration of credit risk is limited due to the fact that customer base is large and unrelated

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

(All amounts in Lakhs ,unless otherwise stated)

**Note No.8**

Cash and Cash Equivalents - Current Assets

**Cash and cash equivalents**

for the purpose of financial statements cash and cash equivalents include cash on hand and bank balances. Cash and cash equivalent at the end of reporting period can be reconciled to the related items in balance sheet as follows:

| Particulars                               | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| a) Balance with Banks                     |                           |                           |
| - in Current accounts                     | 5.23                      | 0.32                      |
| - in RD Accounts                          |                           |                           |
| c) Cash in hand                           | 13.08                     | 12.69                     |
| Imprest                                   | 7.62                      | 1.07                      |
| Credit cards                              |                           | 0.20                      |
| Deposit with less than 12 months maturity | 5.01                      |                           |
| <b>Balance as at end of the year</b>      | <b>30.94</b>              | <b>14.28</b>              |

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

(All amounts in Lakhs ,unless otherwise stated)

**Note No. 9**

Other Current Assets

| Sr. No | Particulars                      | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--------|----------------------------------|---------------------------|---------------------------|
|        | Balance With Revenue Authorities | 764.35                    | 312.82                    |
|        | Prepaid Expenses                 | 13.75                     | 18.27                     |
|        | Staff Advance                    | 70.44                     | 68.68                     |
|        | Travel Advance                   | 0.00                      | 0.58                      |
|        | Advance to Suppliers             | 378.22                    | 384.45                    |
|        | <b>Total</b>                     | <b>1226.76</b>            | <b>784.80</b>             |

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

(All amounts in Lakhs ,unless otherwise stated)

**Note No. 10**

Equity Share Capital - Equity

| Sr. No | Particulars  | As at<br>31st March, 2024         | As at<br>31st March, 2023     |
|--------|--|-----------------------------------|-------------------------------|
| a      | <b>AUTHORIZED</b><br>Authorised share capital<br>16000000 Equity Shares of Rs. 10/- each with voting rights  | 1600.00                           | 1600.00                       |
| b      | <b>ISSUED , SUBSCRIBED &amp; FULLY PAID UP</b><br>15512215 Equity Shares of Rs. 10/- each, with voting rights  | 1551.22                           | 1551.22                       |
|        |  | 1551.22                           | 1551.22                       |
| a      | <b>Reconciliation of the Number of shares outstanding at the beginning and at the end of the reporting period</b>  |                                   |                               |
|        |  | <b>As at 31st March,<br/>2024</b> | <b>As at 31st March, 2023</b> |
|        | Equity Shares  |                                   |                               |
|        | Balance as at the beginning of the year  | 15512215                          | 15512215                      |
|        | Add : Shares issued  |                                   | 0                             |
|        | Less : Shares Redeemed   |                                   | 0                             |
|        | Less : Shares Cancelled  |                                   | 0                             |
|        | Add / Less : Others  |                                   | 0                             |
|        | Balance as at the end of the year  | 15512215                          | 15512215                      |
| b      | <b>Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the company</b>   |                                   |                               |
|        | Name of Shareholders   | No. of Shares                     | %                             |
|        |  |                                   |                               |
|        | Shri.Rajesh Mehra  | 5722715                           | 36.89                         |
|        | Smt.Renu Mehra   | 4617700                           | 29.77                         |
|        | Rajesh Mehra HUF   | 1067500                           | 6.88                          |
|        |  |                                   |                               |
|        | Name of Shareholders   | No. of Shares                     | %                             |
|        |  |                                   |                               |
|        | Shri.Rajesh Mehra  | 5722715                           | 36.89                         |
|        | Smt.Renu Mehra   | 4617700                           | 29.77                         |
|        | Rajesh Mehra HUF   | 1067500                           | 6.88                          |
|        |  |                                   |                               |
| c      | <b>Rights, preferences and restrictions attached to shares</b>   |                                   |                               |
|        | Equity shares: The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. |                                   |                               |

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

(All amounts in Lakhs ,unless otherwise stated)

**d Shareholding of Promoters (Equity)**

| Name of Promoters | No. of Shares | % of Total Shares | % Change during the year |
|-------------------|---------------|-------------------|--------------------------|
| Shri.Rajesh Mehra | 5722715       | 36.89             | Nil                      |
| Smt.Renu Mehra    | 4617700       | 29.77             | Nil                      |
| Rajesh Mehra HUF  | 1067500       | 6.88              | Nil                      |

**e For the period of five years immediately preceding the date as at which the Balance Sheet**

| Particulars(Equity)  | as at 31.03.2024 | as at 31.03.2023 |
|--|------------------|------------------|
| Aggregate number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash. | Nil              | Nil              |
| Aggregate number and class of shares allotted as fully paid-up by way of bonus shares  | Nil              | Nil              |
| Aggregate number and class of shares bought back   | Nil              | Nil              |

**Note No.10A**

**Other Equity**

| Particulars       | As at 31st March, 2024 | As at 31st March, 2023 |
|-------------------|------------------------|------------------------|
| Security Premium  | 2549.57                | 2549.57                |
| Retained earnings | 2819.10                | 2333.75                |
|                   | 5368.67                | 4883.33                |

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

(All amounts in Lakhs ,unless otherwise stated)

**Note No. 11**

Non Current Liabilities

Borrowings - Financial Liabilities

| Sr. No | Particulars                                 | As at 31st March, 2024 | As at 31st March, 2023 |
|--------|---|------------------------|------------------------|
| a      | <b>Term Loans</b>                           |                        |                        |
|        | <b>Secured</b>                              |                        |                        |
|        | Term Loans:-                                |                        |                        |
|        | - From Banks                                |                        |                        |
|        | HDFC Bank                                   |                        |                        |
|        | Ertiga                                      | 8.72                   |                        |
|        | Ertiga                                      | 8.72                   |                        |
|        | Innova Hicross                              | 29.23                  |                        |
|        | Car Xylo                                    | 0.00                   | 0.00                   |
|        | Innova                                      | 10.89                  | 16.78                  |
|        | Maruti                                      | 8.38                   | 11.75                  |
|        | Bolero                                      | 5.29                   | 6.72                   |
|        | Indian Overseas Bank                        |                        |                        |
|        | gecl  | 549.61                 | 836.35                 |
|        | gecl 2                                      | 514.21                 | 574.00                 |
|        | A/c No.1500001                              |                        | 108.26                 |
|        | A/c No.1000001                              | 84.34                  | 155.84                 |
|        | A/c No.40024                                | 2279.99                | 1570.90                |
|        |   | 3499.38                | 3280.60                |
|        | Less: Current maturities of long term debts | 689.62                 | 556.40                 |
|        | Secured Loans                               | 2809.76                | 2724.19                |
| b      | <b>Unsecured</b>                            |                        |                        |
|        | Deferred payment liabilities                | 0.00                   | 0.00                   |
|        | <b>Total</b>                                | <b>2809.76</b>         | <b>2724.19</b>         |

| a | Nature of Security   |
|---|--|
|   | Vehicle Loans from HDFC Bank is secured against Vehicles)  |
|   | 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.  |

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

(All amounts in Lakhs ,unless otherwise stated)

| b | Terms of repayment          | EMI(In Rs)   | ROI   |
|---|-----------------------------|--|-------|
|   | <b>Term Loans</b>           |  |       |
|   | <u>HDFC Bank</u>            |  |       |
|   | Ertiga                      | 20107 p.m. Balance 53 EMI                                    | 8.75% |
|   | Ertiga                      | 20107 p.m. Balance 53 EMI                                    | 8.75% |
|   | Innova Hicross              | 61704 p.m. Balance 58 EMI                                    | 8.75% |
|   | Innova                      | 58314 p.m Balance 20 EMI                                     | 7.90% |
|   | Maruti                      | 35512 p.m Balnce 26 EMI                                      | 8.75% |
|   | Bolero                      | 15695 p.m Balance 38 EMI                                     | 7.51% |
|   | <u>Indian Overseas Bank</u> |  |       |
|   | A/c No.1000001              | Rs.1050000/- p.m 48EMI                                       | 9.35% |
|   | A/c No.40024                | Holiday period upto 30.6.24<br>Rs. 12 Lac for next 30 months | 9.35% |
|   | GECL                        | 2389583 p.m balance 23 EMI                                   | 9.25% |
|   | GECL2                       | 1195833 p.m. balance 43 EMI                                  | 9.25% |

**Loans Guaranteed by Directors**

| Sr. No | Particulars                 | As at 31st March, 2024 | As at 31st March, 2023 |
|--------|-----------------------------|------------------------|------------------------|
| a      | <b>Term Loans</b>           |                        |                        |
|        | <b>Secured</b>              |                        |                        |
|        | Term Loans:-                |                        |                        |
|        | - From Banks                |                        |                        |
|        | <u>HDFC Bank</u>            |                        |                        |
|        | Ertiga                      | 8.72                   |                        |
|        | Ertiga                      | 8.72                   |                        |
|        | Innova Hicross              | 29.23                  |                        |
|        | Car Xylo                    |                        |                        |
|        | Innova                      | 10.89                  | 16.78                  |
|        | Maruti                      | 8.38                   | 11.75                  |
|        | Bolero                      | 5.29                   | 6.72                   |
|        | <u>Indian Overseas Bank</u> |                        |                        |
|        | gecl                        | 549.61                 | 836.35                 |
|        | gecl 2                      | 514.21                 | 574                    |
|        | A/c No.1500001              |                        | 108.26                 |
|        | A/c No.1000001              | 84.34                  | 155.84                 |
|        | A/c No.40024                | 2279.99                | 1570.90                |
|        |                             | <b>3499.38</b>         | <b>3280.60</b>         |



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

(All amounts in Lakhs ,unless otherwise stated)

**Note No. 12**

Non Current Liabilities

Deferred Tax Liabilities ( Net )

**Deferred tax liabilities (net)**

| <b>Particulars</b>       | <b>As at 31st<br/>March,<br/>2024</b> | <b>As at 31st<br/>March,<br/>2023</b> |
|--------------------------|---------------------------------------|---------------------------------------|
| Deferred tax liabilities | (0.07)                                | (0.47)                                |
|                          | (0.07)                                | (0.47)                                |

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

(All amounts in Lakhs ,unless otherwise stated)

**Note No. 13**

Other non-current Liabilities

**Other Financial Liabilities (Non Current)\***

| <b>Particulars</b>      | <b>As at 31st<br/>March, 2024</b> | <b>As at 31st<br/>March, 2023</b> |
|-------------------------|-----------------------------------|-----------------------------------|
| Security from customers | 449.28                            | 163.50                            |
|                         | 449.28                            | 163.50                            |

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

(All amounts in Lakhs ,unless otherwise stated)

**Note No. 14**

Current Liabilities

Borrowings - Financial Liabilities

| Sr. No | Particulars                                  | As at 31st<br>March, 2024 | As at 31st<br>March, 2023 |
|--------|--|---------------------------|---------------------------|
|        | <b>Secured<br/>Loans Repayable on demand</b> |                           |                           |
|        | <b>From Banks:-</b>                          |                           |                           |
|        | Indian Overseas Bank                         | 4882.90                   | 4073.20                   |
|        | HDFC Bank                                    | 344.67                    | 83.39                     |
|        | HDFC Bank                                    |                           | 0.00                      |
|        | HDFC BANK                                    | 48.45                     | 33.15                     |
|        | HDFC BANK                                    | 502.57                    | 984.96                    |
|        | <b>TOTAL</b>                                 | <b>5778.59</b>            | <b>5174.70</b>            |

**Nature of Security and Terms of repayment**

IOB

- 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  
HDFC

Parri Passu charge on stocks and book debts and personal guarantee of directors

**Terms of Repayment**

Repayable on Demand

**Loans Guaranteed by Directors**

| Sr. No | Particulars                                  | As at 31st<br>March, 2024 | As at 31st<br>March, 2023 |
|--------|--|---------------------------|---------------------------|
|        | <b>Secured<br/>Loans Repayable on demand</b> |                           |                           |
|        | <b>From Banks:-</b>                          |                           |                           |
|        | Indian Overseas Bank                         | 4882.90                   | 4073.20                   |
|        | HDFC Bank                                    | 344.67                    | 83.39                     |
|        | HDFC Bank                                    |                           | 0.00                      |
|        | HDFC BANK                                    | 48.45                     | 33.15                     |
|        | HDFC BANK                                    | 502.57                    | 984.96                    |
|        | <b>TOTAL</b>                                 | <b>5778.59</b>            | <b>5174.70</b>            |

Period and amount of continuing default as on the Balance Sheet date in repayment of loans and interest,

| Particulars | As at 31st<br>March, 2024 | As at 31st<br>March, 2023 |
|-------------|---------------------------|---------------------------|
|             | Rs.                       | Rs.                       |
| Nil         |                           |                           |

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

(All amounts in Lakhs ,unless otherwise stated)

**Note No. 15 Trade Payables**

| Sr. No | Particulars  | As at 31st<br>March, 2024 | As at 31st<br>March, 2023 |
|--------|--|---------------------------|---------------------------|
|        | (A) Total outstanding dues of micro enterprises and small enterprises                      |                           |                           |
|        | (B) Total outstanding dues of creditors other than micro enterprises and small enterprises | 4519.60                   | 2335.01                   |
|        | <b>Total</b>   | <b>4519.60</b>            | <b>2335.01</b>            |

**(a) Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006**

| Sr. No         | Particulars  | Current Year | Previous Year |
|----------------|--|--------------|---------------|
| <b>(A)(i)</b>  | Principal amount remaining unpaid  |              |               |
| <b>(A)(ii)</b> | Interest amount remaining unpaid   |              |               |
| <b>B</b>       | Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day                               |              |               |
| <b>C</b>       | Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 |              |               |
| <b>D</b>       | Interest accrued and remaining unpaid  |              |               |
| <b>E</b>       | Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises  |              |               |
|                | <b>Total</b>   | <b>0.00</b>  | <b>0.00</b>   |

**Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023**

| S.no.        | Particulars              | Not Due        | Less than 1<br>Year | 1-2 Years | 2-3 Years |
|--------------|--------------------------|----------------|---------------------|-----------|-----------|
| <b>(i)</b>   | Undisputed dues - MSME   |                |                     |           |           |
| <b>(ii)</b>  | Undisputed dues - Others | 4519.60        |                     |           |           |
| <b>(iii)</b> | Disputed dues - MSME     |                |                     |           |           |
| <b>(iv)</b>  | Disputed dues - Others   |                |                     |           |           |
|              | <b>Total</b>             | <b>4519.60</b> | <b>0.00</b>         |           |           |

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

(All amounts in Lakhs ,unless otherwise stated)

**Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022**

| S.no. | Particulars              | Not Due        | Less than 1 Year | 1-2 Years | 2-3 Years |
|-------|--------------------------|----------------|------------------|-----------|-----------|
| (i)   | Undisputed dues - MSME   |                |                  |           |           |
| (ii)  | Undisputed dues - Others | 2335.00        |                  |           |           |
| (iii) | Disputed dues - MSME     |                |                  |           |           |
| (iv)  | Disputed dues - Others   |                |                  |           |           |
|       | Total                    | <b>2335.00</b> |                  |           |           |

| S.no. | Particulars   | Not Due | Less than 1 Year | 1-2 Years | 2-3 Years |
|-------|---------------|---------|------------------|-----------|-----------|
|       | Unbilled Dues | Nil     | Nil              | Nil       | Nil       |
|       | Total         |         |                  |           |           |

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

(All amounts in Lakhs ,unless otherwise stated)

**Note No. 16**

Other Current Liabilities

| Sr. No | Particulars                          | As at 31st<br>March, 2024 | As at 31st<br>March, 2023 |
|--------|--------------------------------------|---------------------------|---------------------------|
|        | Current maturities of long term debt | 689.62                    | 556.40                    |
|        | Advances Received from Customers     | 21.94                     | 40.66                     |
|        | <u>Other Payables</u>                |                           |                           |
| a      | Statutory remittances                | 53.15                     | 36.39                     |
| b      | Expenses                             | 417.46                    | 32.11                     |
| c      | Due to Employees                     | 353.77                    | 315.68                    |
|        | <b>Total</b>                         | <b>1535.94</b>            | <b>981.24</b>             |

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

(All amounts in Lakhs ,unless otherwise stated)

**Note No. 17**

Current tax Liabilities(net)

| Sr. No | Particulars        | As at 31st<br>March, 2024 | As at 31st<br>March, 2023 |
|--------|--------------------|---------------------------|---------------------------|
|        | Income tax payable |                           | 5.93                      |
|        | <b>Total</b>       | <b>0.00</b>               | <b>5.93</b>               |

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

(All amounts in Lakhs ,unless otherwise stated)

**Note No. 18**

Revenue from operations - Income

| Sr. No | Particulars                                 | As at 31st<br>March, 2024 | As at 31st March,<br>2023 |
|--------|---|---------------------------|---------------------------|
| a      | Sale of Products                            | 22988.52                  | 21358.92                  |
|        | Other Operating Revenues<br>- Duty Drawback | 77.23                     | 57.87                     |
|        | Less<br>GST                                 | 1831.11                   | 1367.99                   |
|        | <b>Total</b>                                | <b>21234.64</b>           | <b>20048.80</b>           |

**Note No. 19 Other Income**

| Sr. No | Particulars          | As at 31st<br>March, 2024 | As at 31st March,<br>2023 |
|--------|----------------------|---------------------------|---------------------------|
| a      | Interest Income      | 3.82                      | 4.88                      |
| b      | Exchange Fluctuation | 27.51                     | 30.88                     |
|        | <b>Total</b>         | <b>31.33</b>              | <b>35.76</b>              |

**Note No. 20 Cost of Materials Consumed**

| Sr. No | Particulars                        | As at 31st<br>March, 2024 | As at 31st March,<br>2023 |
|--------|------------------------------------|---------------------------|---------------------------|
| a      | <b>Raw Material Consumed</b>       |                           |                           |
|        | Opening Stock                      | 1890.55                   | 1678.87                   |
|        | Add<br>Purchases                   | 4941.53                   | 5806.95                   |
|        | Less<br>Closing Stock              | 1080.56                   | 1890.55                   |
|        | <b>Sub-total (a)</b>               | <b>5751.52</b>            | <b>5595.27</b>            |
| b      | <b>Direct /Production Expenses</b> |                           |                           |
|        | Processing charges                 | 256.44                    | 1085.87                   |
|        | Compliance                         | 27.27                     | 23.75                     |
|        | Power & Fuel                       | 344.98                    | 289.13                    |
|        | Garment Performance Testing        | 102.93                    | 59.24                     |
|        | <b>Sub-total (b)</b>               | <b>731.62</b>             | <b>1457.98</b>            |
|        | <b>Total (a) + (b)</b>             | <b>6483.14</b>            | <b>7053.25</b>            |

**Note No. 21 Purchases of stock in trade**

| Sr. No | Particulars                 | As at 31st<br>March, 2024 | As at 31st March,<br>2023 |
|--------|-----------------------------|---------------------------|---------------------------|
|        | Purchases of Stock-in-Trade | 9204.18                   | 7413.89                   |
|        | <b>Total</b>                | <b>9204.18</b>            | <b>7413.89</b>            |



**Note No.22**

**Changes in Inventories of finished goods, work in progress and stock in trade**

| Sr. No | Particulars                 | As at 31st<br>March, 2024 | As at 31st March,<br>2023 |
|--------|-----------------------------|---------------------------|---------------------------|
| a      | Opening Stock               |                           |                           |
| i)     | WIP ( Work in Progress)     | 2252.87                   | 2146.24                   |
| ii)    | Stock in Trade              | 1359.30                   | 1356.46                   |
| iii)   | Stores & Spares/Consumables | 160.25                    | 148.73                    |
| iv)    | Finished Goods              | 898.48                    | 872.35                    |
| b      | Closing Stock               |                           |                           |
| i)     | WIP ( Work in Progress)     | 2588.22                   | 2252.87                   |
| ii)    | Stock in Trade              | 2360.74                   | 1359.30                   |
| iii)   | Stores & Spares/Consumables | 259.66                    | 160.25                    |
|        | Finished Goods              | 978.98                    | 898.48                    |
|        | <b>Total</b>                | <b>(1516.69)</b>          | <b>(147.13)</b>           |

**Note No.23 Employee Benefit Expense**

| Sr. No | Particulars                  | As at 31st<br>March, 2024 | As at 31st March,<br>2023 |
|--------|------------------------------|---------------------------|---------------------------|
| a      | Contribution to Labour Funds | 153.90                    | 90.79                     |
| b      | Salaries & Wages             | 3777.81                   | 3269.22                   |
| c      | Staff Welfare Expenses       | 56.98                     | 50.44                     |
|        | <b>Total</b>                 | <b>3988.69</b>            | <b>3410.45</b>            |

**Note No.24 Finance Costs**

| Sr. No | Particulars      | Current Year  | Previous Year |
|--------|------------------|---------------|---------------|
| a      | Interest Expense | 781.18        | 628.38        |
| b      | Bank Charges     | 23.33         | 92.68         |
|        | <b>Total</b>     | <b>804.51</b> | <b>721.06</b> |

**Note No.25 Depreciation and amortisation**

| Sr. No | Particulars  | As at 31st<br>March, 2024 | As at 31st March,<br>2023 |
|--------|--------------|---------------------------|---------------------------|
|        | Depreciation | 727.25                    | 353.26                    |
|        | <b>Total</b> | <b>727.25</b>             | <b>353.26</b>             |

**Note No. 26 Other expenses**

| <b>Sr. No</b> | <b>Particulars</b>            | <b>As at 31st<br/>March, 2024</b> | <b>As at 31st March,<br/>2023</b> |
|---------------|-------------------------------|-----------------------------------|-----------------------------------|
| a             | Alteration Charges            | 0.16                              | 0.40                              |
| b             | Advertisement                 | 3.72                              | 1.62                              |
| c             | AMC                           | 6.30                              | 5.74                              |
| d             | Booking Expenses              | 10.16                             | 6.86                              |
| e             | Commission                    | 109.45                            | 162.58                            |
| f             | Custodian & Depostory charges | 0.90                              | 0.90                              |
| g             | Fees & Taxes                  | 13.43                             | 19.71                             |
| h             | Freight & Cartages            | 233.40                            | 225.43                            |
| i             | Festival expenses             | 5.97                              | 1.23                              |
| j             | Insurance Expenses            | 26.65                             | 16.51                             |
| k             | Listing fees                  | 3.25                              | 5.20                              |
| l             | Director Sitting Fee          | 1.20                              | 1.20                              |
| m             | Payment to Auditors           |                                   |                                   |
| n             | - Audit Fee/Exp               | 1.00                              | 0.70                              |
|               | Printing & Stationery         | 12.38                             | 15.88                             |
| o             | Professional Charges          | 106.27                            | 186.61                            |
| p             | Postage & Telegram            | 37.25                             | 28.69                             |
| q             | Rent                          | 79.26                             | 56.25                             |
| r             | Royalty                       | 6.00                              | 6.00                              |
| s             | Repair & Maintenance          |                                   |                                   |
|               | - Building                    | 60.60                             | 8.64                              |
|               | - Computer                    | 8.88                              | 4.85                              |
|               | - Electricity                 | 24.05                             | 24.43                             |
|               | - Generator                   | 4.86                              | 2.35                              |
|               | - Machinery                   | 72.79                             | 89.35                             |
|               | - General                     | 11.97                             | 5.85                              |
|               | - Fire fighting               | 1.42                              | 0.37                              |
|               | - Vehicle                     | 46.48                             | 42.86                             |
| t             | Telephone Expenses            | 4.74                              | 4.06                              |
| u             | Tour & Travelling Exp         | 90.23                             | 51.55                             |
| v             | Water Exp                     | 0.10                              | 0.34                              |
| w             | Web Charges                   | 1.13                              | 0.97                              |
|               | <b>Total</b>                  | <b>984.00</b>                     | <b>977.15</b>                     |

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

**NOTES TO STANDALONE FINANCIAL STATEMENT**

For the year ending March, 31, 2024

( All amount in Lacs, unless otherwise stated)

**1. GENERAL INFORMATION**

Active Clothing Co. Limited ( the Company ) is a Public Company, which was incorporated under the provisions of the Companies Act, 1956 on 27.02.2002 and has its registered office at E-225, PHASE-VIII-B, MOHALI. The Company is engaged in manufacturing and trade of apparels. The Company is listed on Bombay Stock Exchange.

The financial statements were approved for issue in accordance with a resolution of the directors on May 30, 2024.

**2. SIGNIFICANT ACCOUNTING POLICES, SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS AND APPLICABILITY OF NEW AND REVISED IND AS**

**2.1 Statement of Compliance**

These financial statements have been prepared on a going concern basis following the accrual basis of accounting in accordance with the Generally accepted Accounting Principles (GAAP) in India (Indian Accounting Standards referred to as "IndAS") as specified under the section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 and relevant amendments rules issued thereafter.

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First time adoption of Indian Accounting Standards (Ind AS 101). The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for the purpose of Ind AS 101. Under previous GAAP financial statements were prepared in

accordance with the Accounting Standards notified under section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules 2014 ("Indian GAAP") and other relevant provisions of the Act as applicable.

## **2.2. Basis of preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Preparation of the standalone financial statements requires the use of certain critical accounting judgments, estimates and assumptions. It also requires the management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the standalone financial statements.

The financial statements are presented in Indian Rupees in Lacs, the national currency of India which the Company has selected as its functional currency.

### **CASH FLOW STATEMENT**

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash Flow from operating activities is reported using indirect method as set out in Indian Accounting Standard (INDAS)-7 "Statement of Cash Flows".

- a) Transactions of a non –cash nature
- b) Any deferrals or accruals of past or future operating cash receipts or payment and

Items of income or expense associated with investing or financing cash flows

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks and are reflected as such in the cash flow statement. Cash equivalents are short term balances ( with an original maturity of three months or less from the date of acquisition ), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### **2.3 Property, Plant and equipments (PPE)**

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated.

The Cost of an item of Property, plant and equipment comprises:

- a. Its purchase price including import duties and non-refundable purchase taxes after deducting trade discount and rebates.
- b. Any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and
- c. the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purpose other than to produce inventories during that period.

The Company has elected to continue with the carrying value of all its PPE recognized as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

Depreciation is provided on Written down value Method on the basis of useful lives of such assets specified in Schedule-II to the Companies Act, 2013.

The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufactures warranties and maintenance support etc and are as under:

|   |             |
|---|-------------|
| Building                                  | 30-60 Years |
| Plant & equipment                         | 15 Years    |
| Furniture and Fixtures & Office Equipment | 10 Years    |
| Vehicles                                  | 8Years      |
| Computer and Others                       | 3-5 Years   |

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit & loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction ) less their residual values over their useful lives, using the Written down value method. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate for on a prospective basis.

For items produced during testing/ trail phase, clarification added that revenue generated out of the same shall not be recognized in Statement of Profit and Loss and considered as part of cost of PPE in line with amended Ind AS16.

#### **2.4. Intangible assets**

There are no intangible assets.

##### ***Current and non-current Classification***

Ind AS requires that an entity shall present current and non-current assets, and current and non-current liabilities, as separate classification in its balance sheet.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- a) it is expected to be realized or settled or is intended for sale or consumption in the Company's normal operating cycle which is ascertained by the Company as 12 month;
- b) It is expected to be realized or settled within twelve months from the reporting date.
- c) In the case of an asset.
  - it is held primarily for the purpose of providing services; or
  - it is cash equivalent unless it is restricted from being exchange or used; to settle a liability for at least twelve months after the reporting date;
- d) in the case of a liability, the company does not have an unconditional right to defer settlement of liability for at least twelve month from the reporting date.

All other assets and liabilities are classified as non-current.

#### **2.5 Financial Instruments**

Financial assets include cash and cash equivalents, trade receivables, employees and other advances and eligible current and non current assets.

Subsequent to initial recognition, financial assets are measured as described below:

### **Trade Receivables**

Trade receivables that do not contain a significant financing component are initially recognized at transaction price. They are subsequently measured at amortised cost less any impairment losses. Due to their short term maturity, the carrying amount approximate fair value.

### **2.6 Other Financial Assets**

Other financial assets, cash and cash equivalents and other assets. They are presented and current assets, except for those maturing later than 12 months after the reporting date which are presented as non current assets.

### **2.7 Inventories**

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

In case of raw material at cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of stores and spares at cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.

In case of finished goods at raw material cost plus conversion costs, packing cost, non recoverable indirect taxes ( if applicable) and other overheads incurred to bring the goods to their present location and condition.

In case of by-products at estimated realizable value.

Net realizable value is the estimated selling price in ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



**Financial Liabilities**

Financial liabilities include long and short term borrowings, bank overdrafts, trade payables, eligible current and non current liabilities.

**Trade Payable**

Trade Payable, which consist of Trade Creditors, other current liabilities and borrowings are recognized initially at fair value.

**Cash & Cash Equivalents**

Cash & Cash equivalents comprise of cash on hand , cash at banks, short term deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.7. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessary take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

**2.8 Provisions and contingent liabilities**

Provision are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties

surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain the reimbursements will be received and amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. The Company complies with the amended Ind AS 37.

## **2.9. Revenue Recognition**

The Company recognized revenue in accordance with Accounting Standard Ind AS 115, as per which revenue should be recognized when the performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, rebates, goods & service tax and value added taxes.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue recognized from major business activities.

## **2.10 Sale of goods:**

Revenue from sale of goods is recognized as and when the Company satisfies performance obligations by transferring control of the promised goods to its customers.

## **2.11 Government Grants**

Government grants are not recognized until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

As per amendment in Ind-AS20 "Government Grants" w.e.f. April 1,2018 the Company had opted to present the grant received/ receivable after April 01,2018 related to assets as deduction from the carrying value of such specific assets.

### **Foreign Currencies Transactions**

Since functional currency of the company is Indian Rupees (INR) Which is also the presentation currency, all other currencies are accounted for as foreign Currency.

Transactions denominated in foreign currencies into by the Company are initially recorded at the Exchange rated prevailing on the date of the transaction..

Any income or expenditure, either or settlement or on translation, on account of difference in exchange rate as on the reporting date and the exchange rate as on the date of recognition of the them, is recognized in the statement of profit and loss.

### **Employee Benefits**

#### **A. Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months or rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service.

## **B. Post-employment Benefits**

Provident Fund Scheme and Employees State Insurance Scheme:

Eligible employees receive benefits of a state run provident fund and insurance scheme. These are defined contribution plans. Both the eligible employee and the Company make monthly contributions to provident fund plan and the insurance scheme equal to a specified percentage of the covered employees' salary. There are no other obligations other than the contribution payable to the relevant fund scheme.

### **2.12 Expenditure**

***Expenses are accounted on accrual basis.***

### **2.13 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax

### **2.14 Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current Income Tax assets/liabilities for current year is recognized at the amount expected to be paid to and/or recoverable from the tax authorities.

### **2.15 Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be

utilized, Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition ( other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

That carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates ( and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal Income Tax. Accordingly, MAT Credit is recognized as asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

#### **2.16 Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically, addressed the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities.
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgments in identifying uncertainties over income tax treatments.

#### **2.17 Earnings per Share**

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity share outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares have been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

#### **2.18 Significant accounting judgments estimate and assumptions:**

In the application of the Company's accounting policies, which are described as stated above , the Board of Directors of the Company are

required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

### 2.19.1 Key sources of uncertainty

In the application of the Company accounting policies, the management of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

|   | In Lacs  |          |
|---|----------|----------|
|   | 31.03.23 | 31.03.24 |
| <b>27 CONTINGENT LIABILITIES:</b>                               |          |          |
| (i) Letter of Credits outstanding                               | NIL      | NIL      |
| (ii) Bank Guarantees and letters of Credit outstanding          | NIL      | NIL      |
| (iii) Un-hedged Foreign Currency Exposure                       | 216.00   | 598.00   |
| (iv) Other monies for which the company is Contingently liable. | NIL      | NIL      |

## 28 SEGMENT REPORTING

Segment information as required by Accounting Standard 17 on "Segment Reporting" issued by Companies (Accounting Standard) Rules, 2006 is not applicable to the company.

## 29. 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: In Lacs

| PARTICULARS  | 31.03.2023 | 31.03.2024 |
|--|------------|------------|
| Net Profit after tax attributable to equity Shareholders (A) | 225.99     | 486.24     |
| Weighted average number of equity shares (B)                 | 15512215   | 15512215   |
| Basic earning per Share (Rs.) (A)/(B)                        | 1.46       | 3.13       |
| Diluted earning per share (Rs. )                             | 1.46       | 3.13       |

## 30. RELATED PARTY DISCLOSURE

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

1. Subsidiaries NIL
2. Associates NIL
3. Key Management Personnel In Lacs

| PARTICULARS      | Professional fee<br>31.03.2023 | Professional fee<br>31.03.2024 |
|------------------|--------------------------------|--------------------------------|
| Sh. Rajesh Mehra | 12.00                          | 12.00                          |
| Smt. Renu Mehra  | 12.00                          | 12.00                          |



**Relative of Key Management Personnel**

| PARTICULARS      | Nature              | Amount     | Amount     |
|------------------|---------------------|------------|------------|
|                  |                     | 31.03.2023 | 31.03.2024 |
| Rajesh Mehra HUF | Royalty             | 6.00       | 6.00       |
| Kalika Mehra     | Professional<br>fee | 18.00      | 18.00      |

31. 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 | 31.03.2023 | 31.03.2024 |
|-------------|------------|------------|
| Purchases   | 47.31      | 65.56      |
| Machinery   | 1021.14    | 163.83     |
| TOTAL       | 1068.45    | 229.39     |

**EXPENDITURE IN FOREIGN CURRENCY**

| PARTICULARS | 31.03.2023 | 31.03.2024 |
|-------------|------------|------------|
| Purchases   | 47.31      | 65.56      |
| Machinery   | 1021.14    | 163.83     |
| TOTAL       | 1068.45    | 229.39     |

**(c) EARNING IN FOREIGN CURRENCY**

| PARTICULARS         | 31.03.2023 | 31.03.2024 |
|---------------------|------------|------------|
| FOB value of Export | 3094.32    | 3673.16    |

**(d) VALUE OF RAW MATERIALS CONSUMED**

| PARTICULARS       | 31.03.2023 | 31.03.2024 |
|-------------------|------------|------------|
| Material consumed | 14320.01   | 14170.61   |

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

33. Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
34. Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
35. Title deeds of Immovable Property not held in name of the Company – NIL

36. **KEY RATIOS**

**Rs. In Lacs**

| Particulars                            | For the year ended 31 March 2023 | For the year ended 31 March 2024 | Variance | Reason for Variance         |
|--|----------------------------------|----------------------------------|----------|-----------------------------|
| <b>Current Ratio</b>                   | 1.42                             | 1.35                             |          |                             |
| Current Assets                         | 12118.90                         | 15996.01                         |          |                             |
| Current Liabilities                    | 8496.87                          | 11834.13                         |          |                             |
| <b>Debt Equity Ratio</b>               | 1.31                             | 1.34                             |          |                             |
| Total Debt                             | 8455.29                          | 9277.97                          |          |                             |
| Shareholders Funds                     | 6434.55                          | 6919.89                          |          |                             |
| <b>Debt Service Coverage Ratio</b>     | 2.33                             | 1.48                             |          |                             |
| Earnings Available for debt service    | 1300.30                          | 2018.01                          |          |                             |
| Debt Service                           | 556.40                           | 1360.91                          |          |                             |
| <b>Return on Equity Ratio</b>          | 14.50%                           | 31.34%                           |          | Better profits for the year |
| Net Profit after Tax                   | 225.99                           | 486.25                           |          |                             |
| Average Shareholder equity             | 1551.22                          | 1551.22                          |          |                             |
| <b>Inventory Turnover Ratio</b>        | 3.05                             | 2.92                             |          |                             |
| Sales                                  | 20048.80                         | 21234.64                         |          |                             |
| Average inventory                      | 6561.45                          | 7268.17                          |          |                             |
| <b>Trade Receivable Turnover Ratio</b> | 4.21                             | 2.84                             |          | Increase in Debtor period   |
| Net Credit sales                       | 20048.80                         | 21234.64                         |          |                             |
| Average Trade Debtors                  | 4758.36                          | 7470.14                          |          |                             |
| <b>Trade Payables Turnover Ratio</b>   | 6.19                             | 3.13                             |          | Increase in creditor period |
| Net Credit Purchases                   | 13220.84                         | 14145.70                         |          |                             |
| Average Trade                          | 2335.01                          | 4519.60                          |          |                             |

|                                   |          |          |  |
|-----------------------------------|----------|----------|--|
| Payables                          |          |          |  |
| <b>Net Capital Turnover Ratio</b> | 3.11     | 3.06     | Better profitability                         |
| Net Sales                         | 20048.80 | 21234.64 |  |
| Shareholders Funds                | 6434.55  | 6919.89  |  |
| <b>Net Profit Ratio</b>           | 1.12     | 2.29     | Increased profitability                      |
| Net Profit                        | 225.99   | 486.25   |  |
| Net Sales                         | 20048.80 | 21234.64 |  |
| <b>Return on Capital Employed</b> | 15.89    | 20.16    | Better profit abilities made during the year |
| Earnings before Interest and Tax  | 1023.69  | 1395.40  |  |
| Capital employed                  | 6434.55  | 6919.89  |  |
| <b>Return on Investment</b>       | 14.50%   | 31.35%   | Better profitabilities made during the year  |
| Earnings After Tax                | 225.99   | 486.25   |  |
| Equity                            | 1551.22  | 1551.22  |  |

In terms of our Report Attached

For Swarn K Jain & Co.  
Chartered Accountants  
Firm Registration No. 032917N  
Sd/-

Swarn K Jain  
Proprietor  
Membership No. 092951

PLACE: MOHALI  
DATED: 30.05.2024

For and of behalf of the Board of Directors

Sd/-  
Rajesh Mehra  
Managing Director  
DIN: 00026176

sd/-  
Renu Mehra  
Director  
DIN:02033471

sd/-  
Mandeep Singh  
Chief Financial Officer

sd/-  
Avneet Bedi  
Company Secretary



## 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 No: S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre,  
Mahakali Caves Road, Andheri (East)

Mumbai-400093

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

Tel: + 91-22-6263 8200

Email id: investor@bigshareonline.com



### FORM FOR FURNISHING PAN AND BANK DETAILS

To,  
**Bigshare Services Pvt. Ltd.**  
Office No: S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East)  
Mumbai-400093

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)<br>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