

MANAGEMENT DISCUSSION ANALYSIS REPORT

Our Business:

Threats:

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

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

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

Segment - wise performance:

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

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

By Order of the Board

Place: Mohali
Date: 02.09.2019

Sd/-
(Rajesh Mehra)
Managing Director

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

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

For Active Clothing Co Limited

Place: Mohali
Date: 02.09.2019

Sd/-
(Rajesh Mehra)
Managing Director

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

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

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

**Sd/-
Rajesh Mehra
Managing Director**

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

Place: Mohali

Date: 02.09.2019