

INDEPENDENT AUDITOR'S REPORT

To the Members of  
Sukartik Clothing Private Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of Sukartik Clothing Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and Fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, its Profit for the year ended on that date.

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

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we further report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014; except Accounting Standard 15 "Employee Benefits" as referred to in



*note 33 on the financial statements. The financial impact of the same, as given in the said note, is not ascertainable and therefore cannot be commented upon.*

- e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
  - iii. There has not been an occasion in case of the Company during the year under report to transfer any Sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

**For MVK Associates**  
**Chartered Accountants**  
Firm Registration No. 120222W



CA. Vishnu Garg  
Partner  
Member ship No. 045560

Place: Mumbai  
Dated: 30<sup>th</sup> May 2015

Annexure referred to in our Report of even date to the members of Sukartik Clothing Private Limited on the accounts of the company for the year ended 31st March, 2015.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. In respect of fixed assets of company:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.

2. In respect of fixed assets of company:

- a. The Physical verification of inventories have been conducted at reasonable intervals by the management;
- b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management reasonable and adequate in relation to size of the company and the nature of its business.
- c. Company is maintaining proper records of Inventory and no material discrepancies found during the year.

3. The company has granted unsecured loan to one company covered in the register maintained under section 189 of the Companies Act.

- a. Receipt of the principal amount and interest are regular; and
- b. There were no overdue amounts with respect to above loans as on 31<sup>st</sup> March, 2015.

4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of goods & services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported.



5. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore the provisions of this clause 3(v) of the companies (Auditor's Report) order are not applicable to the company.
6. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
7. In respect of statutory dues of the company:

- a. According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, 'Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;

According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at March 31, 2015 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- c. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.

8. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

9. According to the records of the company examined by us and as per the information and explanations given to us, the company does not have any outstanding dues to any financial institution or banks and has not issued debentures.

10. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year.

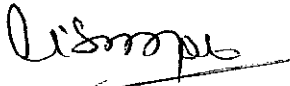
11. In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year.

12. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of any material fraud on or by the Company noticed or reported during



the course of our audit nor have we been informed of any such instance by the Management.

**For MVK Associates**  
**Chartered Accountants**  
Firm Registration No. 120222W



CA. Vishnu Garg  
Partner  
Membership No.045560

Place: Mumbai  
Date: 30<sup>th</sup> May 2015

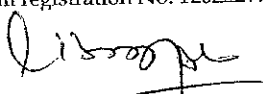
**SUKARTIK CLOTHING PRIVATE LIMITED**  
Balance Sheet as at 31st March 2015

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	3,010,000	3,010,000
Reserves and surplus	3	69,774,074	61,323,866
		72,784,074	64,333,866
<b>Non-current liabilities</b>			
Long Term Borrowing	4	459,335	-
Deferred tax liabilities (net)	5	2,360,340	1,976,690
		2,819,675	1,976,690
<b>Current liabilities</b>			
Short term borrowings	6	-	235,000
Trade payables	7	20,680,339	13,749,073
Other current liabilities	8	3,907,799	2,238,960
Short term provisions	9	1,639,752	1,500,638
		26,227,889	17,723,671
<b>TOTAL</b>		<b>101,831,638</b>	<b>84,034,227</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	45,649,377	40,676,325
Intangible assets	10	-	18,059
		45,649,377	40,694,384
Long term loans and advances	11	733,183	390,617
Other non current assets	12	752,780	1,003,346
		47,135,340	42,088,347
<b>Current assets</b>			
Inventories	13	3,616,014	6,652,836
Trade receivables	14	33,223,087	24,762,238
Cash and bank balances	15	13,261,623	3,752,129
Short term loans and advances	16	4,260,529	6,720,587
Other current assets	17	335,045	58,090
		54,696,298	41,945,880
<b>TOTAL</b>		<b>101,831,638</b>	<b>84,034,227</b>
Contingent Liabilities and Commitments (to the extent not provided for)	27		
Significant accounting policies	1		
See accompanying notes to financial statements	2-34		

As per our attached report of even date

For MVK Associates  
Chartered Accountants  
Firm registration No. 120222W

  
CA. Vishnu Garg  
Partner  
Membership no. 045560

Mumbai  
Dated: 30th May 2015

For and on behalf of the Board

   
Ramakant Gaggar Navrajan Gaggar  
Director Director  
DIN:1019838 DIN:01655621

Mumbai  
Dated: 30th May 2015

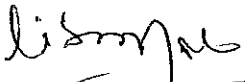
**SUKARTIK CLOTHING PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended 31st March 2015**

(Amount in Rs.)

Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
Revenue from operations (gross)	18	123,561,102	100,977,001
Less: Excise duty		-	-
Revenue from operations (net)		123,561,102	100,977,001
Other income	19	740,190	503,157
<b>Total Revenue</b>		<b>124,301,292</b>	<b>101,480,158</b>
<b>Expenses:</b>			
Cost of materials consumed	20	53,387,015	48,049,821
Purchases of stock-in-Trade	21	9,411,003	887,437
Changes in inventories	22	1,014,952	1,786,387
Employee benefit expenses	23	4,079,096	2,838,264
Finance cost	24	32,477	10,328
Depreciation and amortisation expenses	10	3,495,474	4,354,655
Other expenses	25	41,707,786	35,548,393
<b>Total expenses</b>		<b>113,127,803</b>	<b>93,475,284</b>
Profit before Tax		11,173,488	8,004,874
Tax expenses			
Current tax		3,132,600	2,385,700
Deferred tax		383,650	102,430
MAT credit entitlement		-	-
Tax adjustment for earlier years		(792,970)	-
		<b>2,723,280</b>	<b>2,488,130</b>
Profit for the period		<b>8,450,208</b>	<b>5,516,744</b>
Earning per equity share	26		
Basic and Diluted		28.07	20.36
Significant accounting policies	1		
See accompanying notes to financial statements	2-34		

As per our attached report of even date

For MVK Associates  
Chartered Accountants  
Firm registration No. 120222W

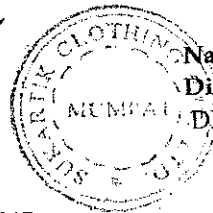
  
CA. Vishnu Garg  
Partner  
Membership no. 045560

Mumbai  
Dated: 30th May 2015

For and on behalf of the board

  
Ramkanti Gaggari  
Director  
DIN:1019838

  
Navratan Gaggari  
Director  
DIN:01655621



Mumbai  
Dated: 30th May 2015



**SUKARTIK CLOTHING PRIVATE LIMITED**  
Cash Flow Statement For The Year Ended 31st March, 2015

(Amt. in Rs.)

(A) CASH FLOW FROM OPERATING ACTIVITIES	For the year ended 31.03.2015	For the year ended 31.03.2014
Net Profit before Tax and Extraordinary Items	11,173,488	8,004,874
Adjustment for		
Depreciation	3,495,474	4,354,655
Loss on sale of Fixed Assets	153,320	-
Investment Income / Expenses		
Interest Received	(724,481)	(455,768)
Interest Expenses	32,477	10,328
Operating Profit before Working Capital changes	<u>14,130,279</u>	<u>11,914,090</u>
Adjustment for		
Trade and other Receivables	(6,027,180)	(15,643,562)
Inventories	3,036,822	845,886
Trade Payables	<u>8,600,104</u>	<u>5,224,874</u>
Cash generated from operations	19,740,025	2,341,287
Advance Tax and TDS	<u>(2,200,518)</u>	<u>(1,403,238)</u>
Cash flow before Extraordinary Items	17,539,508	938,049
Extraordinary Items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>17,539,508</b>	<b>938,049</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(8,913,787)	(1,427,238)
Sale of Fixed Assets	310,000	-
Interest / Other income	<u>724,481</u>	<u>455,768</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(7,879,306)</b>	<b>(971,470)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	-	600,000
Premium on Share Capital	-	11,400,000
Repayment of Long Term Borrowings	459,335	(106,600)
Increase (decrease) in unsecured loans given	(342,566)	27,573
Repayment of Short Term Borrowings	(235,000)	(13,000,000)
Interest Paid	<u>(32,477)</u>	<u>(10,328)</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(150,708)</b>	<b>(1,089,355)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>9,509,494</b>	<b>(1,122,776)</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>3,752,129</b>	<b>4,874,905</b>
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>13,261,623</b>	<b>3,752,129</b>

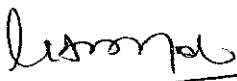
Notes to cash flow statement:

1. All figures in brackets are outflow.
2. Previous year's figures have been regrouped wherever necessary.

As per our attached report of even date

For and on behalf of the Board

For MVK Associates  
Chartered Accountants  
Firm registration No. 120222W

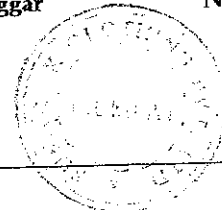


CA. Vishnu Garg  
Partner  
Membership no. 045560

Mumbai  
Dated: 30th May 2015

  
Ramakant Caggar  
Director  
DIN:1019838

  
Navjatan Caggar  
Director  
DIN:01655621



# SUKARTIK CLOTHING PRIVATE LIMITED

## Note 1: SIGNIFICANT ACCOUNTING POLICIES

### 1. SYSTEM OF ACCOUNTING

- i) The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India and the provisions of the Companies Act 2013 following the mercantile system of accounting and recognising income and expenditure on accrual basis.
- ii) The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known or materialised.

### 2. PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS

- i) The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards notified as per the Companies Act, 2013 and the relevant provisions thereof.
- ii) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule III to the Companies Act, 2013.
- iii) Based on the nature of activity and the time between acquisition of assets and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

### 3. TANGIBLE AND INTANGIBLE ASSET

- i) Tangible fixed assets are stated at cost of acquisition including any cost attributable for bringing the asset to its working condition, less accumulated depreciation.
- ii) Intangible fixed asset comprising software licenses are stated at cost of acquisition including any cost attributable bringing the asset to its working condition, less accumulated amortisation. Any expenses on such software licenses for support and maintenance payable annually are charged to the Statement of Profit and Loss.

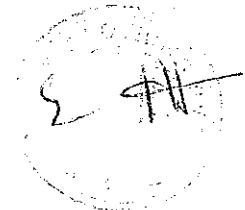
### 4. INVESTMENTS

- i) Investments are classified into Non Current and Current Investments.
- ii) Non Current investments are being valued at cost of acquisition. Provision is made to recognize a decline, other than temporary, in the carrying amount of long term investments.
- iii) Current investments are being valued at cost or market value whichever is lower.

### 5. DEPRECIATION

- i) No depreciation is provided for leasehold land and freehold land.
- ii) Depreciation on fixed assets is being provided on "Straight line method" basis at the rates specified in Scheduled II to the Companies Act, 2013.
- iii) Depreciation in respect of addition to fixed assets is provided on pro-rata basis from the month in which such assets are acquired/ installed.
- iv) Depreciation on fixed assets sold, discarded or demolished during the year is being provided at their respective rates up to the month in which such assets are sold, discarded or demolished.

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6. VALUATION OF INVENTORIES

- i) Valuation of inventories is exclusive of taxes or duties incurred and on FIFO basis except otherwise stated.
- ii) Raw materials and Work in progress are being valued at cost or net realisable value whichever is lower.
- iii) Stores, spares and tools are being valued at weighted average cost.
- iv) Goods in transit, if any, are stated at actual cost up to the date of the Balance Sheet.
- v) Finished stocks are being valued at direct cost or net realisable values whichever is lower.

7. REVENUE RECOGNITION

- i) Sale of Goods is recognized on transfer of significant risks and rewards of ownership which is on the dispatch of goods.
- ii) Sales are stated net of discount, claims, and shortage. Commission, brokerage and incentives on sales, wherever applicable, have been separately recognized as an expense.
- iii) Incomes from job charges are recognized as and when the services are rendered.
- iv) Interest income is accounted on accrual basis.
- v) Incomes from investments, where appropriate, are taken into revenue in full on declaration or receipt and tax deducted at source thereon is treated as advance tax.

8. MISCELLANEOUS EXPENDITURE

Miscellaneous expenditure, such as preliminary expenditure and share issue expenditure is amortized over a period of 5 years, as the case may be, from the financial year in which it is incurred.

9. PRIOR PERIOD EXPENSES/INCOME

The company follows the practice of making adjustments through "prior period items" in respect of all material transaction pertaining to the period prior to current accounting period/year.

10. TAXES ON INCOME:

Income tax expense comprises of Current Tax and Deferred Tax charge or credit. Provision for current tax is made on the assessable income at the rate applicable for the relevant assessment year.

Deferred tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one year and capable of reversal in one or more subsequent years. Deferred tax, arising mainly on account of unabsorbed depreciation and losses under tax laws, is recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred Tax on account of other timing differences is recognized, only to the extent there is a reasonable certainty of its realization. At each balance sheet the carrying amount of deferred tax assets are reviewed to reassure realization.

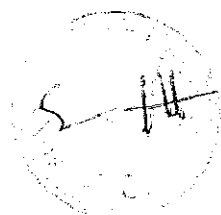
11. CAPITAL WORK IN PROGRESS

The cost incurred for fixed assets, the construction of which is not completed, are included under "capital work-in-progress" and the same are classified and added to the respective assets on the completion.

12. BORROWING COSTS

The company capitalizes interest and other costs incurred by it in connection with funds borrowed for the acquisition of fixed assets. Where specific borrowings are identified to a fixed asset or a new unit, the group uses the interest rates applicable to that specific borrowing as the capitalization rate. Capitalization of borrowing costs

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ceases when all the activities necessary to prepare the fixed assets for their intended use are substantially complete. Other borrowing costs are charged to Profit and Loss Account.

### 13. RETIREMENT AND OTHER BENEFITS TO EMPLOYEES

- i) Employees' benefit under defined contribution plan such as contribution to provident fund and employees' benefits under defined benefit plan for leave encashment are charged off at the undiscounted amount in the year in which the related service provided.
- ii) Post employment benefits under defined benefit plan such as gratuity are charged off in the year in which such payments are made to the employees.

### 14. CONTINGENT LIABILITIES

Contingent liabilities are disclosed by way of notes to accounts. Disputed demand in respect of central excise, customs, income tax and other proceeding etc. are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as advance till the final disposal of the matters.

### 15. EXCISE DUTY

- i) CENVAT credit available as per the provisions of the Excise Rules on raw material, packing material, etc purchased, is accounted for by reducing the cost of the respective items.
- ii) Excise duty payable on finished goods lying at the factory premises at the close of the year is provided in the books as per the Excise Rules.
- iii) CENVAT credit available as per the provisions of the Excise Rules on capital goods is accounted for by reducing the cost of capital goods.

### 16. TRANSACTION IN FOREIGN CURRENCIES

- i) Initial Reorganisation: Transactions denominated in foreign currencies are recorded by applying the exchange rates prevailing at the date of the transactions.
- ii) Conversion: Monetary items denominated in foreign currencies remaining unsettled at the end of the year, are restated using the closing rates.
- iii) Exchange Difference: The exchange difference arising on the settlement of monetary items or on reporting unsettled monetary items at the rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognised as income or as expenses in the year in which they arise.

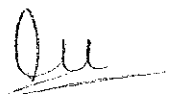
In case the monetary items are covered by the forward exchange contracts, the difference between the yearend exchange rate and the exchange rate at the date of the inception of the forward exchange contract is recognised as exchange difference.

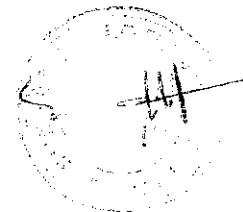
- iv) Forward Exchange Contracts: In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purposes, the premium/discount represented by difference between the exchange rate at the date of the inception of the forward exchange contract and forward rate specified in the contract is amortised as expense or income over the life of the contract.

Exchange differences on such contracts are recognised in the statement of profit and loss account in the year in which the exchange rate changes.

Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

In case of transactions covered by forward exchange contracts, which are intended for trading or speculation purposes, the premium/discount is ignored and at each balance sheet date, the value of the contract is marked to its market value and gain/loss on the contract is recognised.





v) Non-monetary foreign currency items such as investments are carried at cost.

17. IMPAIRMENT LOSS

Impairment loss is provided to the extent the carrying amount(s) of assets exceed their recoverable amount(s). Recoverable amount is the higher of an assets net selling price and its value in use. Value in use is the present value of estimated future cash flow expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm length transaction between knowledgeable, willing parties, less the cost of disposal.



**SUKARTIK CLOTHING PRIVATE LIMITED**  
Notes on Financial Statements for the Year ended 31st March 2015

(Amount in Rs.)

Particulars	As at 31.03.2015		As at 31.03.2014	
	Numbers	Amount(Rs.)	Numbers	Amount(Rs.)
<b>Note 2: Share capital</b>				
<b>Authorised:</b>				
Equity Shares of Rs. 10/- each	310,000	3,100,000	310,000	3,100,000
Total		3,100,000		3,100,000
<b>Issued, subscribed and paid-up :</b>				
Equity Shares of Rs. 10/- each fully paid	301,000	3,010,000	301,000	3,010,000
Total		3,010,000		3,010,000

**2.a Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period :-**

Particulars	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
Outstanding at the beginning of the reporting period	301,000	3,010,000	241,000	2,410,000
Issued during the reporting period	-	-	60,000	600,000
Bought back during the reporting period	-	-	-	-
Outstanding at the end of the reporting period	301,000	3,010,000	301,000	3,010,000

2.b The equity shares of the Company have rights and restrictions as prescribed under law, in particular the Companies Act, 2013.

**2.c Share held by holding company:**

Name of the company	Numbers	% of Holding	Numbers	% of Holding
Garnet International Limited	181,000	60.13	181,000	60.13

**2.d Shareholders holding more than 5% of the share capital at the end of the year:**

Name of shareholders	Numbers	% of Holding	Numbers	% of Holding
Garnet International Limited	181,000	60.13	181,000	60.13
Ramakant Gaggar	30,000	9.97	30,000	9.97
Suresh Gaggar	30,000	9.97	30,000	9.97
Navratan Gaggar	30,000	9.97	30,000	9.97
Gini Tex Private Limited	18,000	5.98	18,000	5.98

**Note 3: Reserves and surplus**

<b>Securities premium</b>				
At the beginning of the year and at the end of year	52,090,000		40,690,000	
Add: Received during the year	-		11,400,000	
Closing Balance		52,090,000		52,090,000
<b>Surplus in Statement of Profit and loss :</b>				
Balance at the beginning of the year	9,233,866		3,717,121	
Add (less): Profit (loss) after tax for the year	8,450,208		5,516,744	
Closing Balance		17,684,074		9,233,866
Total		69,774,074		61,323,866

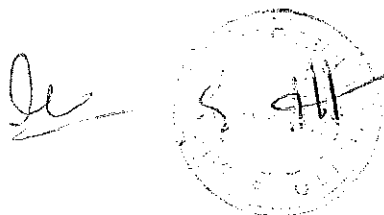
**Note 4: Long - Term Borrowings**

<b>Secured Loan</b>				
Vehicle loan from SBP bank		459,335		-
Total		459,335		-

- (a) Nature of security : Hypothecation of the vehicle financed by the bank.  
 (b) Terms of Repayment : 60 EMIs commencing from October 2014 of Rs. 13,250/- each (outstanding 1 EMI).  
 (c) Current maturities of EMIs has been grouped under "Other Current Liabilities" refer note 8.

**Note 5: Deferred tax liabilities (Net)**

<b>Deferred Tax Liabilities on account of:</b>				
Depreciation		2,360,340		1,976,690
Total		2,360,340		1,976,690



Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note 6: Short term borrowings</b>		
Unsecured Loans:		
Loans repayable on demand from:		
Holding company	-	-
Others Companies	-	235,000
<b>Total</b>	<b>-</b>	<b>235,000</b>

**Note 7: Trade payables**

Micro and small enterprises	-	-
Others	20,680,339	13,749,073
<b>Total</b>	<b>20,680,339</b>	<b>13,749,073</b>

As per the information available with the Company in response to the enquiries from all existing suppliers with whom Company deals, none of the suppliers are registered as micro and small enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March 2015.

**Note 8: Other current liabilities**

Current maturities of a long-term debt	104,300	9,575
Creditors for capital expenditure	-	295,602
Statutory liabilities	87,107	278,049
Payables to Employees	2,284,916	929,386
Salary Payable to related party	394,873	-
Advance from Customers	317,810	154,971
Accrued expenses	718,793	571,376
<b>Total</b>	<b>3,907,799</b>	<b>2,238,960</b>

**Note 9: Short term provisions**

Provision for taxation (net of taxes paid)	1,639,752	1,500,638
<b>Total</b>	<b>1,639,752</b>	<b>1,500,638</b>

**Note 11: Long term loans and advances**

Unsecured, considered good		
Security deposits	733,183	330,250
Advance for capital goods	-	60,367
<b>Total</b>	<b>733,183</b>	<b>390,617</b>

**Note 12: Other Non-current Assets**

Deposits / Investment for various projects		
20,000 shares of Punjab dyers association	40,000	40,000
Investment in CEIP Project	660,000	100,000
Minimum Alternate Tax credit available	52,780	863,346
<b>Total</b>	<b>752,780</b>	<b>1,003,346</b>

*[Handwritten signature]*



Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note 13: Inventories</b>		
Raw materials	2,613,897	4,660,903
Finished goods	487,906	1,277,800
Stock in trade	186,916	411,974
Consumables	327,295	302,159
Total	3,616,014	6,652,836
Details of Raw Materials:		
Yarn	659,431	1,890,218
Dyes & Cemicsals	1,954,466	2,770,685
Total	2,613,897	4,660,903
Details of Finished goods:		
Garments	487,906	1,277,800
Details of Stock in trade:		
Fabric	186,916	411,974
<b>Note 14: Trade receivables</b>		
Unsecured, considered good		
Debts outstanding for a period exceeding six months from the date they are due for payments	2,797,742	646,746
Other debts	30,425,345	24,115,492
Total	33,223,087	24,762,238
<b>Note 15: Cash and bank balances</b>		
Cash and cash equivalents:		
Balances with banks		
In a Current account	2,159,854	1,372,141
Cash in hand	292,643	395,194
Other bank balances:		
Fixed deposits with banks with maturity period more than 3 months but upto 12 months.	10,809,126	1,984,794
Total	13,261,623	3,752,129
<b>Note 16: Short term loans and advances</b>		
Unsecured, considered good		
Prepaid expenses	274,472	167,160
Advance to suppliers	99,172	198,352
Advance to employees	52,578	33,745
Vat credit receivable	1,308,554	1,209,442
Duty Drawback receivable	-	41,888
Loans to Others		
- To related party	2,525,753	5,000,000
- to others	-	70,000
Total	4,260,529	6,720,587
<b>Note 17: Other current assets</b>		
Interest Accrued on fixed deposits	287,912	11,943
Interest Accrued on security deposit	39,450	46,147
Interest Receivable	7,683	-
Total	335,045	58,090

*[Handwritten Signature]*





**SUKARTIK CLOTHING PRIVATE LIMITED**  
Notes on Financial Statements for the Year ended 31st March 2015

(Amount in Rs.)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>Note 18: Revenue from operations</b>		
Sale of Products		
Garments		
Local	76,615,061	53,684,159
Export	<u>274,032</u>	<u>692,093</u>
Dyes & Chemicals	-	88,474
Sale of services-Job work charges	46,672,009	46,512,275
Less: Excise duty	-	-
Total	<u><u>123,561,102</u></u>	<u><u>100,977,001</u></u>
<b>Note 19: Other income</b>		
Interest		
on fixed deposits	545,305	409,621
on security deposits	39,450	38,464
on Income Tax Refund	-	7,683
on loan	139,726	-
Export Incentive	15,687	47,390
Miscellaneous income	22	-
Total	<u><u>740,190</u></u>	<u><u>503,157</u></u>
<b>Note 20: Cost of materials consumed</b>		
Opening stocks:		
Raw material		
Yarn	1,890,218	1,784,301
Dyes & Chemicals	<u>2,770,685</u>	<u>1,836,215</u>
	4,660,903	3,620,515
Add : Cost of purchases		
Raw materials		
Yarn	17,054,591	12,518,354
Dyes & Chemicals	<u>34,285,418</u>	<u>36,571,855</u>
	51,340,009	49,090,208
Less: Closing stock		
Raw material		
Yarn	659,431	1,890,218
Dyes & Chemicals	<u>1,954,466</u>	<u>2,770,685</u>
	2,613,897	4,660,903
Total	<u><u>53,387,015</u></u>	<u><u>48,049,821</u></u>
<b>Note 21: Purchases of stock-in-Trade</b>		
Fabrics	<u>9,411,003</u>	<u>887,437</u>
	<u><u>9,411,003</u></u>	<u><u>887,437</u></u>
<b>Note 22: Changes in inventories</b>		
Opening stocks:		
Finished goods	1,277,800	3,209,720
Stock in trade	411,974	266,441
Work in progress	-	-
Closing stocks:		
Finished goods	487,906	1,277,800
Stock in trade	186,916	411,974
Work in progress	-	-
Add/(Less): Variation in excise duty on opening and closing stock of finished goods	-	-
Total	<u><u>1,014,952</u></u>	<u><u>1,786,387</u></u>

*(Signature)*



**SUKARTIK CLOTHING PRIVATE LIMITED**  
Notes on Financial Statements for the Year ended 31st March 2015

(Amount in Rs.)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>Note 23: Employee benefit expenses</b>		
Salaries and Wages	3,501,741	2,338,775
Contribution to Provident Fund and other funds	308,207	182,335
Staff Welfare Expenses	269,148	317,154
Total	<u>4,079,096</u>	<u>2,838,264</u>
<b>Note 24: Finance cost</b>		
Interest on loan	29,998	9,656
Interest (Others)	2,480	672
Total	<u>32,477</u>	<u>10,328</u>
<b>Note 25: Other expenses</b>		
<b>Manufacturing Expenses</b>		
Job Charges	11,335,072	10,559,985
Power and Fuel	9,943,859	8,295,416
Freight Inwards	151,277	142,665
Dyeing Charges	51,703	105,057
Packing Expenses	56,816	76,458
Fabrication Charges	320,815	863,636
Husk and Ash Lifting Charges	248,765	134,700
Stores and Spares Consumed*	13,649,297	11,446,638
Insurance	149,010	92,288
Repairs & Maintenance(Machinery)	1,495,778	1,245,521
	37,402,392	32,962,364
<b>Administration and other expenses</b>		
Brokerage and Commission	359,879	134,546
Communication Expenses	161,578	199,093
Legal and Professional Charges	88,482	25,972
Auditors' remuneration (refer note 28)	112,360	83,894
Bank Commission / Charges	14,450	8,863
Membership and Subscription	100,522	106,966
Miscellaneous Expenses	472,452	538,645
Sale Promotion Expenses	5,100	260,296
Festival Expenses	440,063	144,130
Printing and Stationery	196,369	146,943
Rates & Taxes	12,553	25,500
Repairs & Maintenance	968,575	315,576
Directors Remuneration	450,000	-
Loss On Sale Of Fixed Asset	153,320	-
<b>Selling and Distribution Expenses</b>		
Travelling and Conveyance	773,825	582,481
	4,309,527	2,572,906
<b>Net foreign exchange loss(gain)</b>	(4,133)	13,124
Total	<u>41,707,786</u>	<u>35,548,393</u>

\* All stores and spares consumed are indigenous in nature.





**SUKARTIK CLOTHING PRIVATE LIMITED**  
Notes on Financial Statements for the Year ended 31st March 2015

(Amount in Rs.)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014	
<b>Note 26: Earning per equity share</b>			
<b>Particulars</b>	<b>Unit</b>	<b>2013-2014</b>	<b>2012-2013</b>
Net profit(loss) after tax	Rs.	8,450,208	5,516,744
Weighted average number of shares used in computing basic & diluted earnings per	Numbers	301,000	271,000
Face value of equity shares	Rs.	10	10
Basic & diluted earnings per share	Rs.	28.07	20.36
<b>Note 27: Contingent liabilities (to the extent not provided for)</b>			
		Amount (Rs.)	Amount (Rs.)
		<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
Undertakings given by the company under EPCG Scheme, pending fulfillment of export obligation		1,143,839	1,143,839
<b>Note 28: Payment to Auditors</b>			
		Amount (Rs.)	Amount (Rs.)
		<b>For the year ended</b>	<b>For the year ended</b>
		<b>2014-2015</b>	<b>2013-2014</b>
Statutory audit under the Companies Act 2013		56,180	44,944
Tax Audit under the Income Tax Act 1961		33,708	22,472
Taxation matters		22,472	11,236
Out of pocket expenses		-	5,242
		112,360	83,894

**Note 29:** The company operates in a single segment i.e. textile (seamless garment manufacturing) having the same risk and return. Hence reporting as per Accounting Standard 17 'Segment Reporting' is not applicable.

**Note 30: C. I. F. value of imports:**

	Amount (Rs.)
	<b>For the year ended</b>
	<b>2014-2015</b>
	<b>2013-2014</b>
Repairs & Maintenance	45,274

**Note 31: Earnings in Foreign Exchange:**

	Amount (Rs.)
	<b>For the year ended</b>
	<b>2014-2015</b>
	<b>2013-2014</b>
FOB value of Exports	274,032

**Note 32 : Related party disclosures**

Related party disclosures as required by Accounting Standard (AS) -18 "Related Party Disclosures", notified by Companies (Accounting Standards) Rules, 2006(as amended) are given below:

- I) Names of related parties and description of relationships
  - a) Holding Company  
Garnet International Limited
  - b) Directors  
Ramakant Gaggar  
Navratan Gaggar
  - c) Company in which directors have significant influence/control  
Alaukik Mines & Power Pvt. Ltd.  
Bhutta Investment Private Ltd.
  - d) Relatives of KMP  
Sangeeta Gaggar




Particulars	For the year ended 31.03.2015		For the year ended 31.03.2014	
	2014-15	2013-14	31.03.2015	31.03.2014
II) Transactions during the year and balances outstanding as at year end with the related parties are as follows:				
<b>Current liabilities</b>				
<u>Short term borrowings</u>				
Unsecured Loans:				
Garnet International Limited	-	-	-	-
<u>Shares Issued during the year</u>				
Garnet International Limited	-	12,000,000	-	NA
<b>Current assets</b>				
<u>Short term loans and advances</u>				
Intercorporate loans				
Alaukik Mines & Power Pvt. Ltd.	(5,000,000)	10,000,000	-	5,000,000
Bhutta Investment Private Ltd.	2,500,000	-	2,500,000	-
<b>Indirect Income</b>				
Interest Received	139,726	-	NA	NA
<b>Indirect Expenses</b>				
Salary	395,973	-	NA	NA
Directors Remuneration	197,973	-	NA	NA

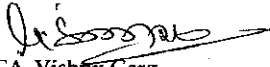
Sub note: Related party relationship is identified by the Company and relied upon by the auditors.

**Note 33 :** No provision has been made for accrued liability in respect of gratuity payable to employees, as the Company is in the process of taking actuarial valuation certificate for present value of future liabilities.

**Note 34:** Figures for the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our attached report of even date

For MVK Associates  
Chartered Accountants  
Firm registration No. 120222W

  
CA. Vishnu Garg  
Partner  
Membership no. 045560

Mumbai  
Dated: 30th May 2015

For and on behalf of the Board

  
Ramakant Gaggar  
Director  
DIN:1019838

  
Navratna Gaggar  
Director  
DIN:01655621



**SUKARTIK CLOTHING PRIVATE LIMITED**  
Notes on Financial Statements for the Year ended 31st March 2015

PARTICULARS	GROSS BLOCK (At Cost)					DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Addition during the year	Sold / Transfer during the year	As at 31.03.2015	Total up to 01.04.2014	Provided for the year	Written back during the year	Total up to 31.03.2015	Total as at 31.03.2015	Total as at 31.03.2014	
<b>Tangible assets</b>											
Land	4,350,600	-	-	4,350,600	-	-	-	-	4,350,600	4,350,600	
Office Premises	1,042,601	-	-	1,042,601	154,366	35,529	-	189,895	852,706	888,235	
Factory Building	8,885,079	1,003,462	-	9,888,541	994,547	301,088	-	1,295,635	8,592,906	7,890,532	
Plant And Machinery	35,470,451	6,224,051	-	41,694,502	10,673,240	2,236,339	-	12,909,579	28,784,923	24,797,211	
Furniture And Fixtures	572,031	581,364	-	1,153,395	131,645	96,341	-	227,986	925,409	440,386	
Computers	290,936	40,555	-	331,491	173,625	97,873	-	271,498	59,993	117,311	
Vehicles	2,236,058	1,003,388	634,323	2,605,123	697,058	338,241	171,003	864,296	1,740,827	1,539,000	
Office Equipments	1,003,113	60,967	-	1,064,080	350,064	372,003	-	722,067	342,013	653,049	
<b>Intangible assets</b>											
Computer Software	50,000	-	-	50,000	31,941	18,059	-	50,000	-	18,059	
<b>Total as at 31.03.2014</b>	<b>53,900,869</b>	<b>8,913,787</b>	<b>634,323</b>	<b>62,180,333</b>	<b>13,206,485</b>	<b>3,495,473</b>	<b>171,003</b>	<b>16,530,956</b>	<b>45,649,377</b>	<b>40,694,384</b>	

(Amt. in Rs.)