



INDEPENDENT AUDITORS' REPORT

To the Members of

SUKARTIK CLOTHING PRIVATE LIMITED,

Report on the Financial Statements

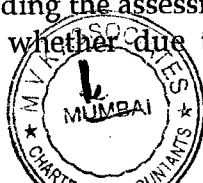
1. We have audited the accompanying financial statements of Sukartik Clothing Private Limited (the 'Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows 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 the Companies (Accounts) Rules, 2014 as applicable. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

5. 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

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the accompanying financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, *except Accounting Standard 15 "Employees' Benefits" as referred to in Note 32 of financial statements.*
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to 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 B.



(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements;
- (ii) The Company didn't have any long-term contracts or derivative contracts as at March 31, 2016 for which there were no material foreseeable losses;
- (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. The question of delay in transferring such sums does not arise.

For MVK Associates

Chartered Accountants

Firm Registration Number: 120222W



Vishnu Garg
CA. Vishnu Garg

Partner

Membership No.: 045560

Place : Mumbai

Date : 30th May, 2016

Annexure A referred to in Paragraph 7 of our Report of even date to the members of SUKARTIK CLOTHING PRIVATE LIMITED on the accounts of the company for the year ended March 31, 2016

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:

- i.
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) As explained to us, these fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
 - c) The title deeds of immovable properties are held in the name of the company.
- ii. The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The company has granted interest free unsecured loan to one (1) party covered in the register maintained under section 189 of the Companies Act during the year.
 - a) In our opinion the terms and conditions on which loans have been granted to companies listed in the registers maintained under section 189 of the Companies Act, 2013 are not prejudicial to the interest of the company.
 - b) The parties have repaid the principle amounts as stipulated and have been regular in the payment of the company.
 - c) There is no overdue amount of loans granted to companies listed in the registers maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to information and explanation given to us, the company has complied with section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantee and security except the following:
 - a) The Company had granted loans to an associate company in contravention of section 185 of Companies Act, 2013. However, the Company has received back such sums before the end of financial year
 - b) The Company has not charged or provided any interest on such loans.



- v. The Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and under Section 73 to 76 of the Companies Act, 2013.
- vi. We have been informed by the management, no cost records have been prescribed under section 148(1) of the Companies Act, 2013 in respect of products manufactured by the company.

vii.

- a) According to the information and explanations given to us and based on the records of the company examined by us, in our opinion, 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, 2016 for a period of more than six months from the date they became payable, except the following:

Name of Statute	Amount	Period to which amount related
Punjab Labour Welfare Fund	30,148/-	2015-16

- 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.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the company has defaulted in repayment of loans and interest to a bank.
- ix. According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer and term loans during the year. Accordingly, provisions of Clause 3(ix) of the Order are not applicable to the company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither




come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

- xi. The Company is a Private Limited Company hence the provisions of Section 197 are not applicable to the company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and as per information and explanations provided to us by management all the transactions with the related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of Clause 3(xiv) of the Order are not applicable to the company.
- xv. According to the records of the Company examined by us and the information and explanation given to us, the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order 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.

For MVK Associates

Chartered Accountants

Firm Registration No. 120222W


CA. Vishnu Garg

Partner

M. No. 045560



Place: Mumbai

Date: May 30, 2016

Annexure B to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of **SUKARTIK CLOTHING PRIVATE LIMITED** on the financial statements as of and for the year ended March 31, 2016.

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

1. We have audited the internal financial controls over financial reporting of Sukartik Clothing Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls which were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included



operating and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.

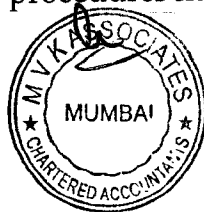
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. 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 the Generally Accepted Accounting Principles. A company's internal financial controls over financial reporting includes those policies and procedures that :
 - i. Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transaction and dispositions of the assets of the company;
 - ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the 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
 - iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion, the company has, in all material respect, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For MVK Associates
Chartered Accountants

Firm Registration Number: 120822W



CA. Vishnu Garg

Partner

Membership No. : 045560

Place : Mumbai

Date : 30th May, 2016

SUKARTIK CLOTHING PRIVATE LIMITED
Balance Sheet as at 31st March 2016

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	3,010,000	3,010,000
Reserves and surplus	3	80,577,294	69,774,074
		83,587,294	72,784,074
Non-current liabilities			
Long Term Borrowing	4	2,365,595	459,335
Deferred tax liabilities (net)	5	2,984,110	2,360,340
		5,349,705	2,819,675
Current liabilities			
Trade payables	6	22,557,654	20,680,339
Other current liabilities	7	6,149,332	3,907,799
Short term provisions	8	2,884,799	1,639,752
		31,591,785	26,227,889
TOTAL		120,528,784	101,831,638
ASSETS			
Non current assets			
Fixed assets			
Tangible assets	9	63,882,202	45,649,377
Intangible assets	9	-	-
		63,882,202	45,649,377
Long term loans and advances	10	904,711	733,183
Other non current assets	11	700,000	752,780
		65,486,913	47,135,340
Current assets			
Inventories	12	4,347,483	3,616,014
Trade receivables	13	31,515,838	33,223,087
Cash and bank balances	14	15,712,530	13,261,623
Short term loans and advances	15	3,085,960	4,260,529
Other current assets	16	380,060	335,045
		55,041,871	54,696,298
TOTAL		120,528,784	101,831,638
Contingent Liabilities and Commitments (To the extent not provided for)	26		
Significant accounting policies See accompanying notes to financial statements	1 2-33		

As per our attached report of even date

For MVK Associates
Chartered Accountants
Firm registration No. 120222W

For and on behalf of the Board



CA. Vishnu Garg
Partner
Membership no. 045560



Ramakant Gargar
Director
DIN:1019838

Navtatan Gargar
Director
DIN:01635621

Mumbai
Dated: 30th May 2016


SUKARTIK CLOTHING PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March 2016

(Amount in Rs.)

Particulars	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
Revenue from operations (gross)	17	143,617,887	123,561,102
Less: Excise duty		-	-
Revenue from operations (net)		143,617,887	123,561,102
Other income	18	956,319	740,190
Total Revenue		144,574,206	124,301,292
Expenses:			
Cost of materials consumed	19	58,913,038	53,387,015
Purchases of stock-in-Trade	20	9,391,275	9,411,003
Changes in inventories	21	(1,451,069)	1,014,952
Employee benefit expenses	22	6,759,483	4,079,096
Finance cost	23	138,411	32,477
Depreciation and amortisation expenses	9	4,323,993	3,495,474
Other expenses	24	50,567,786	41,707,786
Total expenses		128,642,917	113,127,803
Profit before Tax		15,931,289	11,173,488
Tax expenses			
Current tax		4,504,300	3,132,600
Deferred tax		623,770	383,650
MAT credit entitlement		-	-
Tax adjustment for earlier years		-	(792,970)
		5,128,070	2,723,280
Profit for the period		10,803,219	8,450,208
Earning per equity share	25	35.89	28.07
Basic and Diluted			
Significant accounting policies	1		
See accompanying notes to financial statements	2-33		


As per our attached report of even date

For MVK Associates
 Chartered Accountants
 Firm registration No. 120222W



 CA. Vishnu Garg
 Partner
 Membership no. 045560



For and on behalf of the board


 Ramakant Gaggar
 Director
 DIN:1019838




 Navratan Gaggar
 Director
 DIN:01655621

Mumbai
 Dated: 30th May 2016

SUKARTIK CLOTHING PRIVATE LIMITED
Cash Flow Statement For The Year Ended 31st March, 2016

(Amt. in Rs.)

	For the year ended 31.03.2016	For the year ended 31.03.2015
(A) CASH FLOW FROM OPERATING ACTIVITIES	15,931,289	11,173,488
Net Profit before Tax and Extraordinary Items		
Adjustment for		
Depreciation	4,323,993	3,495,474
Loss on sale of Fixed Assets	143,574	153,320
Investment Income / Expenses	(938,674)	(724,481)
Interest Received	138,411	32,477
Interest Expenses	19,598,593	14,130,279
Operating Profit before Working Capital changes		
Adjustment for		
Trade and other Receivables	2,889,583	(6,027,180)
Inventories	(731,469)	3,036,822
Trade Payables	4,118,848	8,600,104
Cash generated from operations	25,875,555	19,740,025
Advance Tax and TDS	(3,259,252)	(2,200,518)
Cash flow before Extraordinary Items	22,616,303	17,539,508
Extraordinary Items	-	-
NET CASH FROM OPERATING ACTIVITIES	22,616,303	17,539,508
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(23,300,391)	(8,913,787)
Sale of Fixed Assets	600,000	310,000
Interest / Other income	938,674	724,481
NET CASH USED IN INVESTING ACTIVITIES	(21,761,718)	(7,879,306)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	-	-
Premium on Share Capital	-	-
Repayment of Long Term Borrowings	1,906,260	459,335
Increase (decrease) in unsecured loans given	(171,528)	(342,566)
Repayment of Short Term Borrowings	-	(235,000)
Interest Paid	(138,411)	(32,477)
NET CASH FROM FINANCING ACTIVITIES	1,596,322	(150,708)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	2,450,907	9,509,494
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	13,261,623	3,752,129
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	15,712,530	13,261,623

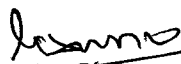
Notes to cash flow statement:

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

For and on behalf of the Board

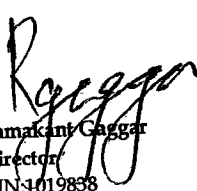
As per our attached report of even date

For MVK Associates
Chartered Accountants
Firm registration No. 120222W


CA. Vishnu Garg
Partner
Membership no. 045560



Mumbai
Dated: 30th May 2016


Ramakant Gaggar
Director
DIN:1019838




Navratan Gaggar
Director
DIN:01655621

SUKARTIK CLOTHING PRIVATE LIMITED
Notes on Financial Statements for the Year ended 31st March 2016

(Amount in Rs.)

Particulars	As at 31.03.2016		As at 31.03.2015	
Note 2: Share capital				
	Numbers	Amount(Rs.)	Numbers	Amount(Rs.)
Authorised:				
Equity Shares of Rs. 10/- each	310,000	3,100,000	310,000	3,100,000
Total		<u>3,100,000</u>		<u>3,100,000</u>
Issued, subscribed and paid-up :				
Equity Shares of Rs. 10/- each fully paid	301,000	3,010,000	301,000	3,010,000
Total		<u>3,010,000</u>		<u>3,010,000</u>
2.a Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period :-				
	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
Particulars				
Outstanding at the beginning of the reporting period	301,000	3,010,000	301,000	3,010,000
Issued during the reporting period	-	-	-	-
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:				
<u>Name of the company</u>	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:				
<u>Name of shareholders</u>	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				
Securities premium				
At the beginning of the year and at the end of	52,090,000		52,090,000	
Add: Received during the year	-		-	
Closing Balance		52,090,000		52,090,000
Surplus in Statement of Profit and loss :				
Balance at the beginning of the year	17,684,074		9,233,866	
Add (less): Profit (loss) after tax for the year	10,803,219		8,450,208	
Closing Balance		28,487,294		17,684,074
Total		<u>80,577,294</u>		<u>69,774,074</u>
Note 4: Long - Term Borrowings				
Secured Loan				
Vehicle loan from SBP bank		2,365,595		459,335
Total		<u>2,365,595</u>		<u>459,335</u>
(a)	Nature of security : Hypothecation of the vehicle financed by the bank.			
(b)	Current maturities of EMIs has been grouped under "Other Current Liabilities" refer note 8.			
Note 5: Deferred tax liabilities (Net)				
Deferred Tax Liabilities on account of:				
Depreciation		2,984,110		2,360,340
Total		<u>2,984,110</u>		<u>2,360,340</u>



SUKARTIK CLOTHING PRIVATE LIMITED
Notes on Financial Statements for the Year ended 31st March 2016

(Amount in Rs.)

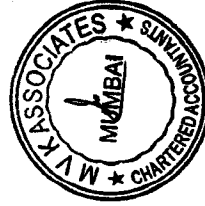
Particulars	As at 31.03.2016	As at 31.03.2015
Note 6: Trade payables		
Micro and small enterprises	22,557,654	20,680,339
Others	<u>22,557,654</u>	<u>20,680,339</u>
Total		
<p>As per the information available with the Company in response to the enquiries from all existing suppliers with whom Company deals, 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 2016.</p>		
Note 7: Other current liabilities		
Current maturities of a long-term debt	518,662	104,300
Statutory liabilities	134,478	87,107
Payables to Employees	3,250,608	2,284,916
Salary Payable to related party	701,929	394,873
Advance from Customers	355,737	317,810
Accrued expenses	959,829	718,793
Other Payables	228,089	-
Total	<u>6,149,332</u>	<u>3,907,799</u>
Note 8: Short term provisions		
Provision for taxation (net of taxes paid)	2,884,799	1,639,752
Total	<u>2,884,799</u>	<u>1,639,752</u>
Note 10: Long term loans and advances		
Unsecured, considered good	904,711	733,183
Security deposits		
Total	<u>904,711</u>	<u>733,183</u>
Note 11: Other Non-current Assets		
Deposits / Investment for various projects	40,000	40,000
20,000 shares of Punjab dyers association	660,000	660,000
Investment in CETP Project	-	52,780
Minimum Alternate Tax credit available		
Total	<u>700,000</u>	<u>752,780</u>
Note 12: Inventories		
Raw materials	1,917,676	2,613,897
Finished goods	329,040	487,906
Stock in trade	1,796,850	186,916
Consumables	303,917	327,295
Total	<u>4,347,483</u>	<u>3,616,014</u>
Details of Raw Materials:		
Yarn	1,074,951.16	659,431
Dyes & Cemicals	842,725.26	1,954,466
	<u>1,917,676</u>	<u>2,613,897</u>
Details of Finished goods:		
Garments	329,040.00	487,906
Details of Stock in trade:		
Fabric	1,796,850.28	186,916



SUKARTIK CLOTHING PRIVATE LIMITED
Notes on Financial Statements for the Year ended 31st March 2016

Note-9

PARTICULARS	GROSS BLOCK (At Cost)					DEPRECIATION			NET BLOCK	
	As at 01.04.2015	Addition during the year	Sold / Transfer during the year	As at 31.03.2016	Total up to 01.04.2015	Provided for the year	Written back during the year	Total up to 31.03.2016	Total as at 31.03.2016	Total as at 31.03.2015
Tangible assets										
Land	4,350,600	-	-	4,350,600	-	-	-	-	4,350,600	4,350,600
Office Premises	1,042,601	-	-	1,042,601	189,895	35,529	-	225,425	817,176	852,706
Factory Building	9,888,541	2,130,424	-	12,018,965	1,295,635	355,576	-	1,651,211	10,367,754	8,592,906
Plant And Machinery	41,694,502	16,562,255	-	58,256,757	12,909,579	2,955,620	-	15,865,199	42,391,557	28,784,923
Furniture And Fixtures	1,153,395	512,422	-	1,665,817	227,986	161,775	-	389,762	1,276,056	925,409
Computers	331,491	44,192	-	375,683	271,498	58,675	-	330,173	45,510	59,993
Vehicles	2,605,123	3,685,669	899,500	5,391,292	864,296	510,033	155,926	1,218,402	4,172,890	1,740,827
Office Equipments	1,064,080	365,429	-	1,429,509	722,067	246,783	-	968,851	460,658	342,013
Intangible assets										
Computer Software	50,000	-	-	50,000	50,000	-	-	50,000	-	-
Total as at 31.03.2016	62,180,333	23,300,391	899,500	84,581,224	16,530,956	4,323,993	155,926	20,699,022	63,882,202	45,649,377



SUKARTIK CLOTHING PRIVATE LIMITED
Notes on Financial Statements for the Year ended 31st March 2016

(Amount in Rs.)

Particulars	As at 31.03.2016	As at 31.03.2015
Note 13: Trade receivables		
Unsecured, considered good		
Debts outstanding for a period exceeding six months from the date they are due for	2,017,427.00	2,797,742
Other debts	29,498,411	30,425,345
Total	31,515,838	33,223,087
Note 14: Cash and bank balances		
Cash and cash equivalents:		
Balances with banks		
In a Current account	3,698,395	2,159,854
Cash in hand	537,293	292,643
Other bank balances:		
Fixed deposits with banks with maturity period more than 3 months but upto 12	11,476,842	10,809,126
Total	15,712,530	13,261,623
Note 15: Short term loans and advances		
Unsecured, considered good		
Prepaid expenses	298,662	274,472
Advance to suppliers	390,078	99,172
Advance to employees	54,000	52,578
Vat credit receivable	1,963,220	1,308,554
Loans to Others	-	2,525,753
- To related party	380,000	-
- to others	-	-
Total	3,085,960	4,260,529
Note 16: Other current assets		
Interest Accrued on fixed deposits	346,878	287,912
Interest Accrued on security deposit	33,182	39,450
Interest Receivable	-	7,683
	380,060	335,045



SUKARTIK CLOTHING PRIVATE LIMITED
Notes on Financial Statements for the Year ended 31st March 2016

(Amount in Rs.)

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
Note 17: Revenue from operations				
Sale of Products				
Garments				
Local	94,390,346		76,615,061	
Export	<u>188,963</u>	94,579,309	<u>274,032</u>	76,889,093
Dyes & Chemicals		-		-
Sale of services-Job work charges		49,038,579		46,672,009
Less: Excise duty		-		-
Total		<u>143,617,887</u>		<u>123,561,102</u>
Note 18: Other income				
Interest				
on fixed deposits		905,492		545,305
on security deposits		33,182		39,450
on Income Tax Refund		-		-
on loan		-		139,726
Export Incentive		17,634		15,687
Miscellaneous income		<u>11</u>		<u>22</u>
Total		<u>956,319</u>		<u>740,190</u>
Note 19: Cost of materials consumed				
Opening stocks:				
Raw material				
Yarn	659,431		1,890,218	
Dyes & Cemicals	<u>1,954,466</u>		<u>2,770,685</u>	
		2,613,897		4,660,903
Add : Cost of purchases				
Raw materials				
Yarn	23,655,119		17,054,591	
Dyes & Cemicals	<u>34,561,698</u>		<u>34,285,418</u>	
		58,216,817		51,340,009
Less: Closing stock				
Raw material				
Yarn	1,074,951		659,431	
Dyes & Cemicals	<u>842,725</u>		<u>1,954,466</u>	
		1,917,676		2,613,897
Total		<u>58,913,038</u>		<u>53,387,015</u>
Note 20: Purchases of stock-in-Trade				
Fabrics		<u>9,391,275</u>		<u>9,411,003</u>
		<u>9,391,275</u>		<u>9,411,003</u>
Note 21: Changes in inventories				
Opening stocks:				
Finished goods		487,906		1,277,800
Stock in trade		186,916		411,974
Work in progress		-		-
Closing stocks:				
Finished goods		329,040		487,906
Stock in trade		1,796,850		186,916
Work in progress		-		-
Add/(Less): Variation in excise duty on opening and closing stock of finished goods		-		-
Total		<u>(1,451,069)</u>		<u>1,014,952</u>



SUKARTIK CLOTHING PRIVATE LIMITED

Notes on Financial Statements for the Year ended 31st March 2016

(Amount in Rs.)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Note 22: Employee benefit expenses		
Salaries and Wages		
To Directors' Relatives	300,000	225,000
To others	5,421,371	3,276,741
Contribution to Provident Fund and other funds	424,292	308,207
Staff Welfare Expenses	613,820	269,148
Total	<u>6,759,483</u>	<u>4,079,096</u>
Note 23: Finance cost		
Interest on loan	138,000	29,998
Interest (Others)	411	2,480
Total	<u>138,411</u>	<u>32,477</u>
Note 24: Other expenses		
Manufacturing Expenses		
Job Charges	15,805,234	11,335,072
Power and Fuel	11,740,640	9,943,859
Freight Inwards	250,617	151,277
Dyeing Charges	72,718	51,703
Packing Expenses	562,495	56,816
Fabrication Charges	567,649	320,815
Husk and Ash Lifting Charges	233,105	248,765
Stores and Spares Consumed*	14,157,663	13,649,297
Insurance	210,811	149,010
Repairs & Maintenance(Machinery)	2,350,865	1,495,778
	<u>45,951,797</u>	<u>37,402,392</u>
Administration and other expenses		
Brokerage and Commission	-	359,879
Communication Expenses	198,205	161,578
Legal and Professional Charges	26,500	88,482
Auditors' remuneration (refer note 28)	116,140	112,360
Bank Commission / Charges	41,721	14,450
Membership and Subscription	120,758	100,522
Miscellaneous Expenses	971,658	472,452
Sale Promotion Expenses	16,100	5,100
Festival Expenses	296,620	440,063
Printing and Stationery	197,094	196,369
Rates & Taxes	-	12,553
Repairs & Maintenance	383,498	968,575
Directors Remuneration	600,000	450,000
Loss On Sale Of Fixed Asset	143,574	153,320
Selling and Distribution Expenses		
Travelling and Conveyance	1,372,584	773,825
Advertisement	67,165	-
	<u>4,551,618</u>	<u>4,309,527</u>
Net foreign exchange loss(gain)	64,371	(4,133)
Total	<u>50,567,786</u>	<u>41,707,786</u>

* All stores and spares consumed are indigenous in nature.

Note 25: Earning per equity share

Particulars	Unit	2015-2016	2014-2015
Net profit(loss) after tax	Rs.	10,803,219	8,450,208
Weighted average number of shares used in computing basic & diluted earnings per share	Numbers	301,000	301,000
Face value of equity shares	Rs.	10	10
Basic & diluted earnings per share	Rs.	35.89	28.07



SUKARTIK CLOTHING PRIVATE LIMITED

Notes on Financial Statements for the Year ended 31st March 2016

(Amount in Rs.)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Note 26: Contingent liabilities (to the extent not provided for)		Amount (Rs.)
	As at 31.03.2016	As at 31.03.2015
Undertakings given by the company under EPCG Scheme, pending fulfillment of export obligation	1,143,839	1,143,839
Note 27: Payment to Auditors		Amount (Rs.)
		For the year ended
	2015-2016	2014-2015
Statutory audit under the Companies Act 2013	57,250	56,180
Tax Audit under the Income Tax Act 1961	34,350	33,708
Taxation matters	22,900	22,472
Last Year service tax Difference	1,640	-
	<u>116,140</u>	<u>112,360</u>

Note 28: 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 29: C. I. F. value of imports:		Amount (Rs.)
		For the year ended
	2015-2016	2014-2015
Repairs & Maintenance	772,415	45,274
Plant & Machinery	9,040,200	-

Note 30: Earnings in Foreign Exchange:		Amount (Rs.)
		For the year ended
	2015-2016	2014-2015
FOB value of Exports	188,963	274,032

Note 31 : 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
- Holding Company
Garnet International Limited
 - Directors
Ramakant Gaggar
Navratan Gaggar
 - Company in which directors have significant influence/control
Alaukik Mines & Power Pvt. Ltd.
Bhutta Investment Private Ltd.
 - Relatives of KMP
Sangeeta Gaggar

II) Transactions during the year and balances outstanding as at year end with the related parties are as follows:

Particulars	Volume of Transactions		Balances as on	
	2015-16	2014-15	31.03.2016	31.03.2015
Current assets				
<u>Short term loans and advances</u>				
Intercorporate loans				
Alaukik Mines & Power Pvt. Ltd.	-	(5,000,000)	25,753	25,753
Bhutta Investment Private Ltd.	(2,500,000)	2,500,000	-	2,500,000
Indirect Income				
Interest Received	-	139,726	NA	NA
Indirect Expenses				
Salary	263,940	395,973	NA	NA
Directors Remuneration	600,000	197,973	NA	NA

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



SUKARTIK CLOTHING PRIVATE LIMITED
Notes on Financial Statements for the Year ended 31st March 2016

(Amount in Rs.)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Note 32 : 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 33: Figures for the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our attached report of even date

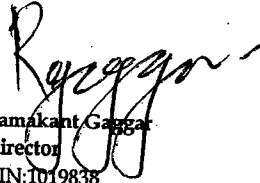
For MVK Associates
Chartered Accountants
Firm registration No. 120222W



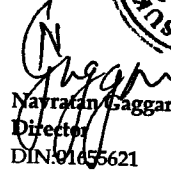
CA. Vishnu Garg
Partner
Membership no. 045560



For and on behalf of the Board



Ramakant Gaggar
Director
DIN:1019838



Nayratan Gaggar
Director
DIN:0165621

Mumbai
Dated: 30th May 2016