



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, 2017, 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 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of 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.

(Signature)

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, 2017, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

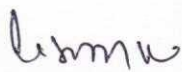
7. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate 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 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies

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(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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 does not have any pending litigations which would impact its financial position.
 - (ii) The Company didn't have any long-term contracts or derivative contracts as at March 31, 2017 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 Fund. The question of delay in transferring such sums does not arise.
 - (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note [14].

For MVK Associates
Chartered Accountants
Firm Registration Number: 120222W



CA. Vishnu Garg
Partner
Membership No. : 045560

Place : Mumbai
Date : 30th May, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 7 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, 2017.

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 informed, the fixed assets are physically verified by the Management at regular intervals. No material discrepancies have been noticed on such verification.
(c) The title deeds of immovable properties, as disclosed in Note 9 on fixed assets to the financial statements 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 not granted any loans or advances in the nature of loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interest of the company, whether reasonable steps for recovery of overdue of such loans are taken does not arise.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan, guarantee or security in respect of loans or made investments, as per the provisions of section 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section(1) of section 148 of the Companies Act.
- vii. (a) According to the information and explanations given to us and 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, sales tax, service tax, duty of customs, duty of excise, value added tax, 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, 2017 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
Labour Welfare Fund	29460 /	2016-17

- (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 not defaulted in repayment of loans or borrowing to any financial institution, bank, government or dues to debenture holders as at the balance sheet date.
- 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 has paid/ provided Managerial Remuneration in accordance with requisite approvals mandated by the provision of section 197 read with schedule V of the Companies Act.
- 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.

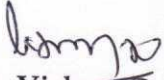
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xvi. The Company is not required to get registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For MVK Associates

Chartered Accountants

Firm Registration Number: 120222W



CA. Vishnu Garg

Partner

Membership No. : 045560

Place : Mumbai

Date : 30th May, 2017

Annexure B to Independent Auditors' Report

Referred to in paragraph 8(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, 2017.

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, 2017 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.
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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.

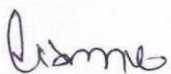
Opinion

In our opinion, the company, 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, 2017, 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 :120222W



CA. Vishnu Garg

Partner

Membership No. : 045560

Place : Mumbai

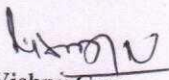
Date : 05th May, 2017

SUKARTIK CLOTHING PRIVATE LIMITED
Balance Sheet as at 31st March 2017

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
(Amount in Rs.)			
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	3,010,000	3,010,000
Reserves and surplus	3	89,194,942	80,577,295
		92,204,942	83,587,295
Non-current liabilities			
Long Term Borrowing	4	1,837,919	2,365,595
Deferred tax liabilities (net)	5	4,173,970	2,984,110
		6,011,889	5,349,705
Current liabilities			
Trade payables	6	35,934,949	22,557,654
Other current liabilities	7	5,434,098	6,149,332
Short term provisions	8	2,213,509	2,884,799
		43,582,556	31,591,785
TOTAL		141,799,387	120,528,784
ASSETS			
Non current assets			
Fixed assets			
Tangible assets	9	87,497,602	63,882,202
Intangible assets	9	-	-
		87,497,602	63,882,202
Long term loans and advances	10	903,183	904,711
Other non current assets	11	1,130,000	1,080,000
		89,530,785	65,866,913
Current assets			
Inventories	12	8,673,128	4,347,483
Trade receivables	13	36,214,170	31,515,838
Cash and bank balances	14	4,416,356	15,712,530
Short term loans and advances	15	2,952,564	2,705,960
Other current assets	16	12,384	380,060
		52,268,602	54,661,871
TOTAL		141,799,387	120,528,784
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

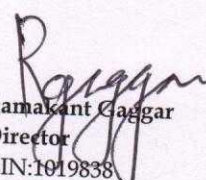
For MVK Associates
Chartered Accountants
Firm registration No. 120222W



CA. Vishnu Garg
Partner
Membership no. 045560



Mumbai
Dated: 30th May 2017

For and on behalf of the Board
Sukartik Clothing Private Limited


Ramakant Gaggar
Director
DIN:1019838


Navratan Gaggar
Director
DIN:01655621

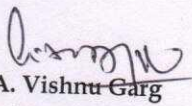
SUKARTIK CLOTHING PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March 2017

(Amount in Rs.)

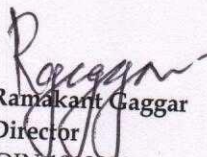
Particulars	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
Revenue from operations (gross)	17	142,821,613	143,617,887
Less: Excise duty		-	-
Revenue from operations (net)		142,821,613	143,617,887
Other income	18	656,564	956,319
Total Revenue		143,478,177	144,574,206
Expenses:			
Cost of materials consumed	19	54,375,494	58,913,038
Purchases of stock-in-Trade	20	8,205,174	9,391,275
Changes in inventories	21	132,291	(1,451,069)
Employee benefit expenses	22	7,348,142	6,759,483
Finance cost	23	416,525	138,411
Depreciation and amortisation expenses	9	5,418,356	4,323,993
Other expenses	24	53,989,067	50,567,786
Total expenses		129,885,049	128,642,917
Profit before Tax		13,593,128	15,931,289
Tax expenses			
Current tax		3,165,777	4,504,300
Deferred tax		1,189,860	623,770
MAT credit entitlement		-	-
Tax adjustment for earlier years		619,844	-
Profit for the period		4,975,481	5,128,070
Earning per equity share		8,617,647	10,803,219
Basic and Diluted	25	28.63	35.89
Significant accounting policies	1		
See accompanying notes to financial statements	2-33		

As per our attached report of even date

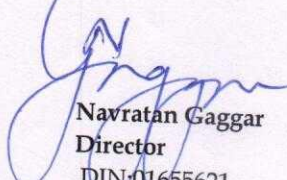
For **MVK Associates**
Chartered Accountants
Firm registration No. 120222W


CA. Vishnu Garg
Partner
Membership no. 045560




Ramakant Gaggar
Director
DIN:1019838

For and on behalf of the board
Sukartik Clothing Private Limited


Navratan Gaggar
Director
DIN:01655621

Mumbai
Dated: 30th May 2017

SUKARTIK CLOTHING PRIVATE LIMITED
Cash Flow Statement For The Year Ended 31st March, 2017

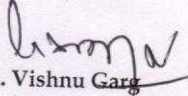
(A) CASH FLOW FROM OPERATING ACTIVITIES	For the year ended 31.03.2017	For the year ended 31.03.2016	(Amt. in Rs.)
Net Profit before Tax and Extraordinary Items	13,593,128	15,931,289	
Adjustment for			
Depreciation	5,418,356	4,323,993	
Loss on sale of Fixed Assets	-	143,574	
Investment Income / Expenses	(656,564)	(938,674)	
Interest Received	416,525	138,411	
Interest Expenses	18,771,445	19,598,593	
Operating Profit before Working Capital changes	(4,627,260)	2,889,583	
Adjustment for			
Trade and other Receivables	(4,325,645)	(731,469)	
Inventories	12,662,061	4,118,848	
Trade Payables	22,480,601	25,875,555	
Cash generated from operations	(4,456,911)	(3,259,252)	
Tax Paid	18,023,690	22,616,303	
Cash flow before Extraordinary Items	-	-	
Extraordinary Items			
NET CASH FROM OPERATING ACTIVITIES	18,023,690	22,616,303	
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(29,033,756)	(23,300,391)	
Sale of Fixed Assets	-	600,000	
Interest / Other income	656,564	938,674	
NET CASH USED IN INVESTING ACTIVITIES	(28,377,192)	(21,761,717)	
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Share Capital	-	-	
Premium on Share Capital	-	-	
Repayment of Long Term Borrowings	(527,676)	1,906,260	
Increase (decrease) in unsecured loans given	1,528	(171,528)	
Repayment of Short Term Borrowings	-	-	
Interest Paid	(416,525)	(138,411)	
NET CASH FROM FINANCING ACTIVITIES	(942,672)	1,596,321	
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(11,296,174)	2,450,907	
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	15,712,530	13,261,623	
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	4,416,356	15,712,530	

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

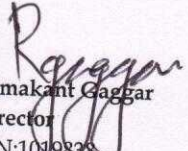
For MVK Associates
Chartered Accountants
Firm registration No. 120222W



CA. Vishnu Garg
Partner
Membership no. 045560



Mumbai
Dated: 30th May 2017

For and on behalf of the Board
Sukartik Clothing Private Limited


Ramakant Gaggar
Director
DIN:1019838


Navratan Gaggar
Director
DIN:01655621

SUKARTIK CLOTHING PRIVATE LIMITED
Notes on Financial Statements for the Year ended 31st March 2017

(Amount in Rs.)

Particulars	As at 31.03.2017		As at 31.03.2016	
Note 2: Share capital				
	Numbers	Amount(Rs.)	Numbers	Amount(Rs.)
Authorised:				
Equity Shares of Rs. 10/- each	3,10,000	31,00,000	3,10,000	31,00,000
Total		<u>31,00,000</u>		<u>31,00,000</u>
Issued, subscribed and paid-up :				
Equity Shares of Rs. 10/- each fully paid	3,01,000	30,10,000	3,01,000	30,10,000
Total		<u>30,10,000</u>		<u>30,10,000</u>
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	3,01,000	30,10,000	3,01,000	30,10,000
Issued during the reporting period	-	-	-	-
Bought back during the reporting period	-	-	-	-
Outstanding at the end of the reporting period	3,01,000	30,10,000	3,01,000	30,10,000
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	2,11,000	70.10	1,81,000	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	2,11,000	70.10	1,81,000	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	NA	NA	18,000	5.98
Note 3: Reserves and surplus				
Securities premium				
At the beginning of the year and at the end of year	5,20,90,000		5,20,90,000	
Add: Received during the year	-		-	
Closing Balance		<u>5,20,90,000</u>		<u>5,20,90,000</u>
Surplus in Statement of Profit and loss :				
Balance at the beginning of the year	2,84,87,295		1,76,84,076	
Add (less): Profit (loss) after tax for the year	86,17,647		1,08,03,219	
Closing Balance		<u>3,71,04,942</u>		<u>2,84,87,295</u>
Total		<u>8,91,94,942</u>		<u>8,05,77,295</u>
Note 4: Long - Term Borrowings				
Secured Loan				
Vehicle loan from SBP bank		18,37,919		23,65,595
Total		<u>18,37,919</u>		<u>23,65,595</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		41,73,970		29,84,110
Total		<u>41,73,970</u>		<u>29,84,110</u>



Particulars	As at 31.03.2017	As at 31.03.2016
Note 6: Trade payables		
Micro and small enterprises	-	-
Others	35,934,949	22,557,654
Total	<u>35,934,949</u>	<u>22,557,654</u>
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 2017		
Note 7: Other current liabilities		
Current maturities of a long-term debt	549,361	518,662
Statutory liabilities	399,510	134,478
Payables to Employees	2,950,869	3,250,608
Salary Payable to related party	71,345	701,929
Advance from Customers	291,871	355,737
Accrued expenses	859,142	959,829
Other Payables	312,000	228,089
Total	<u>5,434,098</u>	<u>6,149,332</u>
Note 8: Short term provisions		
Provision for taxation (net of taxes paid)	2,213,509	2,884,799
Total	<u>2,213,509</u>	<u>2,884,799</u>
Note 10: Long term loans and advances		
Unsecured, considered good Security deposits	903,183	904,711
Total	<u>903,183</u>	<u>904,711</u>
Note 11: Other Non-current Assets		
Deposits / Investment in CETP Project	1,130,000	1,080,000
Total	<u>1,130,000</u>	<u>1,080,000</u>
Note 12: Inventories		
Raw materials	6,369,952	1,917,676
Finished goods	376,792	329,040
Stock in trade	1,616,807	1,796,850
Consumables	309,577	303,917
Total	<u>8,673,128</u>	<u>4,347,483</u>
Details of Raw Materials:		
Yarn	3,422,943	1,074,951
Dyes & Cemicsals	2,947,009	842,725
	<u>6,369,952</u>	<u>1,917,676</u>
Details of Finished goods:		
Garments	376,792	329,040
Details of Stock in trade:		
Fabric	1,616,807	1,796,850



Particulars	As at 31.03.2017	As at 31.03.2016
Note 13: Trade receivables		
Unsecured, considered good		
Debts outstanding for a period exceeding six months from the date they are due for payments	5,256,199	2,017,427
Other debts	30,957,971	29,498,411
Total	<u>36,214,170</u>	<u>31,515,838</u>

Note 14: Cash and bank balances		
Cash and cash equivalents:		
Balances with banks		
In a Current account		
Cash in hand (Refer SBN's Note)	2,960,653	3,698,395
Other bank balances:	76,816	537,293
Fixed deposits with banks with maturity period more than 3 months but upto 12 months.	1,378,887	11,476,842
(FDR of Rs.6,00,000 under Lien for Bank Guarantees)		
Total	<u>4,416,356</u>	<u>15,712,530</u>

Disclosure on Specified Bank Notes (SBN's) :

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, denomination wise SBNs and other notes as per the notification is given below :

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in Hand as on 08.11.2016	946,500	349,641	1,296,141
Add: Permitted Receipts	-	-	-
Add: Amount withdrawn from Banks	-	487,241	487,241
Less: Permitted Payments	28,500	716,961	745,461
Less: Amount deposited in Banks	918,000	-	918,000
Closing cash in Hand as on 30.12.2016	-	119,921	119,921

Note 15: Short term loans and advances

Unsecured, considered good		
Prepaid expenses		
Advance to suppliers	369,579	298,662
Advance to employees	700,307	390,078
Other Receivables	63,440	54,000
Vat credit receivable	15,056	-
Loans to Others	1,804,182	1,963,220
- To related party		
- to others		
Total	<u>2,952,564</u>	<u>2,705,960</u>

Note 16: Other current assets

Interest Accrued on fixed deposits	12,384	346,878
Interest Accrued on security deposit	-	33,182
Interest Receivable	-	-
Total	<u>12,384</u>	<u>380,060</u>



SUKARTIK CLOTHING PRIVATE LIMITED
Notes on Financial Statements for the Year ended 31st March 2017

(Amount in Rs.)

Particulars	For the year ended 31.03.2017		For the year ended 31.03.2016	
Note 17: Revenue from operations				
Sale of Products				
Garments				
Local	95,935,499		94,390,346	
Export	895,872	96,831,371	188,963	94,579,309
Dyes & Chemicals		-		-
Sale of services-Job work charges		45,990,242		49,038,578
Less: Excise duty		-		-
Total		<u>142,821,613</u>		<u>143,617,887</u>
Note 18: Other income				
Interest				
on fixed deposits		609,565		905,492
on security deposits		46,999		33,182
on Income Tax Refund		-		-
on loan		-		-
Export Incentive		-		-
Miscellaneous income		-		17,634
Total		<u>656,564</u>		<u>11</u> <u>956,319</u>
Note 19: Cost of materials consumed				
Opening stocks:				
Raw material				
Yarn	1,074,951		659,431	
Dyes & Chemicals	842,725		1,954,466	
Add : Cost of purchases		1,917,676		2,613,897
Raw materials				
Yarn	24,472,001		23,655,119	
Dyes & Chemicals	34,355,769		34,561,698	
Less: Closing stock		58,827,770		58,216,817
Raw material				
Yarn	3,422,943		1,074,951	
Dyes & Chemicals	2,947,009		842,725	
Total		<u>6,369,952</u>		<u>1,917,676</u> <u>54,375,494</u>
Note 20: Purchases of stock-in-Trade				
Fabrics		<u>8,205,174</u>		<u>9,391,275</u>
		<u>8,205,174</u>		<u>9,391,275</u>
Note 21: Changes in inventories				
Opening stocks:				
Finished goods		329,040		487,906
Stock in trade		1,796,850		186,915
Work in progress		-		-
Closing stocks:				
Finished goods		376,792		329,040
Stock in trade		1,616,807		1,796,850
Work in progress		-		-
Add/(Less): Variation in excise duty on opening and closing stock of finished goods		-		-
Total		<u>132,291</u>		<u>(1,451,069)</u>



SUKARTIK CLOTHING PRIVATE LIMITED
Notes on Financial Statements for the Year ended 31st March 2017

(Amount in Rs.)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016	
Note 22: Employee benefit expenses			
Salaries and Wages			
To Directors' Relatives		300,000	
To others	495,770		
Contribution to Provident Fund and other funds	5,390,316	5,421,371	
Staff Welfare Expenses	924,889	424,292	
	537,167	613,820	
Total	<u>7,348,142</u>	<u>6,759,483</u>	
Note 23: Finance cost			
Interest on loan			
Bill Discounting Interest	265,518	138,000	
Interest (Others)	150,557	-	
	450	411	
Total	<u>416,525</u>	<u>138,411</u>	
Note 24: Other expenses			
Manufacturing Expenses			
Job Charges	19,181,750		
Power and Fuel	11,700,315	15,805,234	
Freight & Cartage Inwards	250,778	11,740,640	
Dyeing Charges	47,107	250,617	
Packing Expenses	19,000	72,718	
Duties & Taxes (VAT)	128,290	562,495	
Fabrication Charges	975,036	-	
Husk and Ash Lifting Charges	266,245	567,649	
Stores and Spares Consumed*	12,565,593	233,105	
Insurance	237,377	14,157,663	
Repairs & Maintenance(Machinery)	3,120,765	210,811	
	<u>48,492,256</u>	<u>2,350,865</u>	
Administration and other expenses			
Brokerage and Commission	14,268		
Communication Expenses	306,401	-	
Compliance Expenses	194,923	198,205	
Legal and Professional Charges	169,500	-	
Auditors' remuneration (refer note 27)	115,000	26,500	
Bank Commission / Charges	40,010	116,140	
Membership and Subscription	98,831	41,721	
Miscellaneous Expenses	1,114,893	120,758	
Sale Promotion Expenses	-	971,658	
Festival Expenses	129,400	16,100	
Printing and Stationery	144,544	296,620	
Repairs & Maintenance	557,751	197,094	
Directors Remuneration	820,000	383,499	
Loss On Sale Of Fixed Asset	-	600,000	
	<u>5,482,476</u>	<u>4,551,618</u>	
Selling and Distribution Expenses			
Travelling and Conveyance	1,687,396	1,372,584	
Advertisement	89,559	67,165	
	<u>5,482,476</u>	<u>4,551,618</u>	
Net foreign exchange loss(gain)	14,335	64,371	
Total	<u>53,989,067</u>	<u>50,567,786</u>	
* Stores and spares consumed includes Imported Material of Rs.1,44,930/-			
Note 25: Earning per equity share			
Particulars	Unit	2016-2017	2015-2016
Net profit(loss) after tax	Rs.	8,617,647	10,803,219
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.	28.63	35.89



SUKARTIK CLOTHING PRIVATE LIMITED
Notes on Financial Statements for the Year ended 31st March 2017

(Amount in Rs.)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016	
Note 26: Contingent liabilities (to the extent not provided for)			
	As at 31.03.2017	As at 31.03.2016	
Undertakings given by the company under EPCG Scheme, pending fulfillment of export obligation	1,143,839	1,143,839	
Note 27: Payment to Auditors			
	2016-2017	2015-2016	
Statutory audit under the Companies Act 2013	57,500	57,250	
Tax Audit under the Income Tax Act 1961	34,500	34,350	
Taxation matters	23,000	22,900	
Last Year service tax Difference	-	1,640	
	115,000	116,140	
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:			
	2016-2017	2015-2016	
Repairs & Maintenance	265,081	772,415	
Laptop	121,220	-	
Plant & Machinery	-	9,040,200	
Note 30: Earnings in Foreign Exchange:			
	2016-2017	2015-2016	
FOB value of Exports	895,872	188,963	
Tour Expense	16,605	-	
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			
a) <u>Holding Company</u>			
Garnet International Limited			
b) <u>Directors</u>			
Ramakant Gaggar			
Navratan Gaggar			
Rathi Premprakesh Sharad			
c) <u>Company in which directors have significant influence/control</u>			
Alaukik Mines & Power Pvt. Ltd.			
Bhutta Investment Private Ltd.			
d) <u>Relatives of KMP</u>			
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	
	2016-2017	2015-2016	
		31.03.2017	
		31.03.2016	
Current assets			
<u>Short term loans and advances</u>			
Intercorporate loans			
Alaukik Mines & Power Pvt. Ltd.	24,500,000	-	-
Bhutta Investment Private Ltd.	-	(2,500,000)	-
Indirect Expenses			
Salary	495,770	263,940	NA
Directors Remuneration	820,000	600,000	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 2017

(Amount in Rs.)

Particulars

For the year ended 31.03.2017

For the year ended 31.03.2016

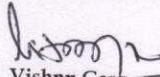
Note 32 : No provision has been made for accrued liability in respect of gratuity payable to employees, as the Company is in the process of taking actuarial valuation certificate for present value of future liabilities.

Note 33: Figures for the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary.

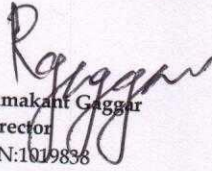
As per our attached report of even date

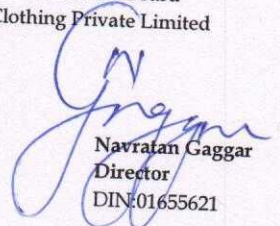
For MVK Associates
Chartered Accountants
Firm registration No. 120222W

For and on behalf of the Board
Sukartik Clothing Private Limited


CA. Vishnu Garg
Partner
Membership no. 045560




Ramakant Gaggar
Director
DIN:1019838


Navratan Gaggar
Director
DIN:01655621

Mumbai
Dated: 30th May 2017

SL ARTIK CLOTHING PRIVATE LIMITED

Notes on Financial Statements for the Year ended 31st March 2017

PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As at 01.04.2016	Addition during the year	Sold / Transfer during the year	As at 31.03.2017	Total up to 01.04.2016	Provided for the year	Written back during the year	Total up to 31.03.2017	Total as at 31.03.2017	Total as at 31.03.2016
Tangible assets										
Land	4,350,600	-	-	4,350,600	-	-	-	-	4,350,600	4,350,600
Office Premises	1,042,601	-	-	1,042,601	225,424	35,529	-	260,953	781,648	817,177
Factory Building	12,018,965	5,272,237	-	17,291,202	1,651,211	436,176	-	2,087,387	15,203,815	10,367,754
Plant And Machinery	58,256,757	21,772,284	-	80,029,041	15,865,199	3,636,117	-	19,501,316	60,527,725	42,391,558
Furniture And Fixtures	1,665,817	496,053	-	2,161,870	389,762	194,353	-	584,115	1,577,755	1,276,055
Computers	375,683	158,670	-	534,353	330,173	61,117	-	391,290	143,063	45,510
Vehicles	5,391,292	-	-	5,391,292	1,218,402	715,864	-	1,934,266	3,457,026	4,172,890
Office Equipments	1,429,509	1,334,512	-	2,764,021	968,851	339,200	-	1,308,051	1,455,970	460,658
Intangible assets										
Computer Software	50,000	-	-	50,000	50,000	-	-	50,000	-	-
Total as at 31.03.2017	84,581,224	29,033,756	-	113,614,980	20,699,022	5,418,356	-	26,117,378	87,497,602	63,882,202

