

## **INDEPENDENT AUDITOR'S REPORT**

TO,

**THE MEMBERS OF MILAN GINNING PRESSING PRIVATE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **MILAN GINNING PRESSING PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at **31/03/2016**, the Statement of Profit and Loss, **the cash flow statement** for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

### **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, and the Rules made thereunder including accounting standards and matters which are required to be included in the audit report.



We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. 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.

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. 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.

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 31/03/2016, and its Profit and its cash flows for the year ended on that date.

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

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

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 aforesaid 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 AS 22).
- (e) On the basis of the written representations received from the directors as on 31/03/2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31/03/2016 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 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 did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : SURENDRANAGAR  
Date : 30/05/2016

FOR K. C. Parikh & Associates  
(Chartered Accountants)  
Reg No. : 107550W



A handwritten signature in dark ink, appearing to read "Kishor C. Parikh".

CA Kishor C. Parikh  
(Partner)  
Membership No : 038060

## **Annexure A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that :

### **(1) In Respect of Fixed Assets**

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

### **(2) In Respect of Inventories**

Physical verification of inventory has been conducted at reasonable intervals by the management.

### **(3) Compliance under section 189 of The Companies Act, 2013**

The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.

- (a) In our opinion and according to the information and explanations given to us. The rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest to the company.
- (b) The loans granted are re-payable on demand. As informed, the company has not demanded repayment of any such loan during the year, thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (c) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the companies Act, 2013.

### **(4) Compliance under section 185 and 186 of The Companies Act , 2013**

Not Applicable.

### **(5) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed thereunder while accepting Deposits**

In our opinion and according to the information and explanation given to us the company has complied with the provisions of section 73 to 76 or any other relevant provisions of the companies Act, 2013 and companies (Acceptance of deposits) Rules 2014 with regard to deposits from the public. No order has been passed by Company Law Board or national company law tribunal or Reserve Bank of India or any court or any other tribunal in this regard.



**(6) Maintenance of cost records**

The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

**(7) Deposit of Statutory Dues**

(a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.

(b) There is no dispute with the revenue authorities regarding any duty or tax payable.

**(8) Repayment of Loans and Borrowings**

The company has not defaulted in repayment of dues to financial institution, bank or debenture holders.

**(9) Utilization of Money Raised by Public Offers and Term Loan For which they Raised**

The Company has not applied term loans for the purposes other than for which those are raised

**(10) Reporting of Fraud During the Year**

Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.

**(11) Managerial Remuneration**

Not Applicable.

**(12) Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio**

As per information and records available with us The company is not Nidhi Company.

**(13) Related party compliance with Section 177 and 188 of companies Act - 2013**

Yes, All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

**(14) Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.





**(15) Compliance under section 192 of Companies Act - 2013**

The company has not entered into any non-cash transactions with directors or persons connected with him.

**(16) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934**

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act

Place : Ahmedabad  
Date : 30/05/2016



FOR K. C. Parikh & Associates  
(Chartered Accountants)  
Reg. No. : 107550W

A handwritten signature in black ink, appearing to read 'Kishor C. Parikh'.

CA Kishor C. Parikh  
(Partner)

Membership No : 038060

## **Annexure B to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial control over financial reporting of Milan Ginning Pressing Private Limited ('the company') as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statement of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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') and the Standards on Auditing, issued by ICAI and 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 Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal; financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention of timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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 periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

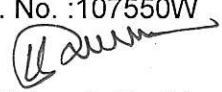
### **Opinion**

In our opinion, the Company has. In all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 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.

Place : Ahmedabad  
Date : 30/05/2016



FOR K. C. Parikh & Associates  
(Chartered Accountants)  
Reg. No. : 107550W

  
CA Kishor C. Parikh  
(Partner)  
Membership No : 038060



# MILAN GINNING PRESSING PRIVATE LIMITED

BALANCE SHEET AS AT 31<sup>st</sup> March 2016

(Amt. in Rs.)

Particulars		Note No.	2015-16	2014-15
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital		1	5,98,05,000	5,98,05,000
(b) Reserves and surplus		2	4,91,44,471	4,53,12,595
(c) Money received against share warrants			-	-
<b>2 Share application money pending allotment</b>				
<b>3 Non-current liabilities</b>				
(a) Long-term borrowings		3	1,27,41,357	19,83,80,861
(b) Deferred tax liabilities (Net)			-	-
(c) Other Long term liabilities			-	-
(d) Long-term provisions			-	-
<b>4 Current liabilities</b>				
(a) Short-term borrowings		4	22,48,26,829	-
(b) Trade payables			6,55,70,330	8,83,07,160
(c) Other current liabilities		5	2,04,29,790	5,16,69,570
(d) Short-term provisions		6	1,29,000	17,95,604
<b>TOTAL</b>			<b>43,26,46,777</b>	<b>44,52,70,790</b>
<b>II. ASSETS</b>				
<b>Non-current assets</b>				
<b>1 (a) Fixed assets</b>				
(i) Tangible assets		7	1,58,04,905	1,88,04,343
(ii) Intangible assets			1,58,04,905	1,88,04,343
(iii) Capital work-in-progress			-	-
(iv) Intangible assets under development			-	-
(b) Non-current investments		8	-	75,052
(c) Deferred tax assets (net)			-	-
(d) Long-term loans and advances		9	8,02,517	8,02,306
(e) Other non-current assets			-	-
<b>2 Current assets</b>				
(a) Current investments			-	-
(b) Inventories		10	19,88,02,234	20,19,06,780
(c) Trade receivables		11	16,99,16,962	19,22,06,030
(d) Cash and cash equivalents		12	13,02,743	29,06,828
(e) Short-term loans and advances		13	37,338	1,86,23,202
(f) Other current assets		14	4,59,80,078	99,46,249
<b>TOTAL</b>			<b>43,26,46,777</b>	<b>44,52,70,790</b>
Significant Accounting Policies		21		
Notes on Financial Statements				

As per our separate Report of even Date

**FOR, K. C. Parikh & Associates**

Chartered Accountants

FRN No.: 107550W

**CA. Kishor C. Parikh**

Partner

M. No.:038060

Place : Surendranagar

Date : 30th May 2016



On Behalf of the Board of Directors

*[Signature]*

(Director)

*[Signature]*

(Director)

# MILAN GINNING PRESSING PRIVATE LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31<sup>st</sup> March 2016

(Amt. in Rs.)

Particulars	Refer Note No.	2015-16	2014-15
I. Revenue from operations	15	2,36,95,29,497	2,35,51,65,354
II. Other income		-	-
III. Total Revenue (I + II)		2,36,95,29,497	2,35,51,65,354
IV. Expenses:			
Purchases of Stock-in-Trade	16	2,26,89,70,769	2,27,66,02,027
Changes in inventories of Stock-in-Trade	17	31,04,546	(3,37,15,612)
Employee benefits expense	18	6,39,217	14,65,995
Finance costs	19	2,66,28,391	2,59,48,943
Depreciation and amortization expense	6	29,99,438	36,40,376
Other expenses	20	6,11,32,722	7,55,08,134
Total expenses		2,36,34,75,083	2,34,94,49,863
V. Profit before exceptional and extraordinary items and tax (III-IV)		60,54,414	57,15,491
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		60,54,414	57,15,491
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		60,54,414	57,15,491
X Tax expense:			
(1) Current tax		22,22,538	19,93,863
(2) Deferred tax		-	-
XI Profit (Loss) for the period from continuing operations (VII-VIII)		38,31,876	37,21,628
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		38,31,876	37,21,628
XVI Earnings per equity share:			
(1) Basic		0.64	0.62
(2) Diluted		0.64	0.62
Significant Accounting Policies	20		
Notes on Financial Statements			

As per our separate Report of even Date

On Behalf of the Board of Directors

FOR, K. C. Parikh & Associates

Chartered Accountants

FRN No.: 107550W

CA. Kishor C. Parikh

Partner

M. No.:038060

Place : Surendranagar

Date : 30th May 2016



(Director)

(Director)

**MILAN GINNING PRESSING PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016**

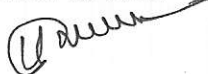
		For the year ended on 31st March, 2016	
		RUPEES	RUPEES
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit/Loss before tax and extraordinary items		3831876	
Adjustments For :			
Depreciation		2999438	
Bad Debts		0	
Interest Exp.		24309082	
Profit/Loss on Sale of Investments/assets		0	
Other Income		(913227)	
			<b>30227169</b>
Operating Profit before Working Capital Changes			
Adjustment For :			
Current Assets		(12306819)	
Current Liabilities		(53976610)	
Increase / Decrease in Net Current Assets		<b>(66283429)</b>	
			<b>(66283429)</b>
Net Cash from operating activities			<b>(36056260)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets/Ad. Against		0	
Purchase of Investmet		0	
Increase in Deposit & Advances		18585653	
Sale realisation on sale of Fixed Assests		75053	
Dividend Income Received		0	
Land Maintanance Income		0	
Rent Received		0	
Net Cash used in investing activities			<b>18660706</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Bank Borrowings		32302825	
Other Borrowongs		6884500	
Interest Income		913227	
Interest Exp.		(24309082)	
Net Cash from financing activities			<b>15791470</b>
Net increase in Cash and Cash equivalents		<b>(1604086)</b>	
Cash and Cash equivalents at beginning of the year		2906829	
Cash and Cash equivalents at close of the year		<b>1302743</b>	

As per our separate Report of even Date

**FOR, K. C. Parikh & Associates**

Chartered Accountants

FRN No.: 107550W



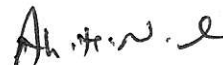
**CA. Kishor C. Parikh**

Partner


M. No.:038060



On Behalf of the Board of Directors



(Director)



(Director)

Place : Surendranagar

Date : 30th May 2016

Note 1

Share capital

(Amount in Rs.)

Share Capital	2015-16 Amount	2014-15 Amount
<b>Authorised</b>		
1 % preference shares of Rs. 10/-	-	-
50,00,000 Equity Shares of Rs. 10/- each	6,00,00,000	6,00,00,000
<b>Issued</b>		
___% preference shares of ___ each	-	-
40,00,300 Equity Shares of Rs. 10/- each	5,98,05,000	5,98,05,000
<b>Subscribed &amp; Paid up</b>		
___% preference shares of ___ each	-	-
40,00,300 Equity Shares of Rs. 10/- each fully paid	5,98,05,000	5,98,05,000
<b>Forfeited Shares (Amount Originally Paid up)</b>	-	-
<b>Subscribed but not fully Paid up</b>	Nil	Nil
<b>Total</b>	<b>5,98,05,000</b>	<b>5,98,05,000</b>

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

(Amount in Rs.)

Particulars	2015-16		2014-15	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	5,98,050	59,80,500	5,98,050	59,80,500
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares Forfeited during the year	-	-	-	-
Shares outstanding at the end of the year	5,98,050	59,80,500	5,98,050	59,80,500

Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	2015-16		2014-15	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
HUSENALI YUSUFALI NARSINH	19,55,392	326.96	19,55,392	32.70
YUSUFALI KHUSALBHAI NARSINH	5,50,100	91.98	5,50,100	9.20
MINAJBAN HUSENALI NARSINH	11,00,001	183.93	11,00,001	18.39
MOHAMMADALI HUSENALI NARSINH	18,75,001	313.52	18,75,001	31.35
MOHAMEDHASANAIN HUSENALI NARSINH	5,00,001	83.61	5,00,001	8.36

Shares issued for other than cash, Bonus issue and Shares bought back during last 5 years , NIL

Unpaid Calls, NIL (Previous Year Rs.. Nil)

Forfeited shares - Nil Shares for Rs. Nil. (Previous Year Rs. Nil.)

Note 2

Reserves and surplus

(Amount in Rs.)

	2015-16	2014-15
<b>a. Other Reserves</b>		
Share Premium	3,42,45,000	3,42,45,000
	<b>3,42,45,000</b>	<b>3,42,45,000</b>
<b>b. Surplus</b>		
Opening balance	1,10,67,595	73,45,969
(+) Net Profit/(Net Loss) For the current year	38,31,876	37,21,626
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<b>1,48,99,471</b>	<b>1,10,67,595</b>
<b>Total</b>	<b>4,91,44,471</b>	<b>4,53,12,595</b>



**Note 3****Long Term Borrowings**

(Amount in Rs.)

	2015-16	2014-15
<b>Secured</b>		
State Bank of India - Limbdi (Secured By Plant & Machinery)	-	50,33,277
State Bank of India - Wadhwan (Secured By Plant & Machinery)	-	18,34,67,582
State Bank of India - TL	31,42,112	71,65,257
(of the above, ₹ NIL is guaranteed by Directors and / or others)		
	31,42,112	19,56,66,116.00
<b>Unsecured</b>		
(a) Loans and advances from related parties (of the above, NIL/- is guaranteed by Directors)	95,99,245	27,14,745
	95,99,245	27,14,745
<b>Total</b>	1,27,41,357	19,83,80,861

**Note 4****Short Term Borrowings**

(Amount in Rs.)

	2015-16	2014-15
<b>Secured</b>		
State Bank of India - Limbdi (Secured By Plant & Machinery)	50,47,829	-
State Bank of India - Wadhwan (Secured By Plant & Machinery)	17,91,95,768	-
State Bank of India - Limbdi (Foreign Bill Discount)	2,37,19,481	-
State Bank of India - Wadhwan (Foreign Bill Discount)	1,48,63,751	-
State Bank of India - TL	20,00,000	-
<b>Total</b>	22,48,26,829	-

**Note 5****Other Current Liabilities**

(Amount in Rs.)

	2015-16	2014-15
(a) TDS Payable	12,04,237	13,28,198
(b) Income Tax Payable	10,560	10,560
(c) Advance from Customers	1,92,14,993	5,03,30,812
<b>Total</b>	2,04,29,790	5,16,69,570

**Note 6****Short Term Provisions**

(Amount in Rs.)

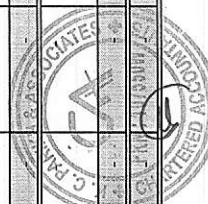
	2015-16	2014-15
(a) Others (Specify nature)		
Provision for VAT Audit fees	40,000	20,000
Provision for Audit Fees	89,000	20,000
Provision for Income Tax	-	17,55,604
<b>Total</b>	1,29,000	17,95,604





**Note 7**

	Fixed Assets	Gross Block						Accumulated Depreciation				Net Block	
		Balance as at 1st April 2015	Additions	(Disposals / Deductions)	Acquired through business combinations	Revaluations / (Impairments)	Balance as at 31st March 2016	Balance as at 1st April 2015	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 1st April 2015	Balance as at 31st March 2016
<b>a</b>	<b>Tangible Assets</b>												
	Land	84,548	-	-	-	-	84,548	-	-	-	-	84,548	84,548
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-	-
	Office Buildings	84,59,773	-	-	-	-	84,59,773	40,25,606	4,01,296	-	-	44,34,167	40,32,871
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-	-
	Factory Buildings	-	-	-	-	-	-	-	-	-	-	-	-
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-	-
	Plant and Equipment	2,31,60,752	-	-	-	-	2,31,60,752	91,60,031	25,08,643	-	-	1,40,00,721	1,14,92,078
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-	-
	Furniture and Fixtures	56,238	-	-	-	-	56,238	41,670	5,588	-	-	14,568	8,980
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-	-
	Vehicles	-	-	-	-	-	-	-	-	-	-	-	-
	Electric Installation	6,90,243	-	-	-	-	6,90,243	4,22,984	83,911	-	-	2,67,259	1,83,348
	Office equipment	57,399	-	-	-	-	57,399	54,530	-	-	-	2,869	2,869
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-	-
	Computers	4,229	-	-	-	-	4,229	4,018	-	-	-	211	211
	Others (specify nature)	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>3,25,13,182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,25,13,182</b>	<b>1,37,08,839</b>	<b>29,99,438</b>	<b>-</b>	<b>-</b>	<b>1,88,04,343</b>	<b>1,58,04,905</b>
<b>b</b>	<b>Intangible Assets</b>												
	Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
	Brands /trademarks	-	-	-	-	-	-	-	-	-	-	-	-
	Computer software	-	-	-	-	-	-	-	-	-	-	-	-
	Computer software (for cylinders)	-	-	-	-	-	-	-	-	-	-	-	-
	Mastheads and publishing titles	-	-	-	-	-	-	-	-	-	-	-	-
	Mining rights	-	-	-	-	-	-	-	-	-	-	-	-
	Copyrights, and patents and other intellectual property rights, services and operating rights	-	-	-	-	-	-	-	-	-	-	-	-
	Recipes, formulae, models, designs and prototypes	-	-	-	-	-	-	-	-	-	-	-	-
	Licenses and franchise	-	-	-	-	-	-	-	-	-	-	-	-
	Others (specify nature)	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c</b>	<b>Capital Work In Progress</b>												
		-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>d</b>	<b>Intangible assets under Development</b>												
		-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>3,25,13,182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,25,13,182</b>	<b>1,37,08,839</b>	<b>29,99,438</b>	<b>-</b>	<b>-</b>	<b>1,88,04,343</b>	<b>1,58,04,905</b>
	<b>Previous Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Note 8****Non-current investments**

(Amount in Rs.)

Particulars	2015-16	2014-15
<b>Other Investments</b>		
Investment in equity instruments	-	75,052
<b>Total</b>	-	75,052
Less : Provision for diminution in the value of Investments	-	-
<b>Total</b>	-	75,052

(Amount in Rs.)

Particulars	2015-16	2014-15
Aggregate amount of quoted investments (Market value of Nos. of )	-	-
Aggregate amount of unquoted investments	-	75,052

**Note 9****Long Term Loans and Advances**

(Amount in Rs.)

	2015-16	2014-15
<b>a. Security Deposits</b>		
Secured, considered good		
Unsecured, considered good	8,02,517	8,02,306
Doubtful		
Less: Provision for doubtful deposits		
	8,02,517	8,02,306
<b>b. Other loans and advances (specify nature)</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for _____	-	-
	8,02,517	8,02,306

**Note 10****Inventories**

(Amount in Rs.)

	2015-16	2014-15
<b>a. Finished goods (Valued at _____)</b>	19,88,02,234	20,19,06,780
Goods-in transit		
	19,88,02,234	20,19,06,780
<b>Total</b>	19,88,02,234	20,19,06,780

**Note 11****Trade Receivables**

(Amount in Rs.)

	2015-16	2014-15
<b>Trade receivables outstanding for a period less than six months from the date they are due for payment.</b>		
Secured, considered good	-	-
Unsecured, considered good	16,62,11,038	15,44,00,710
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	16,62,11,038	15,44,00,710
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	37,05,924	3,78,05,320
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	37,05,924	3,78,05,320
<b>Total</b>	16,99,16,962	19,22,06,030

**Note 12****Cash and cash equivalents**

(Amount in Rs.)

	2015-16	2014-15
<b>a. Balances with banks*</b>	8,51,181	24,579
This includes:		
Current Accounts	8,51,181	24,579
<b>b. Cheques, drafts on hand</b>	-	-
<b>c. Cash on hand*</b>	4,51,562	28,82,250
<b>d. Fixed Deposit (Pledge with Bank for Gurantee)</b>	-	-
	13,02,743	29,06,829

\*Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.

**Note 13**

**Short-term loans and advances**

(Amount in Rs.)

	2015-16		2014-15	
<b>a. Loans and advances to related parties</b>				
Secured, considered good	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful loans and advances				
<b>b. Others (specify nature)</b>				
Secured, considered good				
Unsecured, considered good			1,63,33,802	
Advance to Supplier	37,338		22,89,400	
Doubtful	-		-	
Less: Provision for _____	-		-	
		37,338		1,86,23,202
		37,338		1,86,23,202

**Note 14**

**Other Current Assets**

(Amount in Rs.)

Particulars	2015-16		2014-15	
Prepaid Income Tax / Advance Tax / T.D.S./VAT (Net of Provisions, if any)	4,59,80,078		99,46,249	
		4,59,80,078		99,46,249
		4,59,80,078		99,46,249



**Note 15****Revenue from operations****(Amount in Rs.)**

Particulars	2015-16	2014-15
Sale of products	2,34,12,12,154	2,32,94,85,101
Other operating revenues	2,83,17,343	2,56,80,253
<b>Total</b>	<b>2,36,95,29,497</b>	<b>2,35,51,65,354</b>

**Sale of Products includes:**

1. Sale of Cotton Yarns, Cotton Bales etc.	2,34,12,12,154
--	----------------

**Other Operating Income includes:**

1. Packing Charges	10,000
2. Duty drawback (1%)	99,21,552
3. Ginning Income	66,58,443
3. Interest Income	9,13,227
4. Pressing Income	29,38,200
5. Service Tax Refund	18,34,214
6. Cash Discount	60,41,583
7. VAT	124

**Note 16****Purchases of Stock-in-Trade****(Amount in Rs.)**

Particulars	2015-16	2014-15
Purchases of Stock-in-Trade	2,26,89,70,769	2,27,66,02,027
<b>Total</b>	<b>2,26,89,70,769</b>	<b>2,27,66,02,027</b>

**Note 17****Changes in inventories of finished goods work-in-progress and Stock-in-Trade****(Amount in Rs.)**

Particulars	2015-16	2014-15
<b>Opening Stock :</b>		
Raw Material	12,09,66,190	8,46,35,715
Packing Material	6,50,000	10,50,000
Finished Goods		
Traded Items	8,02,90,590	8,25,05,453
<b>Closing Stock :</b>		
Raw Material	16,64,77,828	12,09,66,190
Packing Material	7,05,000	6,50,000
Finished Goods	-	-
Traded Items	3,16,19,406	8,02,90,590
Add/(Less): Excise Duty adjustment on Finished Goods	-	-
<b>Total</b>	<b>31,04,546</b>	<b>(3,37,15,612)</b>

**Note 18****Employee Benefits Expense****(Amount in Rs.)**

	2015-16	2014-15
(a) Salaries and incentives	5,56,600	12,88,340
(b) Staff welfare expenses	-	1,00,300
(c) Provident Fund	82,617	77,355
<b>Total</b>	<b>6,39,217</b>	<b>14,65,995</b>

**Note 19****Finance costs****(Amount in Rs.)**

Particulars	2015-16	2014-15
Interest expense	2,43,09,082	2,42,92,996
Bank Charges etc.	23,19,309	16,55,947
<b>Total</b>	<b>2,66,28,391</b>	<b>2,59,48,943</b>

**Note 20****Other expenses****(Amount in Rs.)**

Particulars	2015-16	2014-15
FOB / CIF Export Expenses	2,99,20,825	4,74,80,703
Transportation Expenses	97,94,419	1,06,17,051
Other Expenses	2,12,25,733	1,73,44,380
Payment to Auditors	1,91,745	66,000
<b>Total</b>	<b>6,11,32,722</b>	<b>7,55,08,134</b>

## Note 21: SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION:

The Financial Statements have been prepared in accordance with historical cost convention, the accounting principles generally accepted in India including the applicable Accounting Standards specified u/s 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013.

The preparation of financial statements require the management to make estimates and assumptions in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

All assets and liabilities have been classified as current or non-current as per criteria set out in the Schedule III to the Companies Act, 2013.

2. SYSTEM OF ACCOUNTING:

The Company has adopted accrual concept in the preparation of the accounts. The Balance Sheet and Statement of Profit or Loss of the Company are prepared in accordance with the provisions contained in the Companies Act, 2013 read with Schedule III thereto.

3. INVESTMENTS:

There are no Investments.

4. TANGIBLE ASSETS:

TANGIBLE Assets are carried at cost inclusive of legal and/or installation expenses.

DEPRECIATION

Depreciation is provided on all assets on a pro-rata basis on the "Written down Value method" over the useful lives and in the manner prescribed under Schedule II to the Companies Act, 2013.

5. LOANS AND ADVANCES:

There are no any Loans & Advances.

6. RETIREMENT BENEFITS:

The management of the company has decided to provide for Gratuity liability on cash basis, since the company has got limited number of employees and its impact on profitability of the company shall not be material.

7. CONTINGENT LIABILITIES:

There are no Contingent liabilities.

8. Related Party Disclosure

a. List of Related Party for the year ended on 31<sup>st</sup> March 2016:

Name of Related Party	Nature of Relation
Mr. Mohmmadali Husenali Narsinh	Managing Director
Mr. Husenali Yusufali Narsinh	Director
Mrs. Meenazbanu Husenali Narsinh	Director
Mr. Mohmmadhasnain Husenali Narsinh	Director
Mr. Yusufali Khusalbhai Narsinh	Director
Basiraben Yusufbhai	Relative of Director





Masumaben Khusalbhai	Relative of Director
Bharat Ginning Factory	Sister Concern Properitorship firm of Husenali Yusufali Narsinh
K.R. Solvent	Sister Concern Partnership Firm where all directors are Same except Yusufali Khusalbhai Narsinh
Bharat Industries	Sister Concern Properitorship Firm of Meenazbanu Husenali Narsinh
M.A.H &Co.	Sister Concern Properitorship Firm of Mohhmadali Husenali Narsinh
Sustainable Spinning & Commodities Pvt Ltd	Sister Concern Company where all director are directors are same except Yusufali Khusalbhai Narsinh

b. Details of Related Party Transactions during the year ended on 31<sup>st</sup> March 2016:

Type of Transactions	Name of Related Party	Nature of Relation	Key Management Personnel	Amount in Rs.
Purchases	Sustainable spinning and commodities (p) ltd.	Sister Concern Company where all director are directors are same except Yusufali Khusalbhai Narsinh	Sustainable spinning and commodities (p) ltd.	66,10,84,303
Purchases	K R Solvent	Sister Concern Company where all director are directors are same except Yusufali Khusalbhai Narsinh	K R Solvent	26,94,21,495

As per our separate Report of even Date  
Directors

FOR, K. C. Parikh & Associates  
Chartered Accountants  
FRN No.: 107550W

CA. Kishor C. Parikh  
Partner  
M. No.:038060  
Place : Surendranagar  
Date : 30th May 2016



On Behalf of the Board of

*[Signature]*  
(Director)

*[Signature]*  
(Director)