

**AUDIT REPORT
FOR THE YEAR 2014-15**

**M/S GUPTA FABTEX PVT LTD
JAIPUR**

Auditors:
KALANI & COMPANY
CHARTERED ACCOUNTANTS
5TH FLOOR, MILESTONE BUILDING
GANDHI NAGAR CROSSING
TONK ROAD, JAIPUR -302015



INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Gupta Fabtex Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Gupta Fabtex Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Profit and Loss Statement and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 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, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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.

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 March 2015 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to certain exceptional items having net impact of Rs. 43,12,580/- (income) as disclosed in Profit & Loss Statement. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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, profit and loss statement and cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



KALANI & CO.
CHARTERED ACCOUNTANTS

- e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) 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 - Refer Note 2.28 to the financial statements.
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Kalani & Company**
Chartered Accountants
FRN - 000722C

[J. P. Somani]
Partner
M. No. 076211



Place: Jaipur

Date: 25 JUN 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph (1) of 'Report on other Legal and Regulatory Requirements' of our Independent Auditors' Report of even date to the members of the Gupta Fabtex Private Limited, Jaipur on the Financial statements for the year ended on 31 March 2015, we report that:

- (i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (ii)
 - a) The Company is a manufacturing company, primarily Manufacturing Garments, bed sheets and made-ups, and the management has carried out physical verification of stock at regular interval.
 - b) The procedures and methods used for carrying out the Physical verification of the stock are appropriate and commensurate to the quantum of stock.
 - c) The company is maintaining proper records of the inventory. The discrepancies noticed by the management on verification between the physical stock and the book records were not material.
- (iii) The Company has not granted unsecured loan to party covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') hence reporting under (iii)(a) and (iii)(b) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits, hence reporting under this clause is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the goods manufactured by the Company, hence reporting under this clause is not applicable.
- (vii)
 - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.



- b) According to the information and explanations given to us, there are no unpaid dues of Income tax, Sales tax, Customs duty, Wealth tax, Excise duty, service tax & cess under dispute except as stated under:-

S. No.	Name of Statute	Nature of dues	Forum where dispute is pending	Demand (In Rs.)	Amount deposited (under Protest) (in Rs.)
1	Income Tax Act, 1961	Income Tax Demand (TDS) for A.Y. 2011-12	ITAT Jaipur	1,70,750	1,70,750
2	Income Tax Act, 1961	Income Tax Demand (TDS) for A.Y. 2012-13	ITAT Jaipur	71,162	71,162
3	Income Tax Act, 1961	Income Tax Demand for A.Y. 2012-13	CIT Appeals Jaipur	86,450	86,450
4	Income Tax Act, 1961	Income Tax Demand (TDS) for A.Y. 2011-12, 12-13 & 13-14 (RHICO)	CIT Appeals Jaipur	5,91,613	0*

*Out of demand of Rs. 5,91,613/-, amount Rs. 3,91,613/- paid on 18.06.2015

- c) According to the information and explanations given to us no amounts were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- (viii) The Company does not have any accumulated losses at the end of the financial year. Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.



Place: Jaipur
Date: 25 JUN 2015

For Kalani & Company
Chartered Accountants
FRN - 000722C

[J. P. Somani]
Partner
M. No. 076211

GUPTA FABTEX PRIVATE LIMITED
JAIPUR
CIN: U17124RJ1996PTC011522

BALANCE SHEET AS AT 31st MARCH 2015

(Amount in `)

Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2.1	20,500,000	20,500,000
(b) Reserves and surplus	2.2	50,753,480	39,591,586
(2) Non-current liabilities			
(a) Long-term borrowings	2.3	18,570,097	16,968,039
(b) Deferred tax liabilities (Net)	2.4	2,391,990	949,223
(c) Long-term provisions	2.5	5,443,713	-
(3) Current liabilities			
(a) Short-term borrowings	2.6	204,856,570	187,099,279
(b) Trade payables	2.7	136,550,007	136,133,994
(c) Other current liabilities	2.8	45,209,843	39,567,788
(d) Short-term provisions	2.9	2,949,168	503,642
TOTAL		487,224,868	441,313,551
II ASSETS			
Non-current assets			
(1) (a) Fixed assets	2.10		
(i) Tangible assets		57,235,178	54,186,321
(ii) Intangible assets		38,400	-
(b) Non-current investments	2.11	15,140	15,140
(c) Long-term loans and advances	2.12	2,067,868	1,871,568
(2) Current assets			
(a) Current Investment	2.13	-	49,387
(b) Inventories	2.14	254,677,388	240,708,781
(c) Trade receivables	2.15	156,743,527	107,749,546
(d) Cash and bank balances	2.16	5,167,400	28,760,805
(e) Short-term loans and advances	2.17	5,221,416	6,701,518
(f) Other current assets	2.18	6,058,551	1,270,485
TOTAL		487,224,868	441,313,551
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS	1 to 2		

For GUPTA FABTEX PRIVATE LIMITED


IN TERMS OF OUR AUDIT REPORT OF EVEN DATE

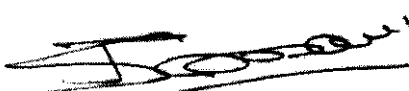
For KALANI & COMPANY

Chartered Accountants

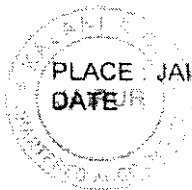
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[HARISH KUMAR GUPTA]
 [M. DIRECTOR]
 DIN: 01323944


[PAWAN KUMAR GUPTA]
 [DIRECTOR]
 DIN: 01543446



[J. P. SOMANI]
 Partner
 M. No. 76211



PLACE JAIPUR
 DATE

25 JUN 2015

GUPTA FABTEX PRIVATE LIMITED
JAIPUR
CIN: U17124RJ1996PTC011522

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31st MARCH 2015

Particulars	Note No.	Amount in	
		For the Year ended 31st March 2015	For the Year ended 31st March 2014
I Revenue From Operations			
-From sale of products	2.19	779,598,790	831,392,725
Less: Excise duty		354,856	312,531
-Other operating revenues		9,554,482	4,110,787
Net Revenue from Operations		788,798,415	835,190,981
II Other income	2.20	1,099,449	2,382,825
III. Total Revenue (I + II)		789,897,865	837,573,806
IV Expenses:			
Cost of materials consumed	2.21	450,016,772	413,630,591
Direct manufacturing expenses	2.22	295,746,663	293,187,423
Changes in inventories of finished goods and Work-in-progress	2.23	(62,112,069)	12,323,375
Employee benefits expense	2.24	19,657,903	15,758,277
Finance costs	2.25	32,290,058	35,677,555
Depreciation and amortization expense	2.10	5,999,571	7,304,198
Other expenses (Administrative & Selling Expenses)	2.26	35,206,457	44,749,081
Total expenses (IV)		776,805,356	822,610,480
V Profit Before Exceptional & Extraordinary items and tax (III - IV)		13,092,509	14,963,326
VI Exceptional Items			
Withdrawal/ (Transfer) from/to Capital Reserve	2.2	191,369	(108,177)
Loss on sale of powerloom	2.10	6,848,063	-
Depreciation adjustment due to change in accounting policy	2.10	(16,832,716)	-
Gratuity expense (prior period till 31-03-2014)	2.24	5,480,714	-
Total Exceptional Item (VI)		(4,312,580)	(108,177)
VII Profit before Extraordinary items and tax (V - VI)		17,405,089	15,071,503
VIII Extraordinary Item			
Loss due to Theft		-	(3,821,334)
Total Extraordinary item (VIII)			(3,821,334)
IX Profit before Tax (VII - VIII)		17,405,089	11,250,169
X Tax expense:			
(1) Current Year Tax		4,350,000	4,030,000
(2) Earlier Year Tax		179,723	(36,527)
(3) Deferred tax		1,592,684	(283,069)
Total Tax expense (X)		6,122,407	3,710,404
XI PROFIT FOR THE YEAR (IX - X)		11,282,682	7,539,765
XII EARNINGS PER SHARE			
Equity shares of par value 10/- each	2.27		
(1) Basic		5.50	3.68
(2) Diluted		5.50	3.68
Number of shares used in computing earnings per share			
(1) Basic		2,050,000	2,050,000
(2) Diluted		2,050,000	2,050,000
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS	1 to 2		

For GUPTA FABTEX PRIVATE LIMITED

[Signature]
[HARISH KUMAR GUPTA]
 (M DIRECTOR)
 DIN: 01323944

[Signature]
[PAWAN KUMAR GUPTA]
 (DIRECTOR)
 DIN: 01543446

IN TERMS OF OUR AUDIT REPORT OF EVEN DATE
 For **KALANI & COMPANY**
 Chartered Accountants
 FRN-000722C

[Signature]
[J. P. SOMANI]
 Partner
 M. No. 78211



25 JUN 2015

GUPTA FABTEX PRIVATE LIMITED
JAIPUR
CIN: U17124RJ1996PTC011522
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH-2015

(Amount in `)

PARTICULARS	CURRENT YEAR 2014-15		PREVIOUS YEAR 2013-14	
	Details	Amount	Details	Amount
(A) NET CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after Tax as per Profit & Loss Statement	11,282,682		7,539,785	
Adjusted for:				
Provision for Tax	6,122,407		3,710,404	
Depreciation	5,999,571		7,304,198	
Depreciation adjustment due to change in accounting policy	(16,832,716)		-	
Loss on sale of powerloom	6,848,063		-	
Withdrawal/ (Transfer) from/to Capital Reserve	191,359		(108,177)	
(Profit)/ Loss on Sale of Fixed Assets	-		(292,207)	
Interest Received	(580,728)		(1,923,360)	
Dividend Received	(1,514)		(757)	
Interest Paid	30,746,807		32,439,035	
Operating Profit before Working Capital Changes		43,775,931		48,666,900
Increase in inventories	(13,968,607)		(53,476,659)	
Increase in trade receivables	(48,993,981)		5,933,945	
Increase in loan & advances	1,283,802		(379,060)	
Decrease in other Current/ Non current Assets	11,341,971		1,055,893	
Decrease in current/ non-current liabilities	(10,756,609)		14,447,688	
		(61,093,424)		(32,418,194)
Cash Generated from operations		(17,317,493)		16,250,707
Income Tax Paid	(3,741,278)		(4,159,774)	
		(3,741,278)		(4,159,774)
Cash Flow From Operating Activities before Extraordinary Activities		(21,058,771)		12,090,933
Net Cash Flow From Operating Activities (A)		(21,058,771)		12,090,933
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(2,636,238)		(27,156,260)	
Sale of Fixed asset	3,072,000		68,800,000	
Dividend Received	1,514		757	
Interest Received	580,728		1,923,360	
Net Cash Flow From Investing Activities (B)		1,018,004		43,567,860
(C) NET CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds of Borrowings	43,274,820			
Repayments of Borrowings	(30,746,807)		(13,689,053)	
Interest Paid			(32,439,035)	
Net cash flow from Financing Activities (C)		12,528,013		(46,328,087)
Net Increase in cash and cash equivalent (A+B+C)		(7,512,754)		9,330,706
Cash and Cash equivalents at the beginning of the year		10,260,227		929,522
Cash and Cash equivalents at the close of the year		2,747,473		10,260,227

Note - Cash & Cash Equivalent consists of Following -

Cash On Hand
Balance With Banks
HDFC CC Limit
Investment in Mutual Fund*

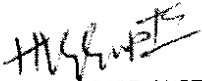
	2014-15	2013-14
Cash On Hand	402,383	368,283
Balance With Banks	2,345,090	1,872,991
HDFC CC Limit	-	7,949,567
Investment in Mutual Fund*	-	49,387
	2,747,473	10,260,227

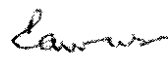
Note:

Cash flow Statements has been prepared adopting the Indirect method as prescribed under para 18 of Accounting Standard-3 (AS-3) on "Cash Flow Statement".

* Investment in Mutual Funds represents liquid funds and accordingly treated as Cash & Cash equivalents as per AS-3.


For GUPTA FABTEX PRIVATE LIMITED


[HARISH KUMAR GUPTA]
[M. DIRECTOR]
DIN: 01323944


[PAWAN KUMAR GUPTA]
[DIRECTOR]
DIN: 01543446

IN TERMS OF OUR AUDIT REPORT OF EVEN DATE
For KALANI & COMPANY

Chartered Accountants
FRN 000722C


[J. P. SOMANI]
Partner
M. No. 76211

PLACE: JAIPUR
DATE: JAIPUR

25 JUN 2015

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS

1. Significant Accounting Policies

1.1 Basis of Preparation of Financial Statement

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards (AS) as prescribed under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Use of Estimates

The presentation of financial statement is in conformity with the generally accepted accounting principles, that requires estimates and assumption to be made that effect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in which the results are known / materialized.

1.3 Valuation of Inventory : (AS-2)

The inventory is valued at lower of cost and net realizable value and cost is determined by specific identification method for raw materials and work in progress and retail method for finished goods.

1.4 Cash Flow Statement (AS-3)

Cash flow Statements has been prepared adopting the Indirect method as prescribed under para 18 of Accounting Standard-3 (AS-3) on "Cash Flow Statement".

1.5 Depreciation : (AS-6)

a) Depreciation/Amortization is provided on Straight Line method (SLM) based on the useful life as specified in Part 'C' of Schedule II of Companies Act, 2013 after retaining residual value of 5%. Intangible Asset i.e. software & patent is depreciated/amortised on Straight Line Method basis considering best estimate of its useful life of 5 years as provided in Accounting Standard 26 considering NIL residual value. Depreciation on additions/disposals during the year is provided on pro-rata basis.

b) Change in Accounting Policy during current year 2014-15:

The company has changed the method of charging depreciation from "Written Down Value method" (WDV) to "Straight Line method" (SLM) (Refer Note no. 2.10)

1.6 Revenue Recognition :- (AS-9)

Revenue from sale of goods is accounted net of Sales Tax/Vat Recovered (wherever applicable) and discount and is recognized upon when risk and reward of ownership of the goods are passed on to customers and generally coincides with delivery and acceptance.

1.7 Fixed Assets:-(AS-10)

- i. Fixed Assets Are Stated At Cost of Acquisition less accumulated depreciation.
- ii. Cost includes all costs relating to acquisition & installation of fixed assets including incidental expenses incurred.

1.8 Foreign currency Transaction (AS-11)

- a. Transaction denominated in foreign currencies is normally recorded at the exchange rate prevailing on the day of transaction.
- b. Monetary items denominated in foreign currency at the year-end and not covered by the foreign exchange contract are restated at year end rates.
- c. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in cases where they relate to acquisition of fixed assets, which are adjusted to the carrying cost of such assets in terms of MCA Notification No. F.No.17/33/2008/CL-V dated 31.03.2009 as amended from time to time. The company has exercised the option as given in the said notification for adjustment of exchange difference on reporting of long term foreign currency monetary items in the carrying cost of depreciable capital asset. In terms of MCA Notification No. 25/2012 dated 09.06.2012, the exchange difference on such long term foreign currency monetary items, to the extent of the difference between interest on local currency borrowing and foreign currency borrowing, shall not be treated borrowing cost and accordingly accounted for as exchange difference.
- d. In case of transactions which are covered by forward exchange hedging contracts are recorded at forward hedged rates on matured deals. Difference between transaction rates and hedging contract rates are recognized as exchange difference and charged/credited to the Profit and Loss Statement.



1.9 Government Grants:-(AS-12)

Government grants related to depreciable fixed assets is treated as deferred income which is recognised in the profit and loss statement on a systematic and rational basis over the useful life of the asset i.e. such grants is allocated to income over the periods and in the proportion in which depreciation on those assets is charged.

1.10 INVESTMENTS : (AS-13)

Long term investment, if any, is stated at cost inclusive of cost incidental to acquisition. The provision for diminution in the carrying cost of investment is made if such in diminution is other than temporary in nature in the opinion of in the management. Permanent Diminution, in the opinion of the management, if any in the value of such investment is charged to profit and loss statement.

1.11 EMPLOYEE BENEFITS:- (AS – 15)

A. Defined Contribution Plan:

Companies contribution in respect of provident fund (PF) and employee state insurance (ESI) to the eligible employees and paid/payable, if any, are recognized in the profit and loss statement.

B. Defined Benefit Plan:

i. **Gratuity** - The Company provides for gratuity, a defined benefit retirement plan for its employees. The plan provides for lump sum payments to the eligible employees at retirement, death while in employment or on termination of employment or otherwise as per the provisions of The Payment of Gratuity Act, 1972. The Company accounts for liability of future gratuity benefits bases on an external actuarial valuation on projected unit credit method carried out annually for assessing liability as at the Balance sheet date. Till previous year 2013-14, the gratuity was accounted for on cash basis.

1.12 BORROWING COST : (AS-16)

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost is recognized as an expense in the period in which they are incurred.

1.13 EARNING PER SHARE: (AS-20)

The earning considered in ascertaining the company's earning per share comprises the net profit/losses for the period attributable to equity shareholders. The number of share used in computing basis earning per share is the weighted average number of share outstanding during the year.

1.14 TAXES ON INCOME : (AS-22)

Provision for taxation comprises of current tax, deferred tax and Current Tax provision has been made on the basis of relief and deductions available under Income Tax Act, 1961. Deferred Tax resulting from timing difference between taxable and accounting income is accounted for using the tax rate and law that are enacted or substantively enacted as on the balance sheet dates. Deferred tax assets are recognized and carried forward only to the extent that there is virtual certainty that the assets will be realized, in future.

1.15 IMPAIRMENT OF ASSETS : (AS-28)

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any is charged to statement of profit & loss accounting the year in which an asset is identified. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.16 PROVISION, CONTINGENT LIABILITES AND CONTINGENT ASSETS:- (AS-29)

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities is disclosed in Notes to the account for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) Present Obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimates of the amount of the obligation can not be made. Contingent assets are not recognized in the financial statement since this may result is the recognition of the income that may never realized.



2. Notes on Financial Statements

SHAREHOLDERS' FUNDS

Note No. 2.1:- Share Capital

(Amount in ₹)

Particulars	As at 31st March 2015	As at 31st March 2014
Authorised Share Capital 20,50,000 (20,50,000) Equity Shares of ₹ 10 each	2,05,00,000	2,05,00,000
Issued, Subscribed & Paid up Share Capital 20,50,000 (20,50,000) Equity Shares of ₹ 10 each fully paid up	2,05,00,000	2,05,00,000
Total	2,05,00,000	2,05,00,000

*Figures in Bracket are of Previous Year.

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share and dividend as and when declared by the Company.

In the event of liquidation of company the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

Reconciliation of the number of shares outstanding as at 31.03.2015

Particulars	No of Shares	No of Shares
	2014-15	2013-14
Number of Shares outstanding at the beginning of the year	20,50,000	20,50,000
Add: Shares Issued during the year	-	-
Number of Shares outstanding at the end of the year	20,50,000	20,50,000

Shareholder holding more than 5 percent shares specifying the number of shares held

Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Hanish Kumar Gupta	3,06,510	14.95%	3,06,490	14.95%
Pawan Kumar Gupta	3,00,010	14.63%	2,99,990	14.63%
Gaurav Gupta	2,80,000	13.66%	2,80,000	13.66%
Saurav Gupta	2,85,750	12.98%	2,85,750	12.98%
Anita Gupta	2,59,240	12.65%	2,59,240	12.65%
Sunita Gupta	2,39,240	11.67%	2,39,240	11.67%
Neha Gupta	1,99,250	9.72%	1,99,250	9.72%
Shikha Gupta	1,75,000	8.54%	1,75,000	8.54%

Note No. 2.2:- Reserves & Surplus

(Amount in ₹)

Particulars	As at 31st March 2015	As at 31st March 2014
A.Capital Reserve (1) (Capital Investment Subsidy from SIDBI under TUF scheme)		
Opening Balance	6,69,518	7,77,695
Less: Withdrawals/transfer to Profit & Loss Statement (Refer Note No. 2.10)	(1,91,359)	1,06,177
Closing Balance	8,60,877	6,69,518
B.Capital Reserve (2)		
Opening Balance	2,92,207	-
Add: Transfer from Surplus on sale of Land	-	2,92,207
Closing Balance	2,92,207	2,92,207
C. Surplus		
Opening balance	3,86,29,862	3,13,82,303
Add: Net Profit after tax transferred from Profit and Loss Statement	1,12,82,682	75,39,765
Less: Transitional depreciation adjustment under Companies Act 2013 (refer Note no. - 2.10)	3,12,147	-
Less: Transfer to Capital Reserve(2) on sale of Land	-	2,92,207
Closing Balance	4,96,00,396	3,86,29,862
Total (A+B+C)	5,07,53,480	3,96,91,686

1. Capital Reserve(1) represents capital investment subsidy of ₹11,22,000 received from SIDBI under TUF scheme in F.Y. 2010-11. Company has availed Capital Investment Subsidy forming part of cost of process Machinery. In terms of Accounting Policy No. 1.9, proportionate amount of such capital investment subsidy is being withdrawn from Capital Reserve (Capital Investment Subsidy) equal to relative depreciation. During the year ₹ 76,416/- Previous year ₹ 1,08,177/- (upto 31.03.2015 ₹ 5,28,898/-) has been withdrawn from Capital Reserve Account and ₹ 2,67,775/- has been transferred to Capital Reserve Account due to adjustment of change in accounting policy as per Note No. 2.10.

2. Capital Reserve(2) represent gain on sale of Land situated at E-2115/2116/2117 Ramchandrapura, Sitapura Extension, Tonk Road, Jaipur, during the FY 2013-14.



NON-CURRENT LIABILITIES

Note No. 2.3:- Long-Term Borrowings

(Amount in ₹)

Particulars	As at 31st March 2016	As at 31st March 2014
Secured		
(A) Term loans		
From Banks (Net of Current Maturities - Refer Note No 2.3.1)		
-SIDBI		68,04,000
-HDFC Bank Ltd	2,94,079	10,05,731
-ICICI Bank Ltd	33,77,812	48,68,308
Total	36,71,891	1,24,15,039
Unsecured		
(A) Term loans		
From Banks (Net of Current Maturities - Refer Note No 2.3.2)		
-HDFC Bank Ltd	14,93,656	-
-ICICI Bank Ltd	4,35,819	-
-IndusInd Bank Ltd	-	-
-Kotak Mahindra Bank Ltd	-	-
From Financial Institutions (Net of Current Maturities - Refer Note No 2.3.2)		
-Religare Finvest Limited A/c No. 025129	-	-
-Religare Finvest Limited A/c No. 058186	-	-
-Bajaj Finserv Ltd. A/c No. 052085	-	-
-Bajaj Finserv Ltd A/c No. 603856	-	-
-Capital First Limited	15,10,447	-
-Magma Fincorp Ltd.	43,08,183	-
-Edelweiss Retail Finance Ltd	-	-
-TATA Capital Financial Services Ltd.	-	-
(B) Loans from Directors*	71,50,000	45,50,000
Total	1,48,98,195	45,98,000
Grand Total	1,85,70,087	1,69,88,039

* Payable after 5 years

Note No. 2.3.1:- Detail of Secured Loans

(Amount in ₹)

	2014-15	2013-14
A. From SIDBI*		
000028461/JPRDF01102790001 (Repayable in 72 monthly installments)	-	58,30,000
000028461/JPRDF01100300070 (Repayable in 66 monthly installments)	-	7,15,000
000028461/JPRDF12100300004 (Repayable in 66 monthly installments)	-	9,16,000
000028461/JPRDF01102790001 (Repayable in 35 monthly installments)	-	1,81,000
000028461/JPRDF71113060001 (Repayable in 54 monthly installments)	-	43,07,600
B. From HDFC**		
HDFC Auto Loan for Cruze (Repayable in 60 monthly instalments)	3,96,783	8,55,704
HDFC Auto Loan for Pajero (Repayable in 60 monthly instalments)	6,08,948	9,84,807
HDFC Term Loan (Repayable in 36 monthly instalments)	-	29,14,052
C. From ICICI***		
ICICI Car Loan-27309459 (Repayable in 55 monthly instalments)	23,04,154	28,30,808
ICICI Car Loan-27309460 (Repayable in 55 monthly instalments)	23,04,154	28,69,606
Total (i)	66,14,839	2,22,23,376
Less: Current Maturities of Long Term Liability (Repayable in 12 Months)		
A. From SIDBI		
000028461/JPRDF01102790001	-	16,68,000
000028461/JPRDF01100300070	-	7,15,000
000028461/JPRDF12100300004	-	9,16,000
000028461/JPRDF12112930001	-	1,81,000
000028461/JPRDF71113060001	-	16,65,600
B. From HDFC		
HDFC Auto Loan for Cruze	2,91,817	2,58,921
HDFC Auto Loan for Pajero	4,19,834	3,75,860
HDFC Term Loan	-	29,14,052
C. From ICICI		
ICICI Car Loan-27309459 (Repayable in 55 monthly instalments)	6,15,198	5,55,452
ICICI Car Loan-27309460 (Repayable in 55 monthly instalments)	6,15,198	5,55,452
Total Current Maturities (ii)	19,42,047	95,66,337
Net Long-Term Liability (i) - (ii)	46,72,792	1,24,15,039
-SIDBI	-	68,04,000
-HDFC Bank Ltd	2,94,079	10,05,731
-ICICI Bank Ltd	33,77,812	48,68,308

* Loan from SIDBI is secured against hypothecation of plant & machinery, equipment procured, and installed under the project and by personal guarantee of directors.

** Loan from HDFC is secured against Motor Vehicles and Term Loan is secured against hypothecation of Building Situated at E-102/103, EPIP, Sitapura Industrial Area, Jaipur.

*** Loan from ICICI Bank is secured against Car



Note No. 2.3.2:- Detail of Unsecured Loans

Particulars	(Amount in ₹)	
	2014-15	2013-14
From Banks		
-HDFC Bank Ltd	28,93,111	-
-ICICI Bank Ltd	28,18,278	-
-IndusInd Bank Ltd	36,87,345	-
-Kotak Mahindra Bank Ltd	46,94,389	-
From Financial Institutions		
-Religare Finvest Limited A/c No. 025129	-	2,58,424
-Religare Finvest Limited A/c No. 058186	50,00,000	-
-Bajaj Finserv Ltd. A/c No. 052085	-	2,23,540
-Bajaj Finserv Ltd A/c No. 603856	32,29,110	-
-Capital First Limited	47,52,384	-
-Magma Fincorp Ltd.	60,00,000	-
-Edelweiss Retail Finance Ltd	40,00,000	-
-TATA Capital Financial Services Ltd.	29,34,213	-
Total (i)	4,06,08,829	4,81,964
Less: Current maturities (Repayable in 12 Months)		
From Banks		
-HDFC Bank Ltd	-	-
-ICICI Bank Ltd	13,99,454	-
-IndusInd Bank Ltd	23,82,489	-
-Kotak Mahindra Bank Ltd	36,87,345	-
	46,94,389	-
From Financial Institutions		
-Religare Finvest Limited A/c No. 025129	-	2,58,424
-Religare Finvest Limited A/c No. 058186	50,00,000	-
-Bajaj Finserv Ltd. A/c No. 052085	-	2,23,540
-Bajaj Finserv Ltd A/c No. 603856	32,29,110	-
-Capital First Limited	32,41,937	-
-Magma Fincorp Ltd.	16,91,817	-
-Edelweiss Retail Finance Ltd	40,00,000	-
-TATA Capital Financial Services Ltd.	29,34,213	-
Total Current Maturities (ii)	3,22,69,724	4,81,964
Net Long-Term Liability (i) - (ii)	77,48,105	-

Note No. 2.4:- Deferred Taxes

In compliance of Accounting Standard 22 "Accounting for Taxes on Income" the company has recognized the Deferred Tax Liability of ₹ 23,91,990/- components of which are as follows:

Particulars	(Amount in ₹)	
	As at 31st March 2015	As at 31st March 2014
I) Deferred Tax Liability		
Difference between accounting and tax depreciation (cumulative)	41,83,922	9,49,223
II) Deferred Tax Asset		
On account of Disallowance u/s 43B	17,91,932	-
Closing Deferred Tax Liability/ (Assets)	23,91,990	9,49,223
Less: Opening Deferred Tax Liability/ (Assets)	9,49,223	12,32,292
Net Deferred Tax Expenditure/ (Income)	14,42,767	(2,83,069)
Less: Tax Effect on Account of Transitional Depreciation (Refer Note No. 2.10)*	1,49,917	-
Net Deferred tax expenses/ (Income) recognized in Profit & Loss Statement	16,92,854	(2,83,069)

Note No. 2.5:- Long term Provisions*

Particulars	(Amount in ₹)	
	As at 31st March 2015	As at 31st March 2014
(a) Provision for employee benefits		
Gratuity	54,43,713	-
Total	54,43,713	-

***Movement of Provision in Compliance of AS-29**

Particulars	(Amount in ₹)	
	Gratuity 2014-15	Gratuity 2013-14
Opening balance	-	-
Add: Provision made during the year	71,00,794	-
Total	71,00,794	-
Less: Payment made during the year	-	-
Less: Current Portion of liability (transferred to Note No. 2.9)*	16,57,081	-
Closing balance (Non - current)	54,43,713	-

* likely to be paid/ settled within 12 months



CURRENT LIABILITIES

Note No. 2.6:- Short Term Borrowing

	(Amount in ₹)	
Particulars	As at 31st March 2015	As at 31st March 2014
Secured		
(A) Loans repayable on demand		
From HDFC Bank Ltd.		
- Fixed Working Capital Drawing Limit (WC DL)	17,00,00,000	10,00,00,000
- Cash Credit Limit	3,02,80,806	-
- Packing Credit: Foreign Currency Facility	45,75,784	-
(Secured against hypothecation of all Current Assets including Stock, Book Debts and Card Receivable, Plant & Machinery, Collaterally Secured against Industrial Property situated at E-102, EPIP, Sitapura Industrial Area, Jaipur and also collaterally secured against E-103, EPIP, Sitapura Industrial Area, Jaipur in name of Gupta Exports)		
(B) Other Loans		
Raw Material Assistance Scheme		
- NSIC		4,88,19,279
(Secured against bank guarantee of ₹ 5 crores in Previous year)		
Total	20,48,56,670	14,88,19,279
Unsecured		
(A) Loans from Members		3,82,80,000
Total		3,82,80,000
Grand Total	20,48,56,670	18,70,99,279

Note No. 2.7:- Trade Payables

	(Amount in ₹)	
Particulars	As at 31st March 2015	As at 31st March 2014
For Goods & Services		
- Due to Micro & Small Enterprises		
- Others		
Total	13,85,50,007	13,61,33,994
	13,85,50,007	13,61,33,994

*The Company is in the process of receiving information from various vendors under Micro, Small & Medium Enterprises Development Act, 2006. In the absence of required information, disclosures could not be made.

Note No. 2.8:- Other Current Liabilities

	(Amount in ₹)	
Particulars	As at 31st March 2015	As at 31st March 2014
(a) Current maturities of long-term debt		
- Secured Loans (Carried from Note No. 2.3.1)	19,42,047	98,05,337
- Unsecured Loans (Carried from Note No. 2.3.2)	3,22,80,724	4,81,964
(b) Other Payables	4,25,116	17,97,293
(c) Statutory Liability	15,84,037	27,45,840
(d) Advance from customers	18,35,126	1,85,95,930
(e) Interest accrued but not due on borrowings	22,28,425	12,78,569
(f) Outstanding Liability	49,34,369	48,82,056
Total	4,82,09,843	3,96,47,788

Note No. 2.9:- Short Term Provisions

	(Amount in ₹)		
Particulars	As at 31st March 2015	As at 31st March 2014	As at 31st March 2014
Provision for employee benefits			
- Provision for gratuity (Transferred from Note No. 2.5)		16,57,081	-
Provision For Taxation*			
	CY	PY	
Less: Advance Tax and Tax deducted at Source (as per contra)	43,50,000	40,30,000	
Total	30,57,913	35,26,358	12,92,087
			5,03,642
			29,49,168
			5,03,642

***Movement of Provision in Compliance of AS-29**

	(Amount in ₹)	
Particulars	2014-15	2013-14
Opening balance		28,50,000
Add: Provision made during the year	43,50,000	40,30,000
Total	83,80,000	68,80,000
Less: Utilised during the year	40,22,828	27,88,122
Less: Excess Provisioning Credited to Profit & Loss Statement	7,172	61,878
Closing balance	43,50,000	40,30,000



NON CURRENT ASSETS
Note No. 2.10 Fixed Assets

Particulars	Gross Block					Accumulated Depreciation				Net Block	
	Balance As At 1st April 2014	Additions During the Year	Deductions for the year	Balance as at 31st March 2015	Balance as at 1st April 2014	Depreciation due to change in accounting policy	Carrying amount of asset (net of residual value) as on 1.4.2014, where remaining useful life is nil	Depreciation/ Amortisation charged for the year	Deductions for the year	Balance as at 31st March 2015	Balance as at 31st March 2014
I) Tangible assets											
A) Leasehold Land At Sitapura E-102	11,76,000	-	-	11,76,000	-	-	-	-	-	11,76,000	11,76,000
B) Building	3,27,23,153	-	-	3,27,23,153	96,71,024	(60,87,082)	-	10,28,838	-	2,79,10,973	2,28,52,121
C) Plant & Machinery	3,20,40,718	13,10,834	1,52,73,184	1,80,78,368	1,36,85,566	(73,83,316)	-	17,35,200	53,53,122	1,53,94,037	1,83,55,154
D) Furniture and Fixtures	16,69,485	4,37,212	-	21,06,697	11,43,481	(4,59,697)	-	2,52,859	-	9,36,643	5,26,001
E) Vehicles	1,71,98,088	-	-	1,71,98,088	86,70,566	(22,85,593)	56,463	23,84,341	-	1,01,82,290	1,03,27,501
F) Office Equipment	12,66,136	5,15,146	-	17,81,284	5,80,030	(4,16,634)	2,82,167	3,81,862	-	9,53,830	9,96,106
G) Computer	14,80,715	3,25,046	-	17,25,761	11,37,287	(1,99,795)	1,23,435	2,26,841	-	4,37,963	2,63,422
H) Others	1,253	-	-	1,253	1,253	-	-	-	-	1,253	-
Total tangible assets (I)	9,74,75,531	25,88,238	1,52,73,184	7,47,96,986	3,32,89,210	(1,68,32,716)	4,62,064	59,89,971	53,53,122	5,72,35,178	5,41,88,321
II) Intangible assets - Software											
Total intangible assets (II)	-	48,000	-	48,000	-	-	-	9,800	-	38,400	-
GRAND TOTAL (I+II)	9,74,75,531	26,36,238	1,52,73,184	7,48,38,986	3,32,89,210	(1,68,32,716)	4,62,064	69,89,971	53,53,122	5,72,35,178	5,41,88,321
Previous Year	12,86,27,067	2,71,96,256	6,85,07,793	6,74,75,531	2,59,85,912	-	-	73,04,198	-	5,41,86,321	10,28,42,055

Depreciation Attributable to Capital Subsidy on Plant & Machinery
Unamortised portion of Capital reserve 6,69,518
Depreciation adjustment due to change in accounting policy (MDV to SLM) 2,61,775
(76,416)
Closing unamortised portion of Capital reserve 4,60,877

Note:

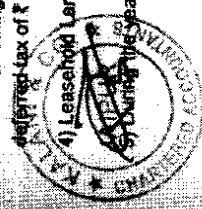
1) The Company has followed the guidance provided under "Application Guide on the Provisions of Schedule II to The Companies Act, 2013" issued by the Institute of Chartered Accountants of India.

2) During the year the company had changed its Accounting Policy for charging depreciation on Fixed Assets from "Written Down Value" method (WDV) to "Straight Line" method (SLM). Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits will be derived from the use of these assets. Accordingly the depreciation has been re-calculated in accordance with the SLM (new method) from the date of assets coming into use. The surplus of Rs. 1,98,32,716/- arising from such retrospective re-computation of depreciation in accordance with the new method has been credited to Profit & Loss Statement as an exceptional item. Due to such change in Accounting Policy, the depreciation charge for the year is lower by Rs. 31,61,828/-. The impact of such change on unamortised portion of capital reserve is disclosed above.

3) After giving impact of change in Accounting Policy as above, the company has implemented Schedule II of the Companies Act, 2013 effective from 01.04.2014 and accordingly depreciation has been charged on SLM based on the remaining useful life of the assets. Due to above, depreciation charge for the year, is higher by ₹ 16,50,437/-. Further, based on transitional provisions provided in Note 7(b) of Schedule II, an amount of ₹ 3,12,147/- (net of deferred tax of ₹ 1,49,917/-) has been recognized in the opening balance of retained earnings representing carrying amount of asset (net of residual value) as on 01st April, 2014, where remaining useful life was NIL.

4) Leasehold Lands (having 99 years lease period) have not been amortized over a period of lease since it is eligible for renewal under Indian scenario.

During the year, certain powerfloors have been sold due to their technological obsolescence and impairment. Loss incurred on such sale of Rs. 68,48,063/- has been treated as exceptional item in the Profit & Loss Statement.



GUPTA FABTEK PRIVATE LIMITED
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Note No. 2.11 Non Current Investment

Particulars	(Amount in ₹)	
	As at 31st March 2015	As at 31st March 2014
Non Traded (Un-quoted) - At cost		
India Exposition Mart Ltd	15,140	15,140
1514 (1514) Common Stock at ₹ 10 each fully paid up, per value ₹ 10 each		-
Total	15,140	15,140

Note No. 2.12:- Long term Loans & Advances

Particulars	(Amount in ₹)	
	As at 31st March 2015	As at 31st March 2014
Unsecured, Considered Good		
A) Security Deposits	20,67,868	18,71,568
Total	20,67,868	18,71,568

Note No. 2.13:- Current Investments

Particulars	(Amount in ₹)	
	As at 31st March 2015	As at 31st March 2014
Non Trade (Quoted) - At cost		
Investment in Mutual Funds (refer note No. 2.13.1)	-	49,387
Total	-	49,387

Note No. 2.13.1 Investment in Mutual Funds

Investment	(Amount in ₹)			
	As at 31st March 2015		As at 31st March 2014	
	Units	Cost as on 31.03.2015	Units	Cost as on 31.03.2014*
1. Reliance Equity Opp Fund	-	-	- 1,317	49,387
Total	-	-	1,317	49,387

*NAV of ₹ 54,213 in Previous Year

Note No. 2.14:- Inventories

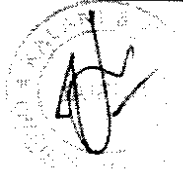
Particulars	(Amount in ₹)	
	As at 31st March 2015	As at 31st March 2014
Valued at lower of cost or Net Realisable Value		
a) Raw materials	2,76,81,823	7,19,81,354
b) Work in Progress- Material under fabrication	20,75,08,172	12,97,02,481
c) Finished Goods	1,37,69,355	2,95,22,977
d) Accessory & Packing Material	58,58,238	95,01,870
Total	25,48,17,588	24,07,08,781

Note No. 2.15:- Trade Receivables

Particulars	(Amount in ₹)	
	As at 31st March 2015	As at 31st March 2014
Unsecured, Considered Good		
Debt outstanding for a period exceeding six months from the due date of payment	1,17,76,855	88,03,213
Other Debts	14,49,66,872	10,08,46,333
Total	15,67,43,727	10,77,49,546

Note No. 2.16:- Cash & Bank Balances

Particulars	(Amount in ₹)	
	As at 31st March 2015	As at 31st March 2014
A) Cash and Cash Equivalents		
-Cash on hand	4,02,383	3,88,283
-Balance with Banks		
In current Accounts	23,45,090	15,72,991
HDFC Bank (CC Account)		79,49,567
B) Other Bank Balances		
In Deposit Accounts (including fixed deposit Rs.Nil having maturity more than 12 months - Pledged against LC facility from HDFC Bank (P.Y. pledged with NSIC against credit facility)	24,19,927	1,85,49,964
Total	51,67,400	2,67,60,805



GUPTA FABTEX PRIVATE LIMITED
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Note No. 2.17:- Short Term Loans & Advances

(Amount in ₹)

Particulars		As at 31st March 2015	As at 31st March 2014
Unsecured, Considered Good			
a) Advances Tax	CY 30,00,000 PY 25,00,000		
TDS Receivable	57,913	10,26,358	
	30,57,913	35,26,358	
Less: Provision as Per Contra	30,57,913	35,26,358	
b) Advances Recoverable in value or kind		34,45,594	50,70,806
c) Prepaid Expenses		9,21,377	7,63,056
d) Security Deposit (Rent)		-	1,00,000
e) Personal Ledger Account (PLA)		1,082	943
f) Income Tax Refundable		5,25,000	5,25,000
g) Demand paid under protest		3,28,362	2,41,912
Total		62,21,416	67,01,318

Note No. 2.18:- Other Current Assets

(Amount in ₹)

Particulars	As at 31st March 2015	As at 31st March 2014
a) Accrued Interest	2,81,856	7,80,054
b) Other Receivable	1,78,785	1,77,515
c) Focus Product License Receivable	18,90,834	-
d) Duty Drawback Receivable	37,27,078	3,12,915
Total	60,88,551	12,70,485

Note No. 2.19:- Revenue from Operation

(Amount in ₹)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
a) Sale of products		
Taxable - VAT/ CST Sales	29,43,10,216	24,57,21,424
Non Taxable - VAT Exempt Sales	43,05,86,989	53,99,14,888
Export Sales (FOB)	6,53,15,400	5,48,52,786
Revenue from sale of products	79,02,12,606	84,04,89,107
Less: Sales Returns	(1,06,13,818)	(90,96,382)
Net Sales	77,96,98,790	83,13,92,725
Less: Excise duty	3,54,856	3,12,531
Net Revenue from sale of products (a)	77,92,43,934	83,10,80,194
b) Other operating revenues		
- Duty Drawback	51,36,482	41,34,619
- Focus Product License Income	25,14,261	-
- Gain on Exchange Rate Variation	16,03,739	(23,832)
Total (b)	92,54,482	41,10,787
Total (a + b)	78,87,98,416	83,51,90,981

Note No. 2.20:- Other Income

(Amount in ₹)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest Income	5,80,728	18,23,360
Dividend Income	1,514	757
Sampling Income	2,45,770	1,68,501
Gain on sale of land	-	2,92,207
Liabilities no more payable	2,32,064	-
Gain on sale of Mutual Fund	39,373	-
Total	10,98,449	23,87,825

Note No. 2.21:- Cost of Material Consumed

(Amount in ₹)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Opening stock	7,19,81,354	-
Add: Purchases	40,57,17,042	47,89,49,889
	47,76,98,396	48,84,33,278
Less: Loss due to theft	-	38,21,334
Less: Closing stock	2,76,81,623	7,19,81,354
Total	45,00,16,772	41,36,30,691



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Note No. 2.22:- Direct Manufacturing Expenses

(Amount in ₹)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Accessory and Packing Material	3,35,82,781	4,33,01,069
Job Charges	8,15,33,953	5,72,74,498
Production Wages	4,03,07,247	3,83,72,822
Power & Fuel	56,38,998	60,83,885
Repairs and Maintenance of Machinery	18,81,824	18,79,943
Sampling, Designing and Testing Charges	12,06,597	15,19,721
Printing & Dyeing Charges	13,16,05,264	14,47,76,287
Total	29,67,48,663	29,31,87,423

Note No. 2.23:- Change In Inventory of Finished Goods and Work in Progress

(Amount in ₹)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Finished Goods		
Opening Stock	2,95,22,977	28,43,950
Less: Closing Stock	1,37,89,355	2,95,22,977
Decrease / (Increase) in Finished Goods	1,57,53,622	(2,66,79,027)
Work in Progress		
Opening Stock	12,97,02,481	16,87,04,882
Less: Closing Stock	20,75,88,172	12,97,02,481
Decrease / (Increase) in Work In Progress	(7,78,85,691)	3,90,02,402
Total	(8,21,12,069)	1,23,23,375

Note No. 2.24:- Employee Benefits Expense

(Amount in ₹)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
(a) Salaries and Incentives	1,57,28,718	1,42,19,268
(b) Contributions to -		
(i) Provident fund	3,84,538	3,27,518
(ii) ESI	28,582	42,042
(c) Gratuity	16,20,080	-
(d) Staff welfare expenses	19,15,985	11,49,451
Total	1,96,57,903	1,87,38,277

Note No. 2.24.1 EMPLOYEES BENEFIT: AS-15

Defined Contribution Plans

The amount recognized as an expense for defined contribution plans are as under

(Amount in ₹)

Particulars	Current Year (2014-15)	Previous Year (2013-14)
Provident fund	3,84,538	3,27,518
Employee state insurance	28,582	42,042

Defined Benefit Plans:

Changes in present value of obligations:

(Amount in ₹)

Particulars	Gratuity as at	
	31.03.2015	31.03.2014
I. Assumptions		
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Discount Rate	8.00 % per annum	8.00 % per annum
Rate of increase in compensation	6.00 % per annum	6.00 % per annum
Rate of Return (expected) on plan assets withdrawal rates	-	-
Expected average remaining service (years)	27.3	25.8

II. Changes in Present Value of Obligations (PVO)

PVO at beginning of period	54,80,714	43,03,116
Interest Cost	4,38,457	3,44,249
Current Service Cost	13,84,517	9,20,623
Transfer from other company	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(2,02,894)	(87,274)
PVO at end of period	71,00,794	54,80,714

III. Amounts to be recognized in the Balance Sheet and Profit & Loss Statement

PVO at end of Period	71,00,794	54,80,714
Fair Value of Plan Assets at end of period	-	-
Funded Status	(71,00,794)	(54,80,714)
Unrecognized Actuarial Gain/(Loss)	-	-
Net Liability/ (Asset) recognized in the balance sheet	71,00,794	-



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IV. Expense recognized in the Profit & Loss Statement		
Current Service Cost	13,84,517	9,20,823
Interest Cost	4,38,457	3,44,249
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss recognized for the period	(2,02,894)	(87,274)
Expenses recognized in the Profit & Loss statement	16,20,080	-
V. Movements in the liability recognized in Balance Sheet		
Opening Net Liability	54,80,714	-
Expenses as Above	16,20,080	-
Transfer from other company	-	-
Benefits Paid	-	-
Closing Net Liability	71,00,794	-

Till previous year 2013-14, the company was accounting gratuity expenses on cash basis. However, from the current year, the provision has been made after getting actuarial valuation. Accordingly, Rs. 16,20,080/- has been accounted for as expense for the year and Rs. 54,80,714/- as exceptional item (prior period till 31.03.2014)

Note No. 2.24.2 Remuneration to Directors

(Amount in ₹)

Name of Director	Current Year (2014-15)	Previous Year (2013-14)
Harish Gupta		
Salary	6,75,000	6,75,000
Add: Perquisites	2,25,000	2,25,000
TOTAL	9,00,000	9,00,000
Pawan Gupta		
Salary	6,75,000	6,75,000
Add: Perquisites	2,25,000	2,25,000
TOTAL	9,00,000	9,00,000
Gaurav Gupta		
Salary	22,000	-
Add: Perquisites	7,332	-
TOTAL	29,332	-
Saurav Gupta		
Salary	22,000	-
Add: Perquisites	7,332	-
TOTAL	29,332	-

Note No. 2.25:- Finance Cost

(Amount in ₹)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest expense	3,07,48,807	3,24,39,035
Bank Charges and Other Financial Charges	15,43,251	32,38,521
Total	3,22,90,058	3,56,77,556

Note No. 2.26:- Other Expenses (Administrative & Selling Expenses)

(Amount in ₹)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Rent	11,89,240	15,89,280
Insurance	20,57,363	15,21,520
Commission	18,00,799	33,46,497
Sales Promotion	14,76,003	6,32,838
As Auditors		
: Audit Fees	1,31,100	1,01,124
: Tax Audit Fees	37,620	31,481
: Taxation Matters	78,089	29,829
Miscellaneous Expenses		
-Administrative Expenses [See Description Note. 2.26 (i)]	1,58,29,931	1,67,18,907
-Selling Expenses [See Description Note. 2.26 (ii)]	1,28,06,312	2,07,97,606
Total	3,52,06,457	4,47,49,661

Note No. 2.26 (i) :-Administrative Expenses

(Amount in ₹)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Travelling Expenses	44,26,822	22,28,321
Petrol and Conveyance Expenses	14,60,102	5,08,529
Electricity Expenses	8,39,338	9,34,774
Communication Expenses	42,81,477	48,39,118
Repairs to Building & Others	12,77,128	11,05,421
Security Charges	1,22,089	2,29,063
Refreshment Expenses	6,13,999	4,45,066
Development charges to RIICO	85,000	-
Professional and Consultancy Expenses	3,60,597	2,17,839
Printing And Stationery	2,47,691	3,13,852
Water Exp	2,51,809	2,88,132
Membership & Registration Fees	3,90,101	1,44,854
ROC Fees	51,890	4,131
Sales Tax Demand (CST)	6,019	20,035
ESI Demand	1,90,557	-
Service tax exp.	-	39,183
Bad Debts written off	-	41,15,434
Donation	40,100	17,700
Office Expenses	11,85,212	14,89,458
Total	1,58,29,931	1,67,18,907



(Amount in ₹)

Note No. 2.26 (ii) :- Selling Expenses

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Rebate & Claims	13,29,757	1,41,54,072
Cash Discount	81,77,528	58,89,320
Advertisement and Publicity	78,945	36,317
Cartage	5,20,882	7,00,185
Freight Outward	26,75,787	48,815
Packing Charges	23,414	1,69,118
Total	1,28,06,312	2,07,97,806

Note No. 2.27:- Earning Per Share

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Net Profit after tax available for equity shareholders (a)	1,12,82,882	75,39,785
Weighted Average number of equity shares (b)	20,50,000	20,50,000
Basic Earning per share (₹) [(a)/(b)]	5.50	3.68
Nominal Value per Share (₹)	10	10

2.26 There was a contingent liability in respect of Income Tax as per details given below:

S.No.	Nature of Dues	Forum where dispute is pending	2014-15		Forum where dispute is pending	2013-14	
			Demand (in Rs.)	Amount deposited (under Protest) (in Rs.)		Demand (in Rs.)	Amount deposited (under Protest) (in Rs.)
1	Income Tax Demand (TDS) for A.Y. 2011-12	ITAT Jaipur	1,70,750	1,70,750	ITAT Jaipur	1,70,750	1,70,750
2	Income Tax Demand (TDS) for A.Y. 2012-13	ITAT Jaipur	71,162	71,162	ITAT Jaipur	71,162	71,162
3	Income Tax Demand for A.Y. 2012-13	CIT Appeals Jaipur	86,450	86,450	-	-	-
4	Income Tax Demand (TDS) for A.Y. 2011-12, 12-13 & 13-14 (RIICO)	CIT Appeals Jaipur	5,91,613	0*	-	-	-

* Out of demand of ₹ 5,91,613/-, amount ₹ 3,91,613/- paid on 18.06.2015

2.29 Accounting Standard-17 "Segment Reporting"

The company has only one business segment "manufacturing garment and other textile items" as primary segment. There is no eligible reportable secondary segment.

2.30 Related Party Transactions (AS-18)

A: Relationship

RELATIONSHIP	NAME OF RELATED PARTY
Key managerial personnel	1. Harish Gupta 2. Pawan Gupta 3. Geurav Gupta 4. Saurav Gupta
Relatives of Key Managerial Personnel	5. Anita Gupta 6. Sunita Gupta 7. Shikha Gupta 8. Neha Gupta
Associates	9. Gupta Exports

B. Transactions With Related Parties

(Amount in ₹)

Nature of transactions	Associates		Key managerial personnel		Relatives of key Managerial personnel	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Remuneration/ Salary*	-	-	36,00,000	18,00,000	36,00,000	54,00,000
Sales	24,38,825	-	-	-	-	-
Rent	6,00,000	6,00,000	-	-	-	-
Purchases	-	-	-	-	19,200	-
Interest Exp	-	-	3,98,794	4,08,790	-	-
LIC Premium	-	-	-	-	-	-
Job Charges	-	-	-	-	-	-
Outstanding Balance	-	-	71,50,000	45,50,000	-	89,98,000
Loan Taken	-	-	-	-	-	-
Advance Rent	-	-	-	-	-	-
Security Deposit	-	-	-	-	-	-
Trade Receivable	-	-	58,000	-	1,02,000	32,317
Payable for expenses	-	-	-	-	-	-

* including remuneration in the capacity as director Rs. 18,58,664/- in current year.

2.31 Foreign Currency Financial Instruments:-

Company has entered into Foreign Exchange Financial Instruments. The company uses foreign currency forward/ Option Contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments on forecasted transactions as approved by Board of Directors. There are no outstanding Forward Exchange Financial Instruments and Option instrument entered into by the Company as at 31.03.2015.

2.32 Income & Expenditure in Foreign Currency:


Particulars	Current Year (2014-15)		Previous Year (2013-14)	
	in \$	in ₹	in \$	in ₹
FOB Value of Export	10,69,675	6,53,15,400	9,00,384	5,48,52,785


2.33 All assets and liabilities are presented as Current or Non-current as per criteria setout in Schedule III to the Companies Act, 2013. Based on the nature of services rendered by the company, its operations and realization, the company has ascertained its operating cycle of less than 12 months. Accordingly 12 months period has been considered for the purpose of Current /Non-current classification of assets & liabilities.

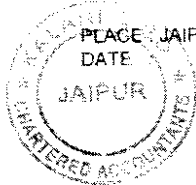
2.34 The previous year's figures have been regrouped, rearranged wherever found necessary.

For GUPTA FABTEX PRIVATE LIMITED


[HARISH KUMAR GUPTA]
[M. DIRECTOR]
DIN: 01323944


[PAWAN KUMAR GUPTA]
[DIRECTOR]
DIN: 01543446

IN TERMS OF OUR AUDIT REPORT OF EVEN DATE
For KALANI & COMPANY
Chartered Accountants
FRN-000722C

[J. P. SOMANI]
Partner
M. No. 76211



25 JUN 2015