

INDEPENDENT AUDITOR'S REPORT

To,
The Partners,
Pashupati Cotspin LLP,
Kadi,
Dist. Mehsana.

We have audited the accompanying financial statements of Pashupati Cotspin LLP, which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and performance of the LLP. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing 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 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 control relevant to the LLP's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the LLP as at March 31, 2015 and
- b) in the case of the Statement of Profit & Loss account, of the loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements

We report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the LLP so far as appears from our examination of those books
- c) the Balance Sheet and Statement of Profit & Loss dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet and Statement of Statement of Profit & Loss comply with the Accounting Standards issued by Institute of Chartered Accountants of India;

PLACE :- AHMEDABAD
DATE :- 01.09.2015

FOR, Bagadiya & Jain
Chartered accountants
FRN : 128719W


Roopesh Jain
PARTNER
M. No. 116732

PASHUPATI COTSPIN LLP
BALANCE SHEET AS AT MARCH 31, 2015

PARTICULARS	SCHEDULE	31.03.2015 AMOUNT RS.	31.03.2014 AMOUNT RS.
SOURCES OF FUNDS			
<u>Capital Funds</u>			
Partner's Fixed Capital (Contribution)	A	230,000,000	230,000,000
Partner's Current Capital	B	125,931,525	51,825,675
<u>Loan Funds</u>			
Secured Loans	C	816,612,288	818,371,949
Unsecured Loans	D	154,157,052	67,219,962
TOTAL		1,326,700,865	1,167,417,586
APPLICATION OF FUNDS			
<u>Fixed Assets (NET)</u>	E		
(i) Tangible assets		660,382,475	722,044,260
(ii) Intangible assets		210,000	
		660,592,475	722,044,260
<u>Current Assets, Loans & Advances</u>			
Inventories		212,942,201	211,815,928
Sundry Debtors	F	158,080,173	130,792,349
Loans, Advances & Deposits	G	363,361,511	128,611,891
Cash & Bank Balance	H	17,507,014	14,120,903
TOTAL		751,890,898	485,341,071
Less : Current Liabilities & Provisions	I	85,782,508	39,967,744
Net Current Assets		666,108,390	445,373,327
Miscellaneous Expenditure (To the Extent not Written off)	J	-	
TOTAL		1,326,700,865	1,167,417,587

Notes on Accounts

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As per our Report of even date attached

FOR, Bagadiya & Jain
CHARTERED ACCOUNTANTS
FRN : 128719W

For Pashupati Cotspin LLP


Roopesh Jain
PARTNER
Mem. No. 116732


Saurin J. Parikh
Designated Partner
DPIN: 02136530


Tushar Trivedi
Designated Partner
DPIN: 06438707

Place : Ahmedabad
Date : 27.09.2015

Place : Kadi
Date : 27.09.2015

PASHUPATI COTSPIN LLP
STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDING ON MARCH 31, 2015

PARTICULARS	SCHEDULE	31.03.2015 AMOUNT RS.	31.03.2014 AMOUNT RS.
<u>INCOME</u>			
Sales	I	2,572,604,831	752,161,735
Other Income	II	137,659,067	32,819,398
TOTAL		2,710,263,898	784,981,133
<u>EXPENDITURE</u>			
Raw Materials Consumed	III	1,727,514,349	708,042,836
Consumables & other Spare Parts Consumed	IV	29,032,115	5,951,211
Purchase of Traded Goods	V	499,689,359	173,792,683
Changes in Inventories of Raw Materials, Work In Progress and Finished Goods	VI	12,174,145	(207,391,773)
Direct Expenses	VII	127,429,560	20,859,396
Employee Benefits Expense	VIII	33,043,016	8,246,506
Selling , Administrative & General Expenses	IX	12,205,929	3,607,639
Financial Expenses	X	153,057,261	47,424,271
Depreciation		103,271,169	53,950,941
TOTAL		2,697,416,903	814,483,710
Profit Before Tax		12,846,995	(29,502,577)
Provision For Income Tax		-	-
Profit After Tax		12,846,995	(29,502,577)

Notes on Accounts

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As per our Report of even date attached
 For, Bagadiya & Jain
 CHARTERED ACCOUNTANTS
 FRN : 128719W

For Pashupati Cotspin LLP


 Roopesh Jain
 PARTNER
 Mem. No. 116732


 Saurin J. Parikh
 Designated Partner
 DPIN: 02136530


 Tushar Trivedi
 Designated Partner
 DPIN: 06438707

Place : Ahmedabad
 Date : 27.09.2015

Place : Ahmedabad
 Date : 27.09.2015

PASHUPATI COTSPIN LLP SCHEDULE ANNEXED AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2015		
PARTICULARS	31.03.2015 AMOUNT RS.	31.03.2014 AMOUNT RS.
SCHEDULE : A		
<u>PARTNER'S FIXED CAPITAL (CONTRIBUTION)</u>		
Ashishbhai Rameshchandra Trivedi	18,400,000	18,400,000
Bhaveshkumar Jayantilal Patel	18,400,000	18,400,000
Daksheshbhai Jayantibhai Patel	11,500,000	11,500,000
Falguniben Miteshbhai Parikh	36,800,000	36,800,000
Hariprabhaben Arvindbhai Parikh	36,800,000	36,800,000
Mukeshbhai Vitthalbhai Patel	18,400,000	18,400,000
Renuka Jagdishbhai Parikh	36,800,000	36,800,000
Saurin Jagdishbhai Parikh	39,100,000	39,100,000
Toralben Urdeepbhai Brahmhatt	6,900,000	6,900,000
Tushar Rameshchandra Trivedi	6,900,000	6,900,000
TOTAL	230,000,000	230,000,000
SCHEDULE : C		
<u>SECURED LOANS</u>		
<u>From Banks</u>		
Term Loans	595,246,169	610,410,466
Working Capital Loans	221,366,119	207,961,482
(Secured Against Hypothecation of Stocks & Receivable)		
TOTAL	816,612,288	818,371,948
SCHEDULE : D		
<u>UNSECURED LOANS</u>		
From Friends & Relatives	154,157,052	67,219,962
TOTAL	154,157,052	67,219,962
SCHEDULE : F		
<u>DEBTORS (UNSECURED CONSIDERED GOOD)</u>		
Debtors	158,080,173	130,792,349
TOTAL	158,080,173	130,792,349
SCHEDULE : G		
<u>LOANS, ADVANCES & DEPOSITS</u>		
(For Value to be Received)		
Loans, Advances & Deposits	298,518,829	72,307,160
Advances to Supplier	-	3,449,821
Balance with government authorities	64,842,682	52,854,910
TOTAL	363,361,511	128,611,891

PASHUPATI COTSPIN LLP
SCHEDULE ANNEXED AND FORMING PART OF BALANCE SHEET
AS AT MARCH 31, 2015

SCHEDULE : B
PARTNER'S CURRENT CAPITAL

Sr No.	Particulars	Share of Profit & Loss	Opening Balance as on 01/04/2014	Additions During the Year				Total	Withdrawal	Closing Balance as on 31/03/2015
				Addition	Salary	Interest	Profit			
1	Ashishbhai Rameshchandra Trivedi	8%	(1,177,672)	-	-	1,722,737	1,027,760	1,572,824	-	1,572,824
2	Bhaveskumar Jayantilal Patel	8%	(1,178,494)	-	-	1,722,655	1,027,760	1,571,920	-	1,571,920
3	Daksheshbhai Jayantibhai Patel	5%	(689,486)	-	-	1,081,366	642,350	1,034,230	-	1,034,230
4	Falguniben Miteshbhai Parikh	16%	12,915,888	-	-	4,972,597	2,055,519	19,944,004	-	19,944,004
5	Hariprabhaben Arvindbhai Parikh	16%	12,792,600	-	-	4,960,268	2,055,519	19,808,387	-	19,808,387
6	Mukeshbhai Vitthalbhai Patel	8%	(1,301,105)	-	-	1,710,394	1,027,760	1,437,048	-	1,437,048
7	Renuka Jagdishbhai Parikh	16%	12,792,600	32,500,000	-	5,129,446	2,055,519	52,477,565	-	52,477,565
8	Saurin Jagdishbhai Parikh	17%	18,648,062	-	-	5,775,878	2,183,989	26,607,929	-	26,607,929
9	Toralben Urdeepbhai Brahmabhatt	3%	(487,856)	-	-	641,403	385,410	538,957	-	538,957
10	Tushar Rameshchandra Trivedi	3%	(488,860)	375,000	-	667,111	385,410	938,661	-	938,661
	Total	100%	51,825,675	32,875,000	-	28,383,855	12,846,995	125,931,525	-	125,931,525

PASHUPATI COTSPIN LLP
SCHEDULE ANNEXED AND FORMING PART OF BALANCE SHEET
AS AT MARCH 31, 2014

SCHEDULE : E
FIXED ASSETS

Sr. No.	Assets	Depreciation Rate	Opening WDV	Addition		Sold during the year	Total	Depreciation	Closing WDV
				> 180 Days	< 180 Days				
1	Building Capital	10%	108,137,974	2,084,702	2,124,685	-	112,347,361	11,128,502	101,218,859
2	Plant & Machinery	15%	589,029,459	381,642	33,742,435	-	623,153,536	90,942,348	532,211,188
3	Vehicle	15%	3,696,690	150,133	1,266,865	-	5,113,688	672,038	4,441,650
4	Air Conditioner	10%	81,130	269,531	39,400	-	390,061	37,036	353,025
5	Computer	60%	282,576	128,620	-	-	411,196	246,718	164,478
6	Land	0%	19,387,328	-	-	-	19,387,328	-	19,387,328
7	Tubewell Capital	10%	599,136	-	-	-	599,136	59,914	539,222
8	Weightbridge Capital	10%	813,912	54,000	29,925	-	897,837	88,287	809,550
9	Solar Roof Top Asset	15%	-	-	1,190,476	-	1,190,476	-	1,190,476
10	Hand Pallet Asset	15%	-	-	39,070	-	39,070	2,930	36,140
11	Refridgerator	10%	16,055	17,900	-	-	33,955	3,396	30,559
	Total		722,044,260	3,086,528	38,432,856	-	763,563,644	103,181,169	660,382,475

40,328,908

INTANGIBLE ASSET:

Sr. No.	Assets	Depreciation Rate	Opening WDV	Addition		Sold during the year	Total	Depreciation	Closing WDV
				> 180 Days	< 180 Days				
1	Computer Software	60%	-	-	300,000	-	300,000	90,000	210,000
	Total		-	-	300,000	-	300,000	90,000	210,000

SCHEDULE : H		
<u>CASH & BANK BALANCES</u>		
Cash on Hand	4,570,933	10,593,902
Balance with schedule bank		
- In Current account	9,024,820	431,349
- In Fixed Deposit account	3,911,261	3,095,652
TOTAL	17,507,014	14,120,903
SCHEDULE : I		
<u>CURRENT LIABELITIES & PROVISIONS</u>		
Creditors For Capital Expenses	453,520	3,636,976
Creditors For Goods	26,966,022	30,690,051
Creditors for expenses	4,984,794	4,625,207
Duties & Taxes	42,047,178	1,015,510
Other Liabilities and Provisions	11,330,994	-
TOTAL	85,782,508	39,967,744
SCHEDULE : J		
<u>MISCELLANEOUS EXPENDITURE</u>		
Pre-operative Expense not written off		
Opening Balance		1,628,906
Add: Incurred during the year		25,357,886
	-	26,986,792
Less: Capitalised to Plant & Machinery	-	26,986,792
TOTAL	-	-

PASHUPATI COTSPIN LLP SCHEDULE ANNEXED AND FORMING PART OF PROFIT & LOSS A/C FOR THE YEAR ENDED MARCH 31, 2015	
PARTICULARS	31.03.2015 AMOUNT RS.
SCHEDULE : I <u>SALES</u>	
Cotton Bales	1,176,238,521
Cotton Yarn	844,389,569
Kapasiya	430,130,823
Comber Waste	58,442,520
Ginning By Product	34,466,466
Spinning By Product	28,936,932
TOTAL	2,572,604,831
SCHEDULE : II <u>OTHER INCOME</u>	
Cash Discount & Allowance	561,662
Quality & Weight Diff Allowances	1,214,785
Interest Income	27,404,043
Weightbride Income	248,300
Sample Allowances	132,783
Other Income	611,525
Interest Incentive - Gujarat Govt. Policy	36,991,262
Interest Incentive - Tuff Scheme	10,762,599
Electricity Incentive - Gujarat Govt. Policy	16,562,889
Textile Spinning VAT Benefit	43,169,219
TOTAL	137,659,067
SCHEDULE : III <u>RAW MATERIAL CONSUMED</u>	
Opening Stock	3,090,960
Add : Purchase	1,736,218,879
	1,739,309,839
Less : Closing Stock	11,795,490
TOTAL	1,727,514,349

SCHEDULE : IV	
<u>CONSUMABLES AND OTHER SPARE PARTS CONSUMED</u>	
Opening Stock	1,333,195
Add : Purchase	33,628,003
	34,961,198
Less : Closing Stock	5,929,083
TOTAL	29,032,115
SCHEDULE : V	
<u>PURCHASE OF TRADED GOODS</u>	
Purchase of Goods	499,689,359
TOTAL	499,689,359
SCHEDULE : VI	
<u>CHANGES IN INVENTORY OF FINISHED GOODS & WORK IN PROGRESS</u>	
Inventory at the end of the year	
Finished goods	186,631,083
Work In Progress	8,586,545
Inventory at the beginning of the year	
Finished goods	207,391,773
Work In Progress	
TOTAL	12,174,145
SCHEDULE : VII	
<u>DIRECT EXPENSES</u>	
Transportation Expenses	1,181,260
Electricity Expenses	114,313,499
Labour Expense	162,900
Job Work Exps	7,517,428
Machine Repairs & Maintenance	2,660,691
Market Cess Fees	754,485
Factory Expenses	239,297
GEB Charges	600,000
TOTAL	127,429,560
SCHEDULE : VIII	
<u>EMPLOYEE BENEFITS EXPENSE</u>	
Factory Employee Salary	26,229,776
Admin Employee Salary	5,208,413
Staff Welfare Expenses	1,604,827
TOTAL	33,043,016

SCHEDULE : IX	
<u>SELLING ADMINISTRATIVE & GENERAL EXPENSES</u>	
Advertisement Exp.	28,757
Audit Fees	14,250
Commission& Dalali	1,975,037
Conveyance Exp	423,704
EPCG License	25,480
Factory License Charges	13,000
GPCB NOC Fees	155,000
Insurance	1,052,023
Internet Expenses	31,460
Legal & Professional Exps.	451,104
Loading Unloading Exps	2,655,366
Late Payment Charges	499,332
Misc Expenses	561,677
Office Expenses	319,580
Postage & Courier	134,161
Provident Fund Exp	445,117
Repairs & Maintenance	164,795
Sales Tax Expense	30,637
Stationary & Printing Expenses	520,686
Telephone	28,609
Testing Charges	113,381
Travelling	39,827
Transport Expense	592,270
Vehicle Exp	1,930,676
TOTAL	12,205,929
SCHEDULE : X	
<u>FINANCIAL EXPENSES</u>	
Bank Charges	1,205,968
Bank Interest	97,317,669
Other Interest	24,046,113
Interest on Partner's Capital	28,383,855
Loan processing fees and other charges	2,103,656
TOTAL	153,057,261

PASHUPATI COTSPIN LLP
SCHEDULE ANNEXED AND FORMING PART OF BALANCE SHEET
AS AT MARCH 31, 2015

SCHEDULE I
Notes to Accounts

1. Significant Accounting Policies

a. Accounting Convention

The accounts are prepared by mercantile method of accounting, on the basis of historical cost convention and going concern accounting concept.

b. Revenue Recognition

Sales of goods are recognised at the point of dispatch of goods to customers.

c. Fixed Assets

Fixed Assets are valued at cost less depreciation.

d. Depreciation

Depreciation has been provided by W.D.V. method.

e. Valuation of Inventories

The stock is valued at cost or market value, whichever is lower.

f. Investments

Investments are stated at cost.

g. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

h. Provisions and Contingent Liabilities

- (i) Provisions in respect of present obligation arising out of past events are made in the accounts when reliable estimates can be made about the amount of obligation.
- (ii) Contingent liabilities are disclosed by way of note to financial statement, after careful evaluation by the management of the facts and legal aspects of the matter involved

PASHUPATI COTSPIN LLP
SCHEDULE ANNEXED AND FORMING PART OF BALANCE SHEET
AS AT MARCH 31, 2015

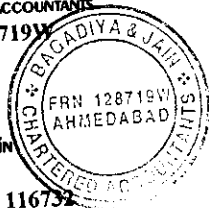
2. Balances of Debtors, Creditors, Loans & Advances are subject to confirmation and hence subject to adjustment if any, arising out of reconciliation.
3. Paisa is rounded off to the nearest rupee.
4. Where external evidence in the form of cash memos/bill, stamped receipts etc. were not available the internal vouchers have been prepared by the concern and authorised by the authorised signatory.
5. Closing Stock has been taken valued and certified by the Partners.

Signatures to schedule A to K & I to X

For, Bagadiya & Jain
CHARTERED ACCOUNTANTS
FRN : 128719W

Roopesh Jain
PARTNER
Mem. No. 116732

Place : Ahmedabad
Date : 27.09.2015



For Pashupati Cotspin LLP

Saurin J. Parikh
Designated Partner
DPIN: 02136530

Place : Kadi
Date : 27.09.2015

Tushar Trivedi
Designated Partner
DPIN: 06438707

A handwritten signature in black ink, appearing to be "Saurin J. Parikh".