

PASHUPATI COTSPIN LLP

KADI, DIST. MEHSANA

Audit Report

Accounting Year :- 2013 - 2014

Assessment Year :- 2014 - 2015

Auditor :-

BAGADIYA & JAIN

CHARTERED ACCOUNTANTS

Ahmedabad - 380009

Registered Office :-

Pashupati Cotspin LLP

Sr. No.-66, At Kundal

Nandasan Road ,

Ta. Kadi,

Dist. Mehsana-382715

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, 2014, 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.

Opinion

In 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, 2014 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 :- 01.09.2014

FOR, Baçadiya & Jain
Chartered accountants
FRN : 128719W

SD/-

Roopesh Jain
PARTNER
M. No. 116732

PASHUPATI COTSPIN LLP
BALANCE SHEET AS AT MARCH 31, 2014

PARTICULARS	SCHEDULE	31.03.2014 AMOUNT RS.	31.03.2013 AMOUNT RS.
SOURCES OF FUNDS			
Capital Funds			
Partner's Fixed Capital (Contribution)	A	230,000,000	5,000,000
Partner's Current Capital	B	51,825,675	122,186
Loan Funds			
Secured Loans	C	818,371,949	-
Unsecured Loans	D	67,219,962	75,702,275
TOTAL		1,167,417,586	80,824,461
APPLICATION OF FUNDS			
Fixed Assets (NET)			
(i) Tangible assets	E	722,044,260	19,826,660
(ii) Capital Work in Progress		-	17,277,369
		722,044,260	37,104,029
Current Assets, Loans & Advances			
Inventories		211,815,928	-
Sundry Debtors	F	130,792,349	-
Loans, Advances & Deposits	G	128,611,891	44,634,329
Cash & Bank Balance	H	14,120,903	417,535
TOTAL		485,341,071	45,051,864
Less : Current Liabilities & Provisions	I	39,967,744	2,960,338
Net Current Assets		445,373,327	42,091,526
Miscellaneous Expenditure (To the Extent not Written off)	J	-	1,628,906
TOTAL		1,167,417,586	80,824,461
Notes on Accounts	K		
As per our Report of even date attached			
For, Bagadiya & Jain		For Pashupati Cotspin LLP	
CHARTERED ACCOUNTANTS			
FRN : 128719W			
SD/-	SD/-	SD/-	
Roopesh Jain	Saurin J. Parikh	Tushar Trivedi	
PARTNER	Designated Partner	Designated Partner	
Mem. No. 116732	DPIN: 02136530	DPIN: 06438707	
Place : Ahmedabad	Place : Kadi		
Date : 01.09.2014	Date : 01.09.2014		

PASHUPATI COTSPIN LLP	
SCHEDULE ANNEXED AND FORMING PART OF BALANCE SHEET	
AS AT MARCH 31, 2014	
PARTICULARS	31.03.2014 AMOUNT RS.
SCHEDULE : A	
<u>PARTNER'S FIXED CAPITAL (CONTRIBUTION)</u>	
Ashishbhai Rameshchandra Trivedi	18,400,000
Bhaveshkumar Jayantilal Patel	18,400,000
Daksheshbhai Jayantibhai Patel	11,500,000
Falguniben Miteshbhai Parikh	36,800,000
Hariprabhaben Arvindbhai Parikh	36,800,000
Mukeshbhai Vitthalbhai Patel	18,400,000
Renuka Jagdishbhai Parikh	36,800,000
Saurin Jagdishbhai Parikh	39,100,000
Toralben Urdeepbhai Brahmhatt	6,900,000
Tushar Rameshchandra Trivedi	6,900,000
TOTAL	230,000,000
SCHEDULE : C	
<u>SECURED LOANS</u>	
<u>From Banks</u>	
Term Loans	610,410,466
Working Capital Loans (Secured Against Hypothication of Stocks & Receivable)	207,961,482
TOTAL	818,371,949
SCHEDULE : D	
<u>UNSECURED LOANS</u>	
From Friends & Relatives	67,219,962
TOTAL	67,219,962
SCHEDULE : F	
<u>DEBTORS (UNSECURED CONSIDERED GOOD)</u>	
Debtors	130,792,349
TOTAL	130,792,349
SCHEDULE : G	
<u>LOANS, ADVANCES & DEPOSITS</u>	
(For Value to be Received)	
Loans, Advances & Deposits	72,307,160
Advances to Supplier	3,449,821
Balance with government authorities	52,854,910
TOTAL	128,611,891

SCHEDULE : H	
<u>CASH & BANK BALANCES</u>	
Cash on Hand	10,593,902
Balance with schedule bank	
- In Current account	431,349
- In Fixed Deposit account	3,095,652
TOTAL	14,120,903
SCHEDULE : I	
<u>CURRENT LIABELITIES & PROVISIONS</u>	
Creditors For Capital Expenses	3,636,976
Creditors For Goods	30,690,051
Creditors for expenses	4,625,207
Duties & Taxes	1,015,510
TOTAL	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 BALANCE SHEET
AS AT MARCH 31, 2014

SCHEDULE : B
PARTNER'S CURRENT CAPITAL

Sr No.	Particulars	Share of Profit & Loss	Opening Balance as on 01/04/2013	Additions During the Year				Total	Withdrawal	Closing Balance as on 31/03/2014
				Addition	Salary	Interest	Profit			
1	Ashishbhai Rameshchandra Trivedi	8%	9,863	5,000,000	-	1,172,671	(2,360,206)	3,822,328	5,000,000	(1,177,672)
2	Bhaveshkumar Jayantilal Patel	8%	8,942	5,100,000	-	1,172,770	(2,360,206)	3,921,506	5,100,000	(1,178,494)
3	Daksheshbhai Jayantibhai Patel	5%	6,164	5,170,000	-	779,479	(1,475,129)	4,480,514	5,170,000	(689,486)
4	Falguniben Miteshbhai Parikh	16%	19,726	30,000,000	-	2,616,574	(4,720,412)	27,915,888	15,000,000	12,915,888
5	Hariprabhaben Arvindbhai Parikh	16%	19,726	25,000,000	-	2,493,286	(4,720,412)	22,792,600	10,000,000	12,792,600
6	Mukeshbhai Vitthalbhai Patel	8%	9,731	-	-	1,049,370	(2,360,206)	(1,301,105)	-	(1,301,105)
7	Renuka Jagdishbhai Parikh	16%	19,726	25,000,000	-	2,493,286	(4,720,412)	22,792,600	10,000,000	12,792,600
8	Saurin Jagdishbhai Parikh	17%	20,958	31,000,000	-	2,642,542	(5,015,438)	28,648,062	10,000,000	18,648,062
9	Toralben Urdeepbhai Brahmhatt	3%	3,701	-	-	393,520	(885,077)	(487,856)	-	(487,856)
10	Tushar Rameshchandra Trivedi	3%	3,649	-	-	392,568	(885,077)	(488,860)	-	(488,860)
	Total	100%	122,186	126,270,000	-	15,206,066	(29,502,577)	112,095,675	60,270,000	51,825,675

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%	-	-	113,829,447	-	113,829,447	5,691,473	108,137,974
2	Plant & Machinery	15%	-	-	636,788,605	-	636,788,605	47,759,146	589,029,459
3	Vehicle	15%	-	-	3,996,421	-	3,996,421	299,731	3,696,690
4	Air Conditioner	10%	-	-	85,400	-	85,400	4,270	81,130
5	Computer	60%	-	-	403,680	-	403,680	121,104	282,576
6	Land	0%	18,753,240	221,050	560,000	146,962	19,387,328	-	19,387,328
7	Tubewell Capital	10%	630,670	-	-	-	630,670	31,534	599,136
8	Weighbridge Capital	10%	442,750	-	414,000	-	856,750	42,838	813,912
9	Refrigerator	10%	-	-	16,900	-	16,900	845	16,055
	Total		19,826,660	221,050	756,094,453	146,962	775,995,201	53,950,941	722,044,260

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

SCHEDULE K
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, 2014

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, Baqadiya & Jain
CHARTERED ACCOUNTANTS
FRN : 128719W

For Pashupati Cotspin LLP

SD/-
Roopesh Jain
PARTNER
Mem. No. 116732

SD/-
Saurin J. Parikh
Designated Partner
DPIN: 02136530

SD/-
Tushar Trivedi
Designated Partner
DPIN: 06438707

Place : Ahmedabad
Date : 01.09.2014

Place : Kadi
Date : 01.09.2014

PASHUPATI COTSPIN LLP
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31ST MARCH, 2014

PARTICULARS	SCHEDULE	31.03.2014 AMOUNT RS.	31.03.2013 AMOUNT RS.
<u>INCOME</u>			
Sales	I	752,161,735	-
Other Income	II	32,819,398	-
TOTAL		784,981,133	-
<u>EXPENDITURE</u>			
Raw Materials Consumed	III	708,042,836	-
Consumables & other Spare Parts Consumed	IV	5,951,211	-
Purchase of Traded Goods	V	173,792,683	-
Changes in Inventories of Finished Goods	VI	(207,391,773)	-
Direct Expenses	VII	20,859,396	-
Employee Benefits Expense	VIII	8,246,506	-
Selling , Administrative & General Expenses	IX	3,607,639	405,858
Financial Expenses	X	47,424,271	1,223,048
Depreciation		53,950,941	-
TOTAL		814,483,710	1,628,906
Amount Transferred to Pre-Operative Expense A/c		-	(1,628,906)
Profit Before Tax		(29,502,577)	-
Provision For Income Tax		-	-
Profit After Tax		(29,502,577)	-

Notes on Accounts

K

As per our Report of even date attached

FOR, **BAQADIYA & JAIN**
CHARTERED ACCOUNTANTS
FRN : 128719W

For Pashupati Cotspin LLP

SD/-
Roopesh Jain
PARTNER
Mem. No. 116732

SD/-
Saurin J. Parikh
Designated Partner
DPIN: 02136530

SD/-
Tushar Trivedi
Designated Partner
DPIN: 06438707

Place : Ahmedabad
Date : 01.09.2014

Place : Ahmedabad
Date : 01.09.2014

PASHUPATI COTSPIN LLP	
SCHEDULE ANNEXED AND FORMING PART OF PROFIT & LOSS A/C	
FOR THE YEAR ENDED MARCH 31, 2014	
PARTICULARS	31.03.2014 AMOUNT RS.
SCHEDULE : I	
<u>SALES</u>	
Cotton Bales	634,737,756
Cotton Yarn	117,423,979
TOTAL	752,161,735
SCHEDULE : II	
<u>OTHER INCOME</u>	
Cash Discount & Allowance	104,762
Interest Income	1,214,674
Quality & Weight Diff Allowances	227,595
Sample Allowances	4,900
Profit on sale of Land	154,788
Vat Textiles Policy Incentive	3,585,334
Interest Incentive - Gujarat Govt. Policy	19,174,042
Interest Incentive - Tuff Scheme	5,549,413
Electricity Incentive - Gojarat Govt. Policy	2,803,890
TOTAL	32,819,398
SCHEDULE : III	
<u>RAW MATERIAL CONSUMED</u>	
Opening Stock	-
Add : Purchase	711,133,796
	711,133,796
Less : Closing Stock	3,090,960
TOTAL	708,042,836

SCHEDULE : IV	
<u>CONSUMABLES AND OTHER SPARE PARTS CONSUMED</u>	
Opening Stock	-
Add : Purchase	7,284,406
	7,284,406
Less : Closing Stock	1,333,195
TOTAL	5,951,211
SCHEDULE : V	
<u>PURCHASE OF TRADED GOODS</u>	
Purchase of Goods	173,792,683
TOTAL	173,792,683
SCHEDULE : VI	
<u>CHANGES IN INVENTORY OF FINISHED GOODS</u>	
Inventory at the end of the year	
Finished goods	207,391,773
Inventory at the beginning of the year	
Finished goods	-
TOTAL	(207,391,773)
SCHEDULE : VII	
<u>DIRECT EXPENSES</u>	
Transportation Expenses	632,700
Electricity Expenses	20,211,896
Repairs & Maintenance	14,800
TOTAL	20,859,396
SCHEDULE : VIII	
<u>EMPLOYEE BENEFITS EXPENSE</u>	
Salary	7,246,973
Staff Welfare Expenses	999,533
TOTAL	8,246,506

SCHEDULE : IX	
<u>SELLING ADMINISTRATIVE & GENERAL EXPENSES</u>	
Advertisement Exp.	17,889
Commission	161,375
Conveyance Exp	1,350
Discount	845,000
Donation Expenses	500
EPCG License Charges	205
Factory Expenses	57,460
Insurance	304,054
Internet Expenses	16,554
Legal & Professional Exps.	153,418
Misc Expenses	445,953
Office Expenses	5,005
Postage & Courier	3,489
Provident Fund Exp	37,720
Repairs & Maintenance	137,626
Rent Expenses	164,692
Stationary & Printing Expenses	163,943
Telephone	2,700
Testing Charges	25,808
Transportation Expenses	648,264
Travelling	6,400
Vehicle Exp	408,234
TOTAL	3,607,639
SCHEDULE : X	
<u>FINANCIAL EXPENSES</u>	
Bank Charges	97,024
Bank Interest	32,934,118
Other Interest	3,969,488
Interest on Partner's Capital	8,242,679
Loan processing fees and other charges	2,180,962
TOTAL	47,424,271