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Annual Report
2013-2014

Gupta

GUPTA SYNTHETICS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Prakash Gupta *Managing Director*
Mohan Gupta *Whole Time Director*
Pramod Kumar Tiwari *Director*
Anil Kumar Singhal *Director*

COMPANY SECRETARY

Avinash Shah

BANKERS

Oriental Bank of Commerce
ING Vysya Bank Ltd.
State Bank of India
Standard Chartered Bank
IDBI Bank Ltd.

AUDITORS

M/s. R. R. Patchigar & Co.
Chartered Accountants
Surat

REGISTERED OFFICE

326, Sardar Gruh Building
198, Lok Manye Tilak Road,
Near Crawford Market,
Mumbai - 400 002.

CORPORATE OFFICE

101, Trividh Chambers,
Opp. Fire Brigade Station,
Ring Road, Surat - 395 002. (Gujarat)
E-mail : info@guptasynthetics.com

CIN

L17110MH1984PLC091906

PLANT

Plot No. 28, Survey No. 259/1/1,
Navnit Shah Industrial Estate,
Dadra, Silvassa (U.T. of D. & N.H.)

REGISTRAR & SHARE TRANSFER AGENT

MCS Limited
1st Floor, Neelam
Apartment, 88, Sampatrao
Colony, Alkapuri, Vadodara.

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THIRTIETH ANNUAL GENERAL MEETING

DATE : 30th September, 2014

DAY : Tuesday

VENUE : M.C. GHIA HALL,
BHOGILAL HARGOVINDDAS
BUILDING, 2ND FLOOR, KAIKHUSHRU
DUBHASH MARG, MUMBAI- 400 001

TIME : 01.00 P.M.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTIETH ANNUAL GENERAL MEETING OF MEMBERS OF GUPTA SYNTHETICS LIMITED WILL BE HELD ON TUESDAY THE 30TH SEPTEMBER, 2014 AT M.C. GHIA HALL, BHOGILAL HARGOVINDDAS BUILDING, 2ND FLOOR, KAIKUSHRU DUBHASH MARG, MUMBAI- 400 001 AT 01.00 P.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance sheet as at 31st March, 2014 and the Profit & Loss Account for the year ended on that day, together with the Reports of Directors & Auditors thereon.
2. To appoint a Director in place of Shri Mohan Gupta ,(DIN 00010334) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as a ordinary Resolution

RESOLVED THAT in accordance with the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 (Including any statutory modification(s) or re enactments therefore for time being in force) M/s R.R. Patchigar & Co Chartered Accountants (Reg No 107639W) Surat be and are hereby appointed Statutory Auditors of the Company to hold office from the conclusion of the 30th Annual General meeting of the Company for a period of 3 years, at such remuneration be fixed by the Board of Director of the Company.

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as a ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government if necessary, the consent of the Company be and is hereby accorded to the appointment /re-appointment of Mr. Mohan Gupta (DIN: 00010334) as Whole Time Director for a period of five years with effect from 12/08/2014

5. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as a ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government if necessary, the consent of the Company be and is hereby accorded to the appointment / re-appointment of Mr. Prakash Gupta (DIN: 00010358) as Managing Director for a period of five years with effect from 12/08/2014

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution

RESOLVED THAT Pursuant to the provisions of the section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and Rules made there under, read with schedual IV of the Act, as amended from time to time Mr Pramod Kumar Tiwari (DIN 01632726)a non executive Director of the Company who has submitted a declaration that he meets with the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an independent Director of the Company with effect from 30th September, 2014 to 29th September, 2019

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution

RESOLVED THAT Pursuant to the provisions of the section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and Rules made there under, read with schedual IV of the Act, as amended from time to time Mr Anil Kumar Singhal (DIN 00013296) a non executive Director of the Company who has submitted a declaration that he meets with the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an independent Director of the Company with effect from 30th September, 2014 to 29th September, 2019

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014, M/s. Pasari & Associates (FRN 100928), Surat the cost Auditors appointed by the Board of Directors of the Company, based on the recommendation of the Audit Committee of the Board of Directors, to conduct the Audit of the cost records of the Company for the financial year ending on 31st March, 2015 be paid remuneration of ` 25000/- plus out of pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take such steps as may be necessary, proper or expedient to give effect to this resolution.

Dated : 12.08.2014

Registered Office :

326, Sardar Gruh Building,
198, Lok Manya Tilak Road,
Mumbai - 400002.

By Order of the Board of Directors

Sd/-
(Avinash Shah)
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER .
2. The instrument appointing a proxy, in order to be effective must be deposited with the Company, on any day during business hours at the Registered Office of the Company, not less than 48 hours before the time for holding the meeting.
3. The Register of members and the share transfer books will remain closed from Thursday, September 25, 2014 to Tuesday, 30th September, 2014 (Both Days Inclusive.)
4. Members are requested to notify the change, if any, in their address, to the Registrars and Transfer agents MCS Ltd., Neelam Apartment, 88, Sampatrao Colony, Alkapuri, Baroda and in any case on or before 30th September, 2014.
5. The members who have not encashed their dividend warrants for the financial year 2006-2007 are requested to approach the Company for the payment of the same
6. Pursuant to Section 124 of the Companies Act, 2013, dividend for the financial year ended 31st March, 2006, which remains unpaid or unclaimed has been transferred to The Investor Education and Protection Fund in the month of November, 2014
7. The ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative, members holding shares in demat form are requested to prove their e- mail to its depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's Registrar and Share Transfer Agent M/s MCS Ltd, Neelam Apartment, 88, Sampatrao Colony, Behind Federation Building, Alkapuri, Vadodara-390007 and also notify the e-mail address as and when there is any change.
8. Shareholders are requested to make all correspondence for share transfer and other purpose at Registered office of the Company or to Registrar & Share Transfer Agent MCS Ltd., Neelam Apartment, 88, Sampatrao Colony, Alkapuri, Baroda-390007. Members holding shares in dematerialized form are requested to notify their respective Depository Participant about any change of address and their bank particulars.
9. Shareholders seeking any information or clarification on the accounts are requested to send written queries to the Company, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
10. Members who hold shares in dematerialized form are requested to write their client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.

In order to provide protection against fraudulent encashment of dividend warrants, Members who holds shares in physical form and demate form are requested to intimate the Company's Registrar and Transfer Agent under the signature of sole/first joint holder the particulars of Bank account viz. name of bank, name of branch, complete address of bank with pin code number account type i.e. savings bank account or current account and bank account number.

11. Trading in equity shares of the Company is compulsorily in dematerialized mode by all the investors. In view of the above, the shareholders are advised to convert their shareholding in dematerialized form details of director seeking reappointment / appointment as a Director at Annual General Meeting is given as under pursuant to paragraph VIA of Clause 49 of Listing Agreement with the Stock Exchange is furnished as below :
12. Details of Director seeking reappointment / appointment as a Director at Annual General Meeting is given as under pursuant to paragraph VIA of Clause 49 of Listing Agreement with Stock Exchanges is furnished as below:
13. • Shri Mohan Gupta has been appointed as whole Time Director at meeting of Board of Directors held on 12/08/2014. Mr Mohan Gupta is director of company since incorporation of the Company. He is a science graduate having 34 years in the business of Textile Industry. He is looking after General Administration & Production & Marketing subject to Control and supervision of the Board of Directors of the Company. Under his able mature leadership the Company has achieved sustainable growth. Shri Prakash Gupta is related to him. He is Director of Gupta Education Foundation Institution and Blue Chip Builders Pvt Ltd
 - Shri Prakash Gupta has been appointed as Managing Director at meeting of Board of Directors held on 12/08/2014. Mr Prakash Gupta is director of company since incorporation of the Company. He is commerce graduate having 37 years business in the Textile Industries. He is looking after general Administration, Finance & Production subject to control and supervision of the Board of Directors of the Company. Shri Mohan Gupta is related to him. He is Director Gupta Education Foundation Institution, Evergreen Synthetics Pvt Ltd and NPL Polymers Pvt Ltd
 - Shri Pramod Kumar Tiwari is a Independent Director appointed on the Board of the Company on 10th November, 2006. He was IRS in the year 1966 and Joint Indian Revenue Services of the Government of India for the period of 35 years and retired from Services in the year 2001. He has having vest experience in the field of Income Tax, Central Excise etc with this experience & expertise the Company shall benefited in both the field. None of the Directors is related to him..
 - Shri Anilkumar Singhal is a Independent Director appointed on the Board of the Company on 28th June, 2004. He is a Commerce graduate having 27 years of rich experience of Textile Industry. He is looking after Marketing & export Subject to Control and supervision of the Board of Directors of the company. Under his able and mature leadership the company has achieved tremendous growth. None of the Director is related to him. He is Director of Sharp Synthetics Pvt Ltd, Gold Star Lease Financing Ltd., Evergreen Synthetics Pvt. Ltd., GSL Nova Petrochemicals Ltd and Sterlite Synthetics Pvt Ltd.
14. Voting through electronic means

The Company is pleased to provide e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically, in compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014. Necessary arrangements have been made by the Company with CDSL to facilitate e-Voting. The instructions and manner for e-Voting facility are as under.

The Instructions for members for voting electronically are as under:-i)

Log on to the e-voting website www.evotingindia.com

ii) Click on "Shareholders" tab.

iii) Now, select the "GUPTA SYNTHETICS LIMITED" from the drop down menu and click on

"SUBMIT". iv) Now Enter your user ID

a. For CDSL: 16 digits beneficiary ID,

b. For CDSL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v) Next enter the Image Verification as displayed and Click on Login.

- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

	For Members holding shares in Demate Form/ Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their Name* and the last 8 digits of the demat Client ID/ Folio Number in the PAN field. - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. <p>*Please note – If your name in the Register of Members of the Company starts with any Prefix like “Dr.”, “Mr.”, “Mrs.”, “Shri”, “Smt” etc., then please use the first two letters of the Prefix. If the second letter in your name contains any special character, then use the number 0 in its place. For exact name, please refer the Address Slip.</p>
DOB or Dividend Bank Details	<p>Enter the Date of Birth as registered with the DP/RTA in dd/mm/yyyy format Or Enter the Dividend Bank Details as record with your DP/RTA.</p> <p>Please note – In respect of Physical shareholding and whose DOB and Dividend bank details are not registered with DP/RTA should enter No. Of shares held by you as on the cut-off date i.e. 29th August, 2014.</p>

- vii) After entering details appropriately, click on “SUBMIT” tab.
- viii) Now, members holding shares in physical form will reach to Company selection screen and members holding shares in demat form will reach to Password Creation menu. It is mandatory for the Members holding shares in demat form to change their login password into new password. It is strongly recommended not to share your password with any other person and to take utmost care to keep your password confidential.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the EVSN 140901014 for GUPTA SYNTHETICS LIMITED
- xi) On the voting pages, you will see the Resolution description and against which option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the “RESOLUTION FILE LINK” if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi) If Demate account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all steps from Sr. No. (i) to Sr. No. (xvii) above to cast vote.

Please note that:

1. The voting period begins on 25th September, 2014 at 09.00 a.m. and ends on 27th September, 2014 at 18.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date which is 29th August, 2014, may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on this cut-off date. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company.
3. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
4. Mr. Kunjal Dalal, Practising Company Secretary (Membership No. FCS 3863), having his office at, M/s. K. Dalal & Co., 205, Pawan Hans Complex, Opp. Sub-Jail, Ring Road, Surat-395002, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
5. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in employment of the Company and forward his report of the votes cast in favour or against, to the Chairman or to any Director or Officer who may be authorised by the Chairman for this purpose.
6. The Results shall be declared on or after the Annual General Meeting (AGM). The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.gslmumbai.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

Dated : 12.08.2014

Registered Office :

326, Sardar Gruh Building,
198, Lok Manya Tilak Road,
Mumbai - 400002.

By Order of the Board of Directors

Sd/-
(Avinash Shah)
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT 2013

ITEM NO 4

Mr. Mohan Gupta was appointed as Whole time Director of company for period of 5 years form 01/10/2007 to 30/09/2012 at Annual General Meeting for the year 2007 held on 26/09/2007. The terms of Mr. Mohan Gupta as Whole Time Director expired on 30/09/2012. However in compliance with requirement of section 269 of the Companies Act 1956 and in terms of section 2(26) of The Companies Act 1956 he continued to occupy the position of Whole Time Director and exercise substantial powers of management though no remuneration was paid to Mr Mohan Gupta after 30/09/2012.

It is now proposed to appoint Mr.Mohan Gupta as whole time directors for a period of five years with effect from 12/08/ 2014. Mr.Mohan Gupta has been appointed as Whole time Director at meeting of Board of Directors held on 12/08/2014 and confirmation of appointment is required at this Annual General meeting of members. Copy of the said resolution with other relevant documents would be available for inspection without fees by the members at the Registered office of the Company during the business hours on any working day,

Mr. Mohan Gupta shall not be entitled to any remuneration or perquisites however shall be reimbursed expenses incurred for carrying out his duties as whole time director.

None of the Directors of the Company is concerned or interested in the proposed resolution except Shri Prakash Gupta being the relative of Shri Mohan Gupta deemed to be interested in his appointment of Shri Mohan Gupta as the Whole Time Director of the Company.

ITEM NO 5

Mr. Prakash Gupta was appointed as Managing Director of company for period of 5 years form 04/03/2008 to 03/03/2013 at the Annual General Meeting for the year 2008 held on 16/09/2008. The terms of Mr. Prakash Gupta as Managing Director expired on 03/03/2013. However in compliance with requirement of section 269 of the Companies Act 1956 and in terms of section 2(26) of The Companies Act 1956 he continued to occupy the position of Managing Director and exercise substantial powers of management though no remuneration was paid to Mr Prakash Gupta after 03.03.2013.

It is now proposed to appoint Mr Prakash Gupta as Managing Director for a period of five years with effect from 12/08/ 2014. Mr.Prakash Gupta has been appointed as Whole time Director at meeting of Board of Directors held on 12/08/2014 and confirmation of appointment is required at this Annual General meeting of members. Copy of the said resolution with other relevant documents would be available for inspection without fees by the members at the Registered office of the Company during the business hours on any working day,

Mr. Prakash Gupta shall not be entitled to any remuneration or perquisites however shall be reimbursed expenses incurred for carrying out his duties as whole time director.

None of the Directors of the Company is concerned or interested in the proposed resolution except Shri Mohan Gupta being the relative of Shri Prakash Gupta deemed to be interested in his appointment of Shri Prakash Gupta as the Managing Director of the Company.

ITEM NO 6

Mr Pramod Kumar Tiwari joined the Board of Directors of the Company on 10th November, 2006. He is non executive Independent Director of the Company and is considered as an independent Director under clause 49 of the listing Agreement

.He is about 72 years and is I.R.S in the year 1966 and joined Indian Revenue Service of the Govt. of India for the period of 35 years and retired from the services in the year, 2001. He has having vast experience in the field of Income Tex, Central Excise etc.

As per the provision of Section 149 of the Companies Act, 2013 which has come into force from 1st April, 2014, and independent Director shall hold office for a term upto 5 consecutive years on the Board of Directors of a Company and is not liable to retire by rotation. Mr. Pramod Kumar Tiwari has given declaration to the Board that He meets the criteria of independent as provided under section 149 (6) of the Act. Copy of the said resolution with other relevant documents would be available for inspection without fees by the members at the Registered office of the Company during the business hours on any working day,

In opinion of the Board Mr. Pramod Kumar Tiwari full fills the conditions specified in the Act and the rules made there under for appointment as independent Director and he is independent of the management. In Compliance with the provisions in section 149 read with Schedule IV of the Act, the appointment of Mr. Pramod Kumar Tiwari as an independent Director is now being place before the members in the general meeting for their approval.

None of the directors of the Company is in any way concerned or interested in this resolution.

ITEM NO 7

Mr Anil Kumar Singhal joined the Board of Directors of the Company on 28th June, 2004. He is non executive Independent Director of the Company and is considered as an independent Director under clause 49 of the listing Agreement .He is about 55 years and is Commerce graduate and having 27 years rich experience of Textile Industries. He has having vast experience in the field of Marketing & Exports etc..

As per the provision of Section 149 of the Companies Act, 2013 which has come into force from 1st April, 2014, and independent Director shall hold office for a term upto 5 consecutive years on the Board of Directors of a Company and is not liable to retire by rotation. Mr. Anil Kumar Singhal has given declaration to the Board that He meets the criteria of independent as provided under section 149 (6) of the Act. Copy of the said resolution with other relevant documents would be available for inspection without fees by the members at the Registered office of the Company during the business hours on any working day,

In opinion of the Board Mr. Anil Kumar Singhal full fills the conditions specified in the Act and the rules made there under for appointment as independent Director and he is independent of the management. In Compliance with the provisions in section 149 read with Schedule IV of the Act, the appointment of Mr. Anil Kumar Singhal as an independent Director is now being place before the members in the general meeting for their approval.

None of the directors of the Company is in any way concerned or interested in this resolution.

ITEM NO 8

The Board based on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/ s Pasari & Associates, Surat the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2015

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 The remuneration payable to the cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an ordinary Resolution, as set out at item no 8 of the notice, for ratification of the remuneration payable to the Cost Auditors of the Company for the financial year 2014-15. The Board recommend the resolution for approval of members.

None of the directors of the Company is in any way concerned or interested in this resolution.

Dated : 12.08.2014
Registered Office :
326, Sardar Gruh Building,
198, Lok Many Tilak Road,
Mumbai - 400002.

By Order of the Board of Directors

Sd/-
(Avinash Shah)
Company Secretary

DIRECTORS' REPORT

To,
THE MEMBERS,

Your Directors are pleased to present the Thirtieth Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2014.

PARTICULARS	As at 31-03-2014 (` . in Lacs)	As at 31-03-2013 (` . in Lacs)
Sales & Other Incomes	7305.45	13442.44
Gross Profit before Interest & Depreciation	(916.43)	(653.24)
Less : Interest	1850.65	1881.16
Depreciation	664.70	664.90
Profit / (Loss) before Tax	(3431.78)	(3199.30)
Less : Provision for Current Tax		0.00
Add Provision for Deferred Tax	34.44	6.70
Provision for Fringe Benefit Tax		0.00
Profit / (Loss) after Taxation	(3397.34)	(3192.60)
Less : Adjustments of earlier years	(18.96)	(6.70)
	(3416.30)	(3199.30)
Add : Surplus brought forward from previous years	(7153.82)	(3954.52)
Balance carried to Balance Sheet	(10570.12)	(7153.82)

PERFORMANCE DURING THE YEAR

The turnover of the Company during the year decrease by 45.65 % at 7305.45 Lacs as compared to ` 13442.44 Lacs for the corresponding year ended 31st March, 2013. The profit/(loss) before Interest and Depreciation worked out to ` (916.43) Lacs as against Loss of ` (653.24) Lacs for the year ended 31st March, 2013. The net profit/(Loss) derived by the Company is ` (3416.30) Lacs. Due to non profitability in manufacturing of Partially Oriented Yarn the Company has temporary decided to stop the production of POY and concentrate only Nylon filament yarn.

DECLARATION/ORDER OF THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR) DECLARING COMPANY AS "SICK COMPANY" UNDER SICA

At present the Company is a Sick Company as Declared in the hearing held on 29th May, 2013 the Hon'ble Board has declared the Company as SICK COMPANY pursuant to Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act ,1985 and also give various directions for the rehabilitation of the Company and appointed IDBI Bank as operating agency for revival of the Company. The Company has submitted the draft rehabilitation scheme with the Hon'ble Board for Industrial and Financial Reconstruction on 24th February, 2014 for its review and approval and also submitted with Operating agency IDBI Bank of 21st February, 2014. The next hearing will be scheduled to be held on 14th Day of October, 2014 at Office of the Board for Industrial and Financial Reconstruction, New Delhi.

MATERIAL CHANGES AFTER THE END OF FINANCIAL YEAR.

Pursuant to section 217(1)(d) of the Companies Act, 1956 we give below the material changes

- (I) The Company has received notices under section 13 (2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 from IDBI Bank Ltd , ING Vysya Bank Ltd and State Bank of India Ltd. In response to the above notices the Company has submitted satisfactory reply to the said banks in statutory time period.
- (II) The company has received a letter from Oriental Bank of Commerce, Assets Recovery Management Branch, Mumbai vide letter no CN/5501/Gupta/ 2164/ 2014 dated 01.04.2014 , informing the company that the debt of the company's bank account assigned to M/s Edelweiss Asset Reconstruction Company Ltd, Mumbai.

DIVIDEND

Due to the loss incurred by the Company during the year 2013- 2014 no dividend is recommended for the payment on the Equity Share capital.

FIXED DEPOSITS :

The Company has not accepted any deposit falling within the purview of the provisions of the Companies (Acceptance of Deposit)Rules, 1975.

DIRECTORS :

In accordance with Article 145 of the Articles of Association of the Company, Shri Mohan N. Gupta retire by rotation and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

APPOINTMENT OF STATUTORY AUDITORS AND AUDITORS REPORT

Statutory Auditors of the Company M/s.R.R.Patchigar & Co. Chartered Accountant of Surat will retire at the conclusion of the ensuring Annual General Meeting from the office of the Statutory Auditors and being eligible offer themselves for re-appointment from the end of the ensuring Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

The qualification /adverse remarks in the Auditors Report are self explanatory and in opinion of the Board do not call for any clarification.

ASSEMENT OF FIRE

The fire broke out in the finished goods godown in the factory premises in the mid night of 29th June, 2008 and major loss occurred. The New india Assurance co has repudiate our fire claim vide its letter dated 09th December, 2009 and in that response and to protest the repudation of our genuine claim the company has approached and submitted the petition with National Consumer Dispute Redressal Commission, New Delhi.on 08th December, 2010. Now the matter is in the adjudication stage.

APPOINTMENT OF STATUTORY AUDITORS :

LISTING ON STOCK EXCHANGE :

The Equity Shares of the Company are listed at Bombay Stock Exchange Ltd. (BSE), Mumbai.

PARTICULARS OF EMPLOYEES :

Particulars required by the provisions of Section 217(2A) of the companies Act, 1956 read with the companies (Particulars of Employees) Rules, 1975 as amended have not been provided since no employee is drawing remuneration in excess of prescribed limits as per above provisions.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EARNINGS & OUTGO :

The particulars prescribed by the companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as to conservation of energy, Technology absorption, Foreign Exchange Earnings and outgo are furnished in the annexure to this Report.

INSURANCE :

The Company has made necessary arrangements for adequately insuring its insurable interests in various properties.

DIRECTOR'S RESPONSIBILITY STATEMENT.

As required under Section 217(2AA) of the Companies Act, 1956 your Directors state :

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) that the accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period.
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (iv) that the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE REPORT

your Company has complied with the Corporate Governance guidelines as per Clause 49 of the Listing Agreement with the Stock Exchange.

A report on Corporate Governance and a Certificate from the Statutory Auditors of the Company regarding compliance with Corporate Governance guidelines as stipulated have been attached by way of separate Section as part of this Annual Report.

ACKNOWLEDGEMENTS :

Your Directors wish to express their sincere thanks for the support and co-operation extended by the Financial Institution, Commercial Banks, Government of India, Government of Gujarat, Government of Union Territory of Silvassa (Dadra & Nagar Haveli) Buyers, Suppliers and Share Holders for their continued support.

Your Directors also wish to express their thanks for the services rendered by the Company's employees at all levels.

FOR AND ON BEHALF OF THE BOARD

Place : Surat

Date : 12.08.2014

Sd/-

CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT UNDER SECTION 217(1)(e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31.03.2014.

(A) CONSERVATION OF ENERGY:

(a) Energy conservation measures taken by the Company :

- (1) Reducing the maximum demand by evenly distributing the loads throughout the day and increasing efficiency of plant and equipment.**
- (2) Improving power factor by optimum choice of power factor improvement capacitors.**
- (3) Decreasing the overall energy consumption by reducing losses and improvement of efficiency of all class A utilities.**

**(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :-
Not planned at the moment.**

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: the energy conservation measures adopted by the company have had marginal favourable impact on the cost production.

(d) Total energy consumption and energy consumption per unit of production as per Form-A.

(FORM –A)
(See Rule 2)

Form of disclosure of particulars with respect to conservation of energy:

A. Power and fuel Consumption

	<u>As at 31-03-2014</u>	<u>As at 31-03-2013</u>
1. Electricity :		
(a) Purchased		
Unit (in Lacs)	170.33	336.28
Total amount (` in Lacs)	766.39	1444.38
Average Rate/Unit (`)	4.50	4.10
(b) Oil		
(i) Through diesel generator		
Unit (in Lacs)	0.00	0.00
Units per liter of diesel/oil	0.00	0.00
Cost/Unit (`)	0.00	0.00
(ii) Through steam turbine /generator	N.A.	N.A.
Units per liter of fuel oil		
Cost/Unit		
2. Coal (specify quality and where used)	Not used	Not used
3. Furnace Oil	Not used	Not used
4. Others/internal generation (Please give details)	NIL	NIL

B. Technology Absorption

(a) Efforts made in technology absorption as per form B of the Annexure

FORM –B
(See Rule 2)

Form for disclosure of particulars with respect to absorption Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company) The Company is not having it's own
2. Benefits derived as result of the above R & D Weekly Bulletin) R&D Dept.
3. Future plan of action.)
4. Expenditure of R & D)

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.) The Company is not having its best to
adopt the which gives maximum
2. Benefits derived as a result of the above efforts, e.g. product) production.
machinery improvement, cost reduction, product
development, import substitution, etc.)
3. In case of imported technology :) The Company is not having imported
technologies.

C. Foreign Exchange Earnings and Outgo :

	2013-14	2012-13
		(` Lacs.)
Inflow in Foreign Exchange	—	61.06
Outgo in Foreign Exchange	41.37	60.86

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY SCENARIO AND STRUCTURE.

Today modern techniques, electronics and innovation have lead to a competitive, low-price textile industry offering almost any type of cloth or design a person could desire with its low cost labour base china has come to dominate the global textile industry.

The performance of the Indian Textile Industry during 2013-14 was green as most of the develop market were facing recession, leading to low textile demand. Textile Industry occupies a unique place in the economy of the country by virtue of its contribution to the industrial out put, employment generation and foreign exchange earning.

The Indian Textile Industry rallied under declining domestic demand and high input cost in the current year. Drop in demand from external markets created panic among manufacturers who have started production in the fresh manner.

OPPORTUNITIES

India has the opportunity to increase its Unit Value Realisation through moving up the value chain by producing value added products and by producing more technologically superior product

Further as per the recent reports, measure taken by the Indian Central Bank have arrested the rate of decline in the economy to some extent and the inflation is not a concern for now. Indian economy grew an estimated 5.5 in just ended 2013-14 fiscal year and consumer price inflation is expected to moderate in five to six months. The whole sale price inflation is already increase and there is a time lag for the consumer inflation to also increase..

Initiation of new technologies and improvement along with the new product also boosted growth in POY product during the year. POY business also saw a host of new product being introduced through improvement in existing technologies.

Further , addition of capacity by other competitors of the Company will result into more competition to be faced by your company. However in view of availability of market, the sales and profitability of the Company will not be affected.

EMPLOYMENT

The Indian Textile adds 13.5% to the industrial production and 7% to the GDP OF India. It provides employment to 39 Million people and thus, is second largest employment provider after agriculture. The Indian Apparel & textile is one of the Largest sources of foreign exchange flow into country with the apparel export accounting for almost 21 % of the total export of the country.

OUTLOOK

Your company is looking to raised its capacity utilization and cost conservation during the coming years. The thrust area of the company shall be enhancing its existing market share and simultaneously moving towards capturing a large share in the growing niche market. Boosted by the growing demand, coupled with increasing expenditure on consumption, including Textile, the domestic and global markets for polyester are expected to grow further in the coming years and therefore the stage is set for the opening up of new vistas of opportunity for the Indian polyester manufacturers, domestically and internationally. The management of the company has rich experience in textile and the company is trying to achieve the best possible results and it is optimistic of some favorable developments in textile industry with the overcoming of recession.

HUMAN RESOURCES/ INDUSTRIAL RELATION

The Company recognize the importance and contribution of its human resources for its growth and development and is committed to the development of its people. Your company is successful in maintaining the cordial and peaceful relationship with the employees at all level and reciprocation it has received wholehearted support at all levels of operation by all employees.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has in place effective systems of internal control ensuring accurate, reliable and speedy compilation of financial information, safeguarding the assets and interest of the Company and ensuring compliance with laws and regulations. The internal control is supplemented by an extension programme of internal audits, review by the management and documented policies, guidelines and procedures.

REPORT ON CORPORATE GOVERNANCE

Company's philosophy

The Company believes that good Corporate Governance is essential to achieve long term corporate goals and to enhance stake holders' value. Corporate Governance is about commitment to values and adhering ethical business. This include its corporate structure, culture, policies and the manner in which it deals with various stake holders.

Board of Directors

As on March, 2014 the Company's Board of Directors consisting of Four directors. The day to day affairs are however being looked after by Shri Moahn Gupta who is designated as Whole Time Director out of Three, Non executive directors Shri Promod kumar Tiwari and Shri Anil Singhal are independent directors & Shri Prakash Gupta promoter Director. The Chairman of the Company Shri Anilkumar Singhal is a Non Executive Director.

During the year 2013-2014 the Board met 8th times on 31.05.2013, 07.06.2013, 12.08.2013, 15.10.2013, 14.11.2013, 07.01.2014, 14.02.2014 and 05.03.2014. The maximum gap between two meeting was not more than four months.

The Company Secretary while preparing the agenda, notes on agenda, minutes etc. of the meeting(s) and holding and conducting the meetings, is responsible for and is required to ensure adherence to all the applicable provisions of law including the Companies Act, 1956 and the Secretarial standards recommended by The Institute of Company Secretaries of India, New Delhi.

The composition of the Board of Directors, attendance of Directors at the Board Meetings and at the last Annual General Meeting as also the number of Directorship and Committee Membership held by them in other companies are given below.

NAME	CATEGORY	MEETINGS ATTENDED	LAST AGM ATTENDED	NO. OF OTHER DIRECTORSHIP	COMMITTEE MEMBERSHIP
Shri Anil Singhal	Independent & Non Exe.	06	Yes	5	3
Shri Prakash Gupta	Non Ind. & Executive.	06	Yes	4	2
Shri Mohan Gupta	Non Ind. & Executive.	07	—	2	2
Shri P.K. Tiwari	Independent & Non Exe.	04	—	0	3

Audit Committee

The Audit Committee consist of two independent Directors namely Shri Anil Singhal and Shri Pramodkumar Tiwari and Shri Prakash Gupta Executive Director. Shri Pramod kumar Tiwari Independent Non Executive Director is the Chairman of Audit Committee.

Terms of reference of the Audit Committee are as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchange that interalia includes overseeing financial reporting process, reviewing periodic financial results, financial statements and adequacy of internal control system with the Management and adequacy of internal audit function, discussions with auditor about the scope of audit including the observation of the auditors and discussion with internal auditors on any significant findings dated 07.06.2013, 12.08.2013 14.11.2013 and 14.02.2014.

Remuneration Committee

The remuneration committee consist of two independent Directors namely Shri Anil Singhal and Shri Pramodkumar Tiwari and Shri Prakash Gupta Executive Director. Shri Anil Singhal Independent Non Executive Director is the Chairman of remuneration Committee. The terms of reference of Remuneration Committee is to recommend / review the remuneration package of the Managing Director/ Executive Directors, base on the performance and define criteria.

Shareholders / Investors / Grievance Committee

The Committee consists of 3 members viz Shri Pramodkumar Tiwari, Shri Anilkumar Singhal and Shri Mohan N Gupta.

- a. Shri Avinash Shah Company Secretary of the Company is the Compliance officer.
- b. No. of Shareholders' complaints received during the period 1-04-2013 to 31.03.2014. 02
- c. No. of complaints not solved to the satisfaction of the Shareholders Nil
 Number of pending complaints as on 31.03.2014. Nil

Compliances by the Company

The Company has received show causes notice under various section of the Companies Act pursuant to violation of sections 211 (3A), Section 210, Section 629 r.w section 211, Rule 2(b) of Section 58A, Section 217 (1)(e), section 269 r.w. Scheduling XIII, Section 211 (3A) section 292(1)(c) and section 628 r.w. Section 159 of the Companies Act. The Company has submitted all reply to Registrar of Companies in statutory time period

There has neither been any non compliance of any legal provision of applicable law, nor any penalty, structure imposed by the stock exchange or securities and exchange Board of India or any other authorities, on any matter related to capital market during the last three years.

Name and designation of Compliance Officer:

Shri Avinash Shah, Company Secretary of the company has been appointed as compliance officer .

Means of Communication:

Financial Results are published in leading Financial Newspaper as well as copies of the same are also being sent to Stock Exchange where the shares of the company is listed for the benefit of the public at large. It is also being displayed on the website of the company www.guptasynthetics.com with regular updation.

Financial results are published normally in leading English and in Vernacular daily newspaper.

Website of the company is www.guptasynthetics.com.

The company supplies copies of the financial results and annual report of the company to various analysts, registered shares brokers, various government department and agencies and investors/shareholders and all those interested in getting the same as and when requested.

Stock code:

The stock code of the company on the Bombay Stock Exchange Ltd. is 514116 and ISIN No. INE 957D01017

Share Transfer System;

The Share Transfers (pertaining to shares in physical mode) are approved by the committee of Directors which meets regularly. Total numbers of shares transferred during the financial year 2013-14 were 900 (Nine Hundred).

Shareholding Pattern of Equity Shares as on 31.03.2014:

Sr No	Category	Number of Shares held	% of Share holdings
1	Promoters	3746677	50.96
2	Private Bodies Corporate	183886	02.50
3	NRI's	180856	02.46
4	Indian Public	3241281	44.08
	Total	7352700	100.00

Distribution of Shareholding:

Share or Debenture holding of nominal value of		Share / Debenture holders		Share / Debenture Amount	
		Number	% to total	(In `)	% to total
Upto	5,000	5501	97.92	23909140	32.52
5,001	10,000	59	1.05	4320780	5.87
10,001	20,000	27	0.49	3624350	4.93
20,001	30,000	7	0.12	1871390	2.55
30,001	40,000	2	0.03	672670	0.91
40,001	50,000	3	0.05	1323580	1.80
50,001	1,00,000	6	0.11	3764240	5.12
1,00,001	and above	13	0.23	34040850	46.30
T O T A L		5618	100	73527000	100.00

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Share price for the period April,2013 to March,2014

MONTHS	HIGH	LOW
APRIL	3.30	3.05
MAY	3.00	3.00
JUNE	3.00	3.00
JULY	2.85	2.59
AUGUST	0.00	0.00
SEPTEMBER	2.70	2.59
OCTOBER	2.82	2.45
NOVEMBER	2.97	2.60
DECEMBER	3.00	2.83
JANUARY	3.15	2.41
FEBRUARY	2.30	1.95
MARCH	1.96	1.64

These Data is from BSE site: www.bseindia.com

General Body Meetings

Location and time, where last three AGMs held :

For the Year Ended	Location	Date	Time
31-03-2011	326,Sardar Gruh Building, 198 Laok Maniya Tilak Road, Mumbai 400 002	23-12-2011	12.30 p.m.
31.03.2012	Maharashtra Chamber of Commerce, Industry of Agriculture, Orion House12, k, Dubhash Maarg, Fort, Mumbai	04.07.2012	11.30 a.m.
31.03.2013	326,Sardar Gruh Building, 198 Laok Maniya Tilak Road, Mumbai 400 002	27.09.2013	12.30 p.m.

Whether Special Resolutions

- 1) Were put through postal ballot last year : No
- 2) Details of voting pattern : N.A.
- 3) Person who conducted the postal ballot exercise : N.A.
- 4) Are votes proposed to be conducted through postal ballot this year. : No.

Nomination facility:

Your Company has already offered the facility of nomination to the members. Individual shareholders can avail of the facility of nomination and may submit to the company the prescribed form 2B at the Registered Office of the Company. It is advisable to avail the facility especially by shareholders who currently hold shares in single name. In case of any assistance, please contact at the Registered Office or Corporate office of the Company.

Disclosure:

The Company has received show causes notice alleging violation of Section 211 (3A), section 210, section 629 R.W. section 211, Rule 2b of 58A, section 217(1)(c), section 269 r.w. Schedules XIII, section 211 (3A) section 292(1)(c) and section 428 r.w., section 159 of the Companies Act, 1956. The Company has submitted all reply to Registrar of Companies and no further action has been initiated by Department in the matter

There has neither been any other non-disclosure of any legal provision of applicable law, nor any penalties or structures have been imposed on the company by the statutory authority on any matter related to capital market during last three years.

Address for correspondence:

Regd.office: 326, Sardar Gruh Building, 198, Lokmanya Tilak Road, Nr. Crawford Market, Mumbai-400002. Tel:-022-22000356, Fax:-022-22000357.

Email:-shahavinash@guptasynthetics.com
investorgrievances@guptasynthetics.com Corporate Office:

101, Trividh Chambers, Opp. Fire Brigade Station, Ring Road, Surat-395 002.
 Tel:-0261-2335891, Fax:-0261-2313301, E-mail : info@guptasynthetics.com

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Gupta Synthetics Limited

We have examined the compliance of conditions of Corporate Governance by Gupta Synthetics Limited for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in material respects with the conditions of corporate governance as stipulated in the above mentioned Listing agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the shareholders grievance committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R. R. Patchigar & Co.
Chartered Accountants,

Place : Surat
Date : 12.08.2014

R. R. Patchigar
(*Proprietor*)
M.No. 31172

CERTIFICATE BY CHIEF EXECUTIVE OFFICER OF THE COMPANY

We Mohan Gupta Whole-time Director and Chief Executive Officer of Gupta Synthetics Limited , to best of our knowledge and belief certify that:

We have reviewed the Balance Sheet and Profit & Loss Account of the Company for the year ended March 31, 2014 and all its schedules and notes on account, as well as the Cash Flow Statement.

To the best of our knowledge and information

These statement do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading:

These statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company, which are fraudulent, illegal violate the company's code of conduct.

We are responsible for establishing and maintaining internal controls and procedures for the Company, and we have evaluated the effectiveness of the Company's controls and procedures.

We have disclosed , based on our most recent evaluation, wherever applicable, to the Company's auditors and through them to the audit committee of the Company's Board of Directors:

We also certify that there have been no significant changes in internal control during the year and also there have been no significant changes in accounting policies during the year.

Any fraud, which we have become aware of and that involves Management or other employees who have a significant role in the Company's internal control systems.

We further declare that all board members and senior management have affirmed compliance with the code of conduct for the year 2013-2014.

Place : Surat
Date : 12.08.2014

Mr Mohan Gupta
(*CEO & Whole time Director*)

AUDITORS' REPORT

To,
The Members of
GUPTA SYNTHETICS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of GUPTA SYNTHETICS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and 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 management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the companies Act, 1956 (The Act) read with the General Circular 15/2003 dated 13th September, 2013 of the ministry of corporate affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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 Company'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 aforesaid financial statements give the information required by the Act in the manner so required and in conformity with the accounting principles generally accepted in India and give a true and fair view subject to points mentioned below:

1. Loss of Stock in Fire of ₹ 2162.93 Lacs not provided by the company as mentioned in the Note No. 43 forming part of balance sheet.
2. The ING Vysya Bank Ltd., have written off ₹ 18,14,90,530.05 in Term Loan Account during FY 2013-14. The company have written a letter to the Bank to know the reason for the said writing off. The company has not received any explanations about the same and therefore said amount is not written off by the company in its books of account and therefore the balance outstanding in the name of ING Vysya Bank Ltd is shown higher by that amount ₹ 18,14,90,530.05 and correspondingly the Profit & Loss Account balance in Balance Sheet show the loss figure higher by the amount ₹ 18,14,90,530.05.
3. The Standard Chartered Bank have written off ₹ 20,29,76,713.71 in Term Loan Account during FY 2013-14. The company have written a letter to the Bank to know the reason for the said writing off. The company has not received any explanations about the same and therefore said amount is not written off by the company in its books of account and therefore the balance outstanding in the name of Standard Chartered Bank is shown higher by that amount ₹ 20,29,76,713.71 and correspondingly the Profit & Loss Account balance in Balance Sheet show the loss figure higher by the amount ₹ 20,29,76,713.71.
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - b. in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure 'A' statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For R. R. PATCHIGAR & CO.
Chartered Accountants
FRN: 107639W

Place : Surat
Date : 12.08.2014

Rupin Patchigar
Proprietor
Membership No.: 31172

ANNEXURE 'A' TO AUDITORS' REPORT

1. In respect of fixed assets :
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
 - b. As explained to us, the physical verification of the assets has been carried by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - c. Further in our opinion, the company has not disposed off substantial part of fixed assets affecting its going concern status during the financial year.
2. In respect of its inventories :
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the company has maintained proper record of its inventories and no material discrepancies noticed on physical verification .
3. In respect of loans, secured or unsecured, granted or taken by the company to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - a. The company had granted unsecured loans to company and other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and year - end balance of the loan granted is ` 418.11 Lacs.
 - b. The loan granted by the company is interest free.
 - c. The principal amount is repayable on demand and there is no repayment schedule.
 - d. In respect of the said loan, the same is repayable on demand and therefore the question of overdue amounts does not arise.
 - e. The company has taken unsecured loans from companies covered in the register maintained under section 301 of the Companies Act, 1956 and year - end balance of the loan taken from such parties is ` 95.48 Lacs.
 - f. In respect to loans taken by the company from body corporate and related parties are interest free.
 - g. In respect of the said loan taken, the same is payable on demand and therefore the question of overdue amounts does not arise.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure that commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.
5. In respect of transaction covered under Section 301 of the Companies Act, 1956 :
 - a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of the five lacs rupees in respect of each party during the year have been made at price which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has accepted deposits against the terms of provisions of Section 58A and 58AA of the Companies Act, 1956.
7. In our opinion and according to the information and explanations given to us, the company does not have an internal audit system that commensurate with its size and nature of the business.

8. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, and Companies (Cost accounting records Rule), 2011, and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate or complete.

9. In respect of statutory dues:

- a. According to the records of the Company, undisputed statutory dues including Provident Fund, Income tax, Sales tax, Custom Duty, Excise Duty, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities.

According to the information and explanation given to us, no undisputed amounts payable in respect of Income tax, Sales tax, Custom Duty, Excise Duty, Cess and other material statutory dues as at 31st March, 2014 which are outstanding for a period of more than six months from the date they become payable, except income tax of ` 30.09 lacs, fringe benefit tax of ` 16.33 lacs, and tax on proposed dividend of ` 5.03 lacs are outstanding exceeding six month from the end of the financial year.

- b. According to the information and explanations given to us and the records produced before us, the particulars of commercial tax and excise duty and service tax as at 31st March 2014 which have not been deposited as on 31st March, 2014 on account of dispute pending are as under:

Nature of Statute	Nature of Dues	` in Lacs	Period to which Amount relates	Forum where dispute is pending
Gujarat Commercial Tax	Value Added Tax / Penalties	33.48	2006-07	Gujarat Value Added Tax Appellate Tribunal
		80.83	2007-08	Deputy Commissioner of Commercial Tax
		4.12	2008-09	
		172.22	2009-10	
		87.56	2010-11	
Central Excise Act, 1944	Excise Duty and Service Tax	26.45	Various years from 2002-03 to 2007-08	Customs, Excise & Service Tax Appellate Tribunal
		63.92	Various years from 2005-06 to 2010-11	Commissioner of Central Excise (Appeals)
		53.41	Various years from 2006-07 to 2010-11	Additional Commissioner of Central Excise & Service Tax
Total		521.99		

10. At the end of the financial year the accumulated losses of the Company have exceeded its net worth. Further the company has incurred cash loss during current and preceding financial years. The Company has an accumulated loss of ` 10570.11 Lacs as on 31st March 2014 and the Company has incurred cash losses of ` 2786.04 Lacs during the financial year and cash losses of ` 2541.11 Lacs in the immediately preceding financial year.

11. Based on our audit procedures and according to the information and explanations given to us, the company has defaulted in repayment of dues towards their Term Loan Accounts with ING Vysya Bank Ltd., Oriental Bank of Commerce, Industrial Development Bank of India and State Bank of India. Details of period and amount of default are as under:

Sr. No.	Name of the Bank	Amount of default As on 31.03.2014 (₹ in lacs)
1	ING Vysya Bank Ltd.	2135.83
2	Oriental Bank of Commerce	2600.40
3	Industrial Development Bank of India	1605.74
4	State Bank of India	3023.00
Total		9364.97

The amount of default includes principal and interest. Note that company has not paid any installments and above bank accounts have become Non-Performing Assets, therefore entire term loan accounts are shown as default.

12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the company is not a chit fund or a nidhi / mutual benefit fund / society, therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. The company is not dealing or trading in shares, securities, debentures and other investment. However the company has invested in shares and securities as mentioned in Note '9' to the accounts. Since the investment are made with a view to earn dividend, interest for capital appreciation and for other benefits, the question of the company maintaining separate records of the transactions and contracts and making timely entries therein does not arise. These shares and securities are held by the Company in its own name.
15. The company has pledged certain shares held as investments as guarantees for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, term loan were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report that funds raised on short term basis have, prima facie, not been used for long term investment during the year.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. During the financial year, the company did not issue any debentures. Hence the provision of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 regarding creation of security or charge for debentures are not presently applicable to the company.
20. The company has not raised any money by way of public issue during the year.
21. In our opinion and 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.

For R. R. PATCHIGAR & CO.
Chartered Accountants
FRN: 107639W

Place : Surat
Date : 12.08.2014

Rupin Patchigar
Proprietor
Membership No.: 31172

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in `.)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES :			
1. SHARE HOLDER'S FUND			
a) Share Capital	1	223,527,000	223,527,000
b) Reserve & Surplus	2	(910,804,875)	(569,174,735)
c) Money received against share warrants		-	-
		<u>(687,277,875)</u>	<u>(345,647,735)</u>
2. SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
3. NON-CURRENT LIABILITIES			
a) Long term borrowings	3	2,026,221	3,293,162
b) Deferred tax liabilities (Net)		134,930,128	138,374,311
c) Other long term liabilities		-	-
d) Long term provisions		-	-
		<u>136,956,350</u>	<u>141,667,473</u>
4. CURRENT LIABILITIES			
a) Short term borrowings	4	2,115,624,941	2,086,336,898
b) Trade payables	5	116,147,184	146,995,859
c) Other current liabilities	6	491,431,328	366,502,376
d) Short term provisions	7	9,756,596	11,042,793
		<u>2,732,960,049</u>	<u>2,610,877,926</u>
		<u>2,182,638,524</u>	<u>2,406,897,664</u>
II. ASSETS :			
1. NON - CURRENT ASSETS			
a) Fixed assets	8		
i) Tangible assets		830,383,029	895,912,034
ii) Intangible assets		-	-
iii) Capital work-in-progress		-	-
iv) Intangible assets under development		-	-
		<u>830,383,029</u>	<u>895,912,034</u>
b) Non-current investments	9	12,676,500	12,676,500
c) Deferred Tax Assets (Net)		-	-
d) Long term loans and advances	10	79,572,101	71,683,183
e) Other non-current assets	11	7,726,363	10,992,736
		<u>930,357,993</u>	<u>991,264,453</u>
2. CURRENT ASSETS			
a) Current investments		-	-
b) Inventories	12	153,353,110	250,100,494
c) Trade receivables	13	733,696,948	806,776,849
d) Cash and cash equivalents	14	9,727,219	12,804,037
e) Short-term loans and advances	15	355,503,253	345,951,831
f) Other current assets		-	-
		<u>1,252,280,530</u>	<u>1,415,633,212</u>
		<u>2,182,638,524</u>	<u>2,406,897,664</u>

Significant accounting policies and notes on accounts 24 to 51

As per our report of even date
attached FOR R. R. Patchigar & CO.,
Chartered Accountants
FRN: 107639W

(R. R. Patchigar)
Proprietor
Membership No. : 31172
Place : Surat
Date : 12.08.2014

FOR AND ON BEHALF OF THE BOARD

Prakash Gupta *Managing Director*

Mohan Gupta *Whole-time Director*

Avinash Shah *Company Secretary*

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2014

(Amount in `.)			
Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I. Revenue from operations	16	729,150,857	1,339,824,309
II. Other Incomes	17	1,394,463	4,420,272
III. Total Revenue (I + II)		730,545,320	1,344,244,582
IV. Expenses			
Cost of Materials consumed	18	562,179,433	854,656,932
Purchase of Stock-in-Trade		-	97,410,372
Changes in inventories	19	87,659,842	125,665,526
Employee benefits expense	20	16,870,378	31,578,553
Finance costs	21	185,065,416	188,116,335
Depreciation and amortization expense	8	66,470,001	66,489,547
Other expenses	22	155,478,573	300,257,782
		1,073,723,642	1,664,175,047
V. Profit before exceptional and extraordinary items and tax (III - IV)		(343,178,323)	(319,930,465)
VI. Exceptional items	23	1,896,000	670,573
VII. Profit before extraordinary items and tax (V - VI)		(345,074,323)	(320,601,038)
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		(345,074,323)	(320,601,038)
X. Tax expense			
Current tax			
Deferred tax Liability / (Asset)		(3,444,183)	(670,708)
		(3,444,183)	(670,708)
XI. Profit / (Loss) for the period from continuing operations (VII - VIII)		(341,630,140)	(319,930,330)
XII. Profit / (Loss) for the period from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (Loss) from discontinuing operations (after tax) (XII - XIII)		-	-
XV. Profit / (Loss) for the period (XI + XIV)		(341,630,140)	(319,930,330)
XVI. Earnings per equity share: (Refer Note No. 41)			
Basic		(46.46)	(43.51)
Diluted		(46.46)	(43.51)

As per our Report of even date annexed

24 to 51

As per our report of even date attached
FOR R. R. Patchigar & CO.,
Chartered Accountants

FRN: 107639W

(R. R. Patchigar)

Proprietor

Membership No. : 31172

Place : Surat

Date : 12.08.2014

FOR AND ON BEHALF OF THE BOARD

Prakash Gupta

Managing Director

Mohan Gupta

Whole-time Director

Avinash Shah

Company Secretary

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	(Amount in `.)	
	As at 31st March 2014	As at 31st March 2013
NOTE 1 : SHARE CAPITAL		
Authorised Share Capital :		
1,50,00,000 Equity Share of ` 10 each	150,000,000	150,000,000
15,00,000 Preference Share of ` 100 each	150,000,000	150,000,000
	<u>300,000,000</u>	<u>300,000,000</u>
Issued, Subscribed and paid-up capital : (Refer Note No. 26)		
Equity Shares of ` 10 each		
Opening Balance : 73,52,700 equity shares	73,527,000	73,527,000
Add : Addition of equity shares during the year	-	-
Less : Deduction of equity shares during the year	-	-
	<u>73,527,000</u>	<u>73,527,000</u>
Redeemable Non-Cummulative Preference Shares of ` 100 each		
Opening Balance : 15,00,000 preference shares	150,000,000	150,000,000
Add : Addition of preference shares during the year	-	-
Less : Deduction of preference shares during the year	-	-
	<u>150,000,000</u>	<u>150,000,000</u>
	<u>223,527,000</u>	<u>223,527,000</u>
NOTE 2 : RESERVES AND SURPLUS		
Capital Reserve		
Opening Balance	30,147,750	30,147,750
Add : Addition during the year	-	-
Less : Deduction during the year	-	-
	<u>30,147,750</u>	<u>30,147,750</u>
General Reserve		
Opening Balance	30,014,049	30,014,049
Add : Addition during the year	-	-
Less : Deduction during the year	-	-
	<u>30,014,049</u>	<u>30,014,049</u>
Securities Premium Reserve		
Opening Balance	86,044,500	86,044,500
Add : Addition during the year	-	-
Less : Deduction during the year	-	-
	<u>86,044,500</u>	<u>86,044,500</u>
Surplus		
Opening Balance	(715,381,034)	(395,450,704)
Add : Addition during the year	(341,630,140)	(319,930,330)
Less : Deduction during the year	-	-
	<u>(1,057,011,174)</u>	<u>(715,381,034)</u>
	<u>(910,804,875)</u>	<u>(569,174,735)</u>

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NOTE 8 : FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Additions	Deductions	As at 31.03.2014	As at 01.04.2013	Deductions	For the year	As at 31.03.2014	As At 31.03.2014	As at 31.03.2013
Land	26,240,994	-		26,240,994	-	-		-	26,240,994	26,240,994
Building	212,569,250	-		212,569,250	53,205,070	-	6,966,755	60,171,825	152,397,425	159,364,180
Plant & Machineries	1,118,323,660	850,296		1,119,173,956	428,349,676	-	55,776,238	484,125,914	635,048,042	689,973,984
Furniture & Fixtures	13,381,768	-		13,381,768	6,832,065	-	554,184	7,386,249	5,995,519	6,549,703
Vehicles	23,408,169	-	-	23,408,169	11,337,814	-	1,820,027	13,157,841	10,250,328	12,070,355
Office Equipments	12,286,232	90,700		12,376,932	10,573,414	-	1,352,797	11,926,211	450,721	1,712,818
Total Tangible Assets	1,406,210,073	940,996	-	1,407,151,069	510,298,039	-	66,470,001	576,768,040	830,383,029	895,912,034
Computer Software	7,087,455	-		7,087,455	7,087,455	-	-	7,087,455	-	-
Total Intangible Assets	7,087,455	-	-	7,087,455	7,087,455	-	-	7,087,455	-	-
Total Assets	1,413,297,528	940,996	-	1,414,238,524	517,385,494	-	66,470,001	583,855,495	830,383,029	895,912,034
PREVIOUS YEAR	1,414,183,453	224,794	1,110,719	1,413,297,528	451,104,881	208,934	66,489,547	517,385,494	895,912,034	963,078,572

(Amount in `.)

Particulars	As at 31st March 2014	As at 31st March 2013
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NOTE 9 : NON-CURRENT INVESTMENTS
Investment in Equity Instruments (at Cost)
Quoted : (Refer Note No. 42)

350500 Equity Shares of Rs. 10 each fully paid up of CIL Nova Petrochemicals Ltd. 6,331,500 6,331,500
(Market Value as on 31.03.2014 is INR 85,87,250)

1135800 Equity Shares of Rs. 5 each fully paid up of GSL Nova Petrochemicals Ltd. 6,331,500 6,331,500
(Market Value as on 31.03.2014 is INR 6,47,406)

Unquoted :

50 Equity shares of Rs.10 each fully paid-up of Anamika Syntex Pvt Ltd.	500	500
50 Equity shares of Rs.10 each fully paid-up of Rivera Tex Prints Pvt Ltd.	500	500
10 Equity shares of Rs.100 each fully paid-up of Sharp Synthetics Pvt Ltd.	1,000	1,000
50 Equity shares of Rs.10 each fully paid-up of Sangam Silk Mills Pvt Ltd.	500	500
100 Equity shares of Rs.10 each fully paid-up of Gupta Agro Farms Pvt Ltd.	1,000	1,000
400 Equity shares of Rs.10 each fully paid-up of Micro Filaments Pvt. Ltd.	4,000	4,000
400 Equity shares of Rs.10 each fully paid up of Novarties Syntex Pvt. Ltd.	4,000	4,000
100 Equity shares of Rs.10 each fully paid up of Millennium Infosoft Pvt. Ltd.	1,000	1,000
100 Equity shares of Rs.10 each fully paid up of Comptel Infosys Pvt Ltd.	1,000	1,000
	<u>12,676,500</u>	<u>12,676,500</u>

NOTE 10 : LONG TERM LOANS AND ADVANCES

Security Deposits	11,786,081	3,456,183
Loans and Advances to Related Parties	41,811,526	38,257,000
Other Loans and Advances		
Advances to Associates	25,974,494	29,970,000
	<u>79,572,101</u>	<u>71,683,183</u>

			(Amount in `.)
Particulars	As at 31st March 2014	As at 31st March 2013	
NOTE 11 : OTHER NON-CURRENT ASSETS			
I. Pre-Operative Expenses :			
Opening Balance	10,992,736	14,259,109	
Add : Addition during the year	-	-	
	10,992,736	14,259,109	
Less : W/off During the year	3,266,373	3,266,373	
SUB - TOTAL (A)	7,726,363	10,992,736	
II. Deferred Revenue Expenses :			
Opening Balance	-	1,642,983	
Add : Addition during the year	-	-	
	-	1,642,983	
Less : W/off During the year	-	1,642,983	
SUB - TOTAL (B)	-	-	
TOTAL (A) + (B)	7,726,363	10,992,736	
NOTE 12 : INVENTORIES			
(As taken, vaulted and certified by the Management)			
Raw Materials	8,477,397	16,134,318	
Work - in - Process	102,135,568	200,687,545	
Finished Goods	20,693,978	9,801,843	
Stores and Spares / Packing Materials	21,629,082	22,675,472	
Spinning Oil / LDO	417,085	801,316	
	153,353,110	250,100,494	
NOTE 13 : TRADE RECEIVABLES (Unsecured, considered good)			
Trade receivables outstanding for a period exceeding 6 months	601,373,721	139,065,993	
Others trade receivables	132,323,227	667,710,856	
	733,696,948	806,776,849	
NOTE 14 : CASH AND CASH EQUIVALENTS			
Bank Balance with Banks :			
In Current Accounts	812,360	170,492	
As Bank Gurantees	3,088,621	5,876,287	
As Margin Money	833,980	680,144	
Cheques, drafts on hand	2,500,000	6,000,000	
Cash in Hand	2,492,259	77,115	
	9,727,219	12,804,037	

(Amount in `.)		
Particulars	As at 31st March 2014	As at 31st March 2013
NOTE 15 : SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Others:		
Advances to brokers	1,302,345	1,302,345
Advances to Suppliers	20,592,852	24,711,843
Advances to Others	11,889,337	10,345,792
Interest Receivable (Refer Note No. 33)	79,151,649	79,151,649
Claim Receivable from Insurance Company (Refer Note No. 43)	216,293,654	216,293,654
Prepaid Expenses	344,030	418,961
<u>Taxes and duties</u>		
Service Tax Receivable	173,390	365,871
Vat Receivable	22,591,315	9,644,283
Balance with Central Excise Authority	850,949	1,486,359
TDS Receivable	2,313,732	2,231,074
	<u>355,503,253</u>	<u>345,951,831</u>

**NOTES FORMING PART OF PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 31.03.2014**

(Amount in `.)		
Particulars	As at 31st March 2014	As at 31st March 2013
NOTE 16 : REVENUE FROM OPERATIONS		
Sale of products		
Domestics Sales	824,817,058	1,496,108,942
Export Sales	-	6,316,925
	<u>824,817,058</u>	<u>1,502,425,867</u>
Less : Excise Duty	90,392,835	151,850,627
Sales Return	5,273,366	10,750,931
	<u>729,150,857</u>	<u>1,339,824,309</u>
NOTE 17 : OTHER INCOMES		
Other Interest Income	659,039	731,696
Bank Interest Income	170,947	1,787,888
Insurance Claim Received	564,477	1,900,688
	<u>1,394,463</u>	<u>4,420,272</u>

			(Amount in `.)
Particulars	As at 31st March 2014	As at 31st March 2013	
NOTE 18 : COST OF MATERIALS CONSUMED			
Opening Stock of Material	16,134,318	11,505,362	
Add : Purchases made during the year	554,522,512	859,285,888	
	570,656,830	870,791,250	
Less : Closing Stock of Material	8,477,397	16,134,318	
	562,179,433	854,656,932	
NOTE 19 : CHANGES IN INVENTORIES			
OPENING STOCK :			
WorK in Process	200,687,545	281,070,575	
Finished Goods	9,801,843	55,084,339	
	210,489,388	336,154,914	
CLOSING STOCK :			
WorK in Process	102,135,568	200,687,545	
Finished Goods	20,693,978	9,801,843	
	122,829,546	210,489,388	
	87,659,842	125,665,526	
NOTE 20 : EMPLOYEE BENEFITS EXPENSE			
Salary, Wages & Bonus Paid	16,585,550	30,302,642	
Contribution to Provident & Other Funds	284,828	1,275,225	
Welfare Expenses	-	686	
	16,870,378	31,578,553	
NOTE 21 : FINANCE COST			
Interest on Term Loan (Refer Note No. 38 & 39)	103,227,955	100,929,649	
Interest on Working Capital (Refer Note No. 38 & 39)	80,450,754	81,994,760	
Interest on Hire Purchase	267,774	1,363,938	
Other Interest	847,380	3,068,781	
<u>Other borrowing costs</u>			
Bank Commission & Charges	271,552	759,207	
	185,065,416	188,116,335	

			(Amount in `.)
Particulars	As at 31st March 2014	As at 31st March 2013	
NOTE 22 : OTHER EXPENSES			
MANUFACTURING EXPENSES :			
Consumption of Stores and Spares			
Spin Finish Oil Consumed	11,813,897	24,688,929	
Stores, Spares & Oil Consumed	12,123,771	38,427,603	
Packing Materials	21,112,952	42,841,828	
Power & Fuel	76,956,722	144,172,927	
Rent	1,153,320	225,320	
Excise Duty Paid	287,980	604,000	
Repairs to Machineries	520,481	3,200,701	
ADMINISTRATIVE EXPENSES AND OTHER EXPENSES :			
Repairs & Maintenance to - Building	1,685	322,319	
Repairs & Maintenance to - Others	177,864	271,571	
Insurance	1,473,410	2,910,990	
Fees, Rates, & Taxes	225,676	151,024	
Factory Expenses	745,119	324,186	
Security Expenses	1,507,889	1,442,729	
<u>Payment to Auditor</u>			
As Auditor	56,180	56,180	
For Taxation Matters	61,798	61,798	
Office Expenses	491,929	407,924	
Travelling & Conveyance	1,243,624	2,568,397	
Postage & Telephone	954,853	1,109,905	
Printing & Stationery	287,842	651,675	
Director Remuneration	-	600,000	
Legal & Professional Fees	2,753,181	2,386,258	
Service Tax Expenses	235,098	196,383	
Donation	501	5,000	
Membership & Subscription	11,864	69,310	
Loss on sales of assets	-	109,181	
Pre-Operative Exp. Written Off	3,266,373	3,266,373	
Deferred Revenue Exp. Written Off	-	1,642,984	
SELLING EXPENSES :			
Cartage, Clearing & Forwarding	3,693,238	8,042,253	
Commission, Brokerage & Discounts	14,019,229	17,311,901	
Rate Difference	15,271	335,751	
Claim & Weight Shortage	206,219	1,761,967	
Advertisement	80,606	89,853	
Export Expenses	-	561	
Sales Tax / VAT	-	-	
	<u>155,478,573</u>	<u>300,257,782</u>	
NOTE 23 : EXCEPTIONAL ITEMS			
Prior period expenses	1,896,000	670,573	
	<u>1,896,000</u>	<u>670,573</u>	

ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS
--

NOTE 24: SIGNIFICANT ACCOUNTING POLICIES**A. Basis of Preparation**

The financial statements are prepared under historical cost convention, on accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 and comply in material aspects with the accounting standards notified under Section 211(3C) of the Act, read with Companies (Accounting Standards) Rules 2006.

B. Use of Estimates

The preparation of financial statements in conformity with Indian generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C. Inventories

- a. Inventories of Raw Material, Packing Material, Spin Finish Oil and other Consumables are valued as per cost.
- b. Work in Process is valued at cost including material cost, labour cost and manufacturing & operating overheads, or market price, whichever is lower.
- c. Finished goods are valued at cost or net realizable value, whichever is lower.

D. Fixed Assets

Fixed Assets are carried at cost of acquisition less depreciation. CENVAT availed on fixed assets purchased during the year has been reduced from the purchase cost and depreciation has been claimed on the net amount.

E. Depreciation

- a. Depreciation has been provided under the Straight Line Method at rates prescribed in Schedule XIV to the Companies Act, 1956 for the proportionate period of use during the year. However, old machineries not put to use are not depreciated.
- b. Free Hold Land and Lease Hold Land are not depreciated.

F. Gratuity

The liability as at 31.03.2014 for retiring gratuity payable to the company's employees under Section 3(B) of the payment of the Gratuity Act, 1972 has been determined at ` 31.71 lacs. The said amount is accounted on payment basis.

G. Investment

Investments are carried at cost.

NOTES FORMING PART OF ACCOUNTS:

25. The Company has been in losses and as on year ended 31st March, 2014 the accumulated losses of the Company has exceeded its entire net worth, making it a 'Sick Industrial Company' as per the definition of Sick Industrial Companies (Special Provisions) Act, 1985.

The Company had filed reference under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 with the Board of Financial and Industrial Reconstruction on 18.04.2012 and said reference was registered on 26.04.2012.

Further the company has been declared a 'sick industrial company' under Section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985 on its hearing dated 29.05.2013.

The matter is yet pending before the Bench of Board for Industrial and Financial Reconstruction. The company has appeared before the Bench on all the hearing date till date. The next schedule date for hearing is on 14.10.2014.

26. **DISCLOSURES PERTAINING TO SHARE CAPITAL:**

- a. Details of Equity Shareholders holding more than 5 per cent shares in the company:

Sr. No.	Name of the Shareholder	No. of Shares held
1	Shri Shyamsunder N. Gupta	505936
2	Shri Prakash N. Gupta	521400
3	Shri Mohan N. Gupta	577260
4	Shri Sunilkumar N. Gupta	671640

- b. Details of Preference Shareholders holding more than 5 per cent shares in the company:

Sr. No.	Name of the Shareholder	No. of Shares held
1	M/s. Gautam Resources Ltd.	100000
2	M/s Esskay Telecom Ltd.	110000
3	M/s Poonam Corporation Ltd.	140000
4	M/s Artillengence Bio Innovatios Ltd.	105000
5	M/s Sterlite Industries Pvt.Ltd.	100000

- c. Details for the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash	Aggregate number and class of shares allotted as fully paid up by way of bonus shares	Aggregate number and class of shares bought back
Equity Shares	Nil	Nil
Redeemable Non-Cumulative Preference Shares	Nil	Nil

- d. Forfeiture of share application money:

During the year the company has not forfeited any shares application money.

27. **CONTINGENT LIABILITIES (IN LACS):**

	As at 31.03.2014	As at 31.03.2013
Bank Guarantees	41.68	129.18
Claims against the company not acknowledged as debt *	521.99	521.99
Gratuity	31.71	30.68

*Note: The company has been legally advised that the demands raised are likely to be either deleted or substantially reduced and accordingly no provision has been made.

28. The company is engaged in manufacturing Partially Oriented Yarn (POY), Fully Drawn Yarn (FDY) Polyester Texturised Yarn, Polyester Draw Twisted Yarn, Polyester Twisted Yarn and Nylon Yarn.

29. The details of amounts outstanding to Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) based on the available information with the company are as under (` In lacs):

Particulars	As at 31.03.2014	As at 31.03.2013
Principal amount due and remaining unpaid	18.95	19.42
Interest due on principal amount	-	-
Interest paid on all delayed payments under the MSMED Act	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay other than interest paid on all delayed payments under the MSMED Act	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

30. Managerial Remuneration :

	31.03.2014	31.03.2013
Remuneration to Managing Director	Nil	` 6,00,000

31. Previous Year's Figures have been recasted and regrouped wherever considered necessary to make them comparable with those of current year.

32. Trade Receivables, Trade Payables, Advances from customers, Deposits with Banks, Unsecured Short Term Borrowings and Long Term & Short Term Loans and Advances are subject to confirmation.

33. Interest Receivable comprised of Interest Subsidy under Technology Upgradation Fund Scheme. During the earlier year 2010-11 the Company had credited the interest receivable from the bank as interest subsidy under the Technology Upgradation Fund Scheme amounting to ` 863.24 Lacs. Against the said amount the Company had received interest subsidy of ` 71.72 Lacs during the financial year 2011-12 and thereafter has not received any interest subsidy. Therefore as on 31.03.2014, interest subsidy to be received is ` 791.52 Lacs i.e. same as the balance receivable as on 31.03.2013. The calculation of interest subsidy receivable is based on statements provided to us. The balance is subject to confirmation from the bank.

34. Following items are included under the head "Auditors Remuneration" :

Particulars	As at 31.03.2014	As at 31.03.2013
For Audit	` 50,000	` 50,000
For Tax Audit	` 30,000	` 30,000
For Taxation Work	` 25,000	` 25,000
For Service Tax (as applicable)	` 12,978	` 12,978
	` 117,978	` 117,978

35. Terms of repayment of term loans are tabulated below:

Sr. No.	Term Loan	Sanctioned Limit (` In Lacs)	Moratorium	Repayment Schedule	O/s as on 31.3.2014 (` in Lacs)
Oriental Bank of Commerce					
1	Term Loan	1,305.00	Upto 31.03.2010 first repayment shall be made before 30.06.2010.	32 quarterly installments commencing from 30.06.2010 and ending on 31.03.2018.	1472.23
	FITL-II	185.00	Upto 31.03.2010 first repayment shall be made before 30.06.2010.	8 quarterly installments commencing 30.06.2010. FY 11: 40% & FY 12 : 60%	60.28
	WCTL	976.00	Upto 31.03.2010 first repayment shall be made before 30.06.2010.	32 quarterly installments commencing from 30.06.2010 and ending on 31.03.2018.	1067.89
	Total	2466.00			2600.40
ING Vysya					
2	Term Loan-I	285.70	-	81 monthly installments of varying amounts commencing from October 2009 and ending in June 2016.	250.04
	Term Loan-II	96.60	-		84.71
	Term Loan-III	2,042.70	-		1801.08
	Total	2,425.00			2135.83
State Bank of India					
3	T/L-I	1,698.00	-	Commencing from year 2010-11 and ending in year 2017-18.	1,125.00
	WCTL	1,216.00	-		1,216.00
	FITL-I	109.00	-	Commencing from year 2010-11 and ending in year 2010-11.	109.00
	FITL-II	303.00	-	Commencing from year 2010-11 and ending in year 2011-12.	303.00
	FITL-III	270.00	-		270.00
	Total	3,596.00			3,023.00
Industrial Development Bank of India					
4	Term Loan	1,760.00	-	32 quarterly installments commencing from 30.06.2010 and ending on 31.03.2018.	1605.74
	Total	1760.00			1605.74

Above details are compiled based on the latest sanction letters of respective banks produced before us by the management.

36. Working Capital Facilities, Term loan as well as Working Capital from Oriental bank of Commerce Mumbai, ING Vysya Bank Mumbai, State Bank of India Mumbai, Industrial Development bank of India Mumbai, Standard Chartered Bank Mumbai, and State Bank Of Saurashtra Mumbai are secured by way of hypothecation of Stock, Book Debts, Equitable Mortgage of Factory Land and Building, Plant and Machinery and personal guarantee of all the Promoter Directors.

An unsecured loan from Indian Overseas Bank, Baroda for ` 500 Lacs has been sanctioned and availed, secured by the personal guarantee of Directors of the Company only.

Term loan from HDFC is secured by way of hypothecation of Motor Cars.

37. The company has defaulted in repayment of dues towards their Term Loan Accounts with State Bank of India, ING Vysya Bank Ltd., Industrial Development Bank of India and Oriental Bank of Commerce. Details of overdue amounts are tabulated below (` In lacs):

Sr. No.	Term Loan	Default Since	O/s as on 31.3.2014 in `
---------	-----------	---------------	--------------------------

Oriental Bank of Commerce

1	Term Loan	117.11.11	1,472.23
2	FITL-II	09.12.11	60.28
3	WCTL	28.11.11	1,067.89
	Total		2,600.40

ING Vysya

1	Term Loan-I	31.07.10	250.04
2	Term Loan-II		84.71
3	Term Loan-III		1,801.08
	Total		2,135.83

State Bank of India

1	T/L-I	31.03.08	1,125.00
2	WCTL	21.04.10	1,216.00
3	FITL-I	21.04.10	109
4	FITL-II	21.04.10	303
5	FITL-III	21.04.10	270
	Total		3,023.00

Industrial Development Bank of India

1	Term Loan	27.05.10	1605.74
	Total		1605.74
	Grand Total		9,364.97

38. Following bank accounts are classified as Non-Performing Assets and the interest expenses for these banks are estimated by the company at the interest rate prescribed by the bank in sanction letters and are debited to the Profit & Loss Statement during the year, since these banks have not provided Bank Statements to the company. Only Oriental Bank of Commerce provided bank statement up to 30.06.2013 only.

Sr. No.	Name of the Bank	Account Type	Estimated Interest Expense (` in lacs)
1	ING Vysya	Cash Credit	162.52
		Term Loan	*217.59
2	State Bank of India	Cash Credit	68.62
		Term Loan	376.55
3	Oriental Bank of Commerce	Cash Credit	149.42
		Term Loan	180.38
4	Industrial Development Bank of India	Term Loan	168.14
	Total	1323.22	

Above interest is estimated at the rate of ten per cent per annum on the amount outstanding in books of accounts since the date of continuing default in repayment.

(*Note: Out of three term loan accounts of ING Vysya Bank, the bank has provided statement for just one term loan account in FY 2013-14 and interest charge by the bank is ` 5.48 lacs only. As per the precedent the company is

suppose to pass an interest entry of approx. ` 188.02 lacs at 10% interest rate per annum on outstanding balance in the books of accounts. Therefore balance estimated interest of ` 182.54 lacs (` 188.02 - ` 5.48 lacs) is passed in the books by the company.)

39. During the year, Industrial Development Bank of India, Standard Chartered Bank and Oriental Bank of Commerce, charge up to 30.06.2013, have charged higher interest rate on Term Loan and Cash Credit facilities in comparison to the interest rates prescribed by the banks in their respective sanction letters. Therefore, the company has credited ` 465.20 Lacs to Interest Expenses account.
40. The balances with Term Loans and Cash Credit Account of State Bank of India, ING Vysya Bank Ltd and Oriental Bank of Commerce and Term Loan of Industrial Development Bank of India are subject to confirmation from the respective banks.
41. **EARNINGS PER SHARE (EPS):**

The earnings per equity share computed as per the requirement of Accounting Standard 20 "Earnings Per Share" is as under (Amount in `):

		As at 31.03.2014	As at 31.03.2013
Loss attributable to Equity Shareholders	(A)	(341630140)	(319930330)
No. of Equity Shares outstanding during the year	(B)	7352700	7352700
Nominal value of Equity Shares (Rupees)		10.00	10.00
Basic and Diluted EPS	(C = A/B)	(46.46)	(43.51)

42. The Company holds investment in 1135800 equity shares of GSL Nova Petrochemicals Ltd. and 350500 equity shares of CIL Nova Petrochemical Ltd. out of which 323000 shares of GSL Nova Petrochemicals were pledged against the loan obtained by GSL Nova Petrochemicals Ltd. and 161500 Shares of CIL Nova Petrochemical Ltd were pledged against the loan obtained by CIL Nova Petrochemical Ltd.

43. **LOSS OF STOCK IN FIRE:**

On account of fire occurred in the company's factory premises on 30.06.2008 stock were destroyed. According to the Company, the estimated loss due to fire was ` 2051.51 Lacs. The company had made a claim with its insurer New India Assurance Co. Ltd. The insurer New India Assurance Co. Ltd. vide its letter dated 09.12.2009 repudiated liability for any claim. The company made detailed submission on 16.12.2009 pointing out that the reasons given by the insurer for repudiating claim were not germane and correct. The solicitor of the company wrote to the insurer for providing copies of papers on which the insurer relied. The company also made application under Right to Information Act 2005 on 07.12.2009. The insurer did not provide all the papers and therefore company again wrote to the insurer on 11.08.2010 that all the papers should be provided by the insurer. On non receipt of the required papers company approached the grievance redressal officer IRDA Hyderabad. By letter dated 14.06.2010 IRDA merely reproduced what insurance company had informed them without their comments. Being aggrieved the company filed complaint under Section 21(A)(1) of Consumer Protection Act 1986 before the National Consumer Disputes Redressal Commission New Delhi on 08.12.2010 and the matter is pending before them.

On the basis of abovementioned facts, upto the year ended on 31 March 2011, the company had separately mentioned the value of destroyed goods amounting to ` 2051.51 Lacs, which is claimed by the company from Insurance company.

During the financial year 2011-12 the company had removed the amount of loss of stock in fire, by crediting the said amount as income under the head 'Claim Receivable on Loss of Stock on fire' and debiting the said amount as 'Claim Receivable from Insurance Company'.

For the stock destroyed in fire the Company had amount receivable of ` 111.42 Lacs as excise duty credit from Central Excise Department. During the financial year 2011-12 the company had credited the 'Balance with Central Excise Authority' and debited 'Excise Receivable for Stock Lost in Fire from Insurance Company' by ` 111.42 Lacs based on the order dated 20.01.2012 received from Commissioner Central Excise, Customs and Service Tax, Vapi.

Consequently, as on 31.03.2014 the 'Claim Receivable on Loss of Stock on fire' is ` 2162.93 Lacs in the balance sheet.

44. **WRITE OFF AMOUNT OF TERM LOAN BY BANK :**

The ING Vysya Bank Ltd., have written off ` 18,14,90,530.05 in Term Loan Account during FY 2013-14. The company have written a letter to the Bank to know the reason for the said writing off. The company has not received any explanations about the same and therefore said amount is not written off by the company in its books of account and therefore the balance outstanding in the name of ING Vysya Bank Ltd is shown higher by that amount ` 18,14,90,530.05 and correspondingly the Profit & Loss Account balance in Balance Sheet show the loss figure higher by the amount ` 18,14,90,530.05.

The Standard Chartered Bank have written off ` 20,29,76,713.71 in Term Loan Account during FY 2013-14. The company have written a letter to the Bank to know the reason for the said writing off. The company has not received

any explanations about the same and therefore said amount is not written off by the company in its books of account and therefore the balance outstanding in the name of Standard Chartered Bank is shown higher by that amount ` 20,29,76,713.71 and correspondingly the Profit & Loss Account balance in Balance Sheet show the loss figure higher by the amount ` 20,29,76,713.71.

45. Followings are the pending disputed cases against the company:

Sr. No.	Cases	Brief Summary
1	SBI Global Factors Limited v/s Gupta Synthetics Limited.:	The Company has taken unsecured loan of `1500 Lacs in 2007-08 and `744 Lacs (principal Amount) <i>plus</i> interest was outstanding against the same due to adverse market conditions. SBI Global Factors Limited (a Unsecured Creditors) has filed winding up petition in 2010 against this outstanding and against this company has paid `545 Lacs up to February 2012. The matter is pending before Bombay High Court.
2	Standard Chartered Bank v/s Gupta Synthetics Limited	Standard Chartered Bank (a Secured Creditor) has filed recovery application against the company in DRT-I (Mumbai) for the amount of `1436.62 Lacs.
3	State Bank of India v/s Gupta Synthetics Limited.	State Bank of India (a Secured Creditor) has filed recovery application against company in DRT-I (Mumbai) for the amount of `4287.76 Lacs.
4	Indian Overseas Bank v/s Gupta Synthetics Limited.:	Indian Overseas Bank (a unsecured Creditor) has filed recovery application against company DRT-II (Ahmedabad) for the amount of `422.23 Lacs.
5	Indo Rama Synthetics (I) Limited v/s Gupta Synthetics Limited.	Gupta Synthetics Limited has filed application in Delhi High Court against the order of Sole arbitrator. For a dispute of `17.05 lacs was outstanding against various supplies <i>plus</i> Interest and other Charges with Indo Rama Synthetics (I) Limited.
6	Desai Construction Private Limited v/s Gupta Synthetics Limited.	Desai Construction Pvt. Ltd. has filed application in The Arbitral Tribunal amount for `195.89 Lacs & Company has Counter Claimed vide is reply dated 30.11.2007 for `38.39 Lacs on the complainant.
7	ING Vysya Bank Ltd. v/s Gupta Synthetics Limited.	ING Vysya Bank Ltd. has filed recovery application against the company in DRT-I (Mumbai) for the amount of `4268.01 Lacs.

46. Following banks have issued a demand notice under Section 13(2) of Securitisation and Reconstruction of the Financial Assets and Enforcement of Security Interest Act, 2002. Details as tabulated below :

Sr. No.	Bank Name	Date of Notice	Amt. Outstanding as on 31.03.2014 as per notice
1	IDBI Bank	10.04.2014	6637.57
2	ING Vysya Bank	29.04.2014	6145.20
3	State Bank of India	31.05.2014	8021.38(as on 30.04.2014)

The company has replied to the bankers against the above notice.

47. The Oriental Bank of Commerce have issued a letter No. CN/5501/GUPTA/2166/2014 dated 01.04.2014 stating that the bank have assigned all our banking accounts with the bank to M/s. Edelweiss Asset Reconstruction Company Ltd. And have requested us to address all the corresponding in future to M/s. Edelweiss Asset Reconstruction Company Ltd.

48. In the Financial year 2013-2014 depreciation as per Companies Act is more than the depreciation as per Income-Tax Act. Deferred Tax Asset will arise as follows.

	As at 31.03.2014	As at 31.03.2013
Depreciation as per Companies Act	664,70,001	664,89,547
Depreciation as per Income Tax Act	553,23,778	643,18,969
Deferred Asset	111,46,223	21,70,578
Deferred Tax Asset @ 30.90%	34,44,183	670,708

49. RELATED PARTY DISCLOSURES:

I. List of related parties and relationships:

Enterprises over which Key Managerial personnel and relative of such personnel are able to exercise significant influence

Sr. No.	Name of the such Related Parties
1.	Nandkishore O. Gupta
2.	Umadevi M. Gupta
3.	Prakash N. Gupta
4.	Mohan N. Gupta
5.	Sharp Synthetics Pvt. Ltd.
6.	Blue Chip Builders Pvt. Ltd.
7.	Evergreen Synthetics Pvt. Ltd.
8.	Sterlite Synthetics Pvt. Ltd.
9.	GSL Nova Petrochemicals Pvt. Ltd.

II. Transactions during the year with related parties (` In lacs):

Sr. No.	Nature of Transactions	Transaction during the year
1.	Unsecured Loan taken / (repaid)	59.00 (109.88)
2.	Expenses	00.12
3.	Loan and Advance given/(return)	66.64 (31.10)

III. Balance as at March 31, 2014 (` In lacs):

Sr. No.	Nature of Transactions	Balance Outstanding as on 31.03.2014
1.	Unsecured Loan	95.48 Cr.
2.	Loans and Advances	418.11 Dr.
3.	Sundry Debtors	546.40 Dr.

Above information regarding related parties have been determined to the extent such parties have been identified on the basis of information and explanations given to us by the company.

50. FOREIGN EXCHANGE TRANSACTIONS:

	As at 31.03.2014	As at 31.03.2013
a. C.I.F. VALUE OF IMPORTS (` in lacs):		
Raw Materials	26.24	Nil
Components & Spares	15.12	60.86
Capital Goods	Nil	Nil

	As at 31.03.2014	As at 31.03.2013
b. EXPENDITURE IN FOREIGN CURRENCY (` in lacs):		
Royalty	Nil	Nil
Technical Know-How	Nil	Nil
Interest	Nil	Nil
Other Accounts	Nil	Nil
c. AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS PAID (` in lacs):		
No. of Non-Resident Share Holders	Nil	Nil
No. of Shares Held	Nil	Nil
Year to which Dividend related	Nil	Nil
d. EARNING IN FOREIGN EXCHANGE (` in lacs):		
Export of Goods (On F.O.B. Value)	Nil	61.06
Royalty Know How Professional & Consultancy Fees and Charges	Nil	Nil
Interest & Dividend	Nil	Nil
Other Incomes	Nil	Nil

48. QUANTITATIVE DETAILS RELATING TO OPENING STOCK, CLOSING STOCK PURCHASE AND SALES (As certified by the Management) (` in lacs):

Particulars	Unit	31.03.2014		31.03.2013	
		Quantity	Value in `.	Quantity	Value in `.
A. Opening Stock					
Raw Material	Kgs	87051	161.34	57492	115.05
Work in Progress	Kgs	1894743	2006.87	2929315	2810.71
Finished Goods	Kgs	100486	98.06	522857	550.84
B. Closing Stock					
Raw Material	Kgs	34369	84.77	87051	161.34
Work in Progress	Kgs	914103	1021.35	1894743	2006.87
Finished Goods	Kgs	109695	206.94	100486	98.06
C. Purchase					
Stock in Trade – Fabric	Meters	Nil	Nil	1143190	974.10
Other Raw Materials	Kgs	3299950	5545.22	10201898	8592.86
D. Sales					
Stock in Trade – Fabric	Meters	Nil	Nil	1143190	1174.46
Finished Goods	Kgs	4154970	7291.51	11440586	12223.78

As per our report of even date
attached FOR R. R. Patchigar & CO.,
Chartered Accountants
FRN: 107639W
(R. R. Patchigar)
Proprietor
Membership No. : 31172
Place : Surat
Date : 12.08.2014

FOR AND ON BEHALF OF THE BOARD

Prakash Gupta *Managing Director*
Mohan Gupta *Whole-time Director*
Avinash Shah *Company Secretary*

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2014

		(Amount in `)	
Particulars	For the year ended on 31.03.2014	For the year ended on 31.03.2013	
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit / (Loss) before tax and extraordinary items	(343,178,323)	(319,930,465)	
Adjustments for :-			
Depreciation	66,470,001	66,489,547	
Loss on sale of fixed assets	-	109,181	
Deferred revenue Expenses Written Off	3,266,373	4,909,357	
Excess interest written back	-	-	
Interest on Term Loan	103,227,955	100,929,649	
Interest on Working Capital	80,450,754	81,994,760	
Operating Profit / (Loss) before working capital changes	(89,763,240)	(65,497,971)	
Adjustments for changes:			
Trade and other receivables - Net	55,639,561	91,054,971	
Inventories	96,747,384	137,035,606	
Trade payables and other liabilities & provisions - Net	(39,528,983)	(158,556,856)	
Cash generated from operations	23,094,722	4,035,750	
Adjustment Related to previous year	(1,896,000)	(670,573)	
Cash Flow before extraordinary items	21,198,722	3,365,177	
NET CASH FROM OPERATING ACTIVITIES [A]	21,198,722	3,365,177	
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Fixed assets	(940,996)	(224,794)	
Sale of Fixed assets	-	792,604	
Sales of Investments	-	4,000	
NET CASH USED IN INVESTING ACTIVITIES [B]	(940,996)	571,810	
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Proceeds of Short Term Borrowings	-	23,516,896	
Repayments of Long Term Borrowings	(1,266,941)	(1,877,232)	
Repayments of Short Term Borrowings	(22,067,603)	(63,318,681)	
NET CASH USED IN FINANCING ACTIVITIES [C]	(23,334,544)	(41,679,017)	
NET INCREASE IN CASH & CASH EQUIVALENTS [D=A+B+C]	(3,076,818)	(37,742,030)	
OPENING BALANCE OF CASH & CASH EQUIVALENTS	12,804,037	50,546,067	
CLOSING BALANCE CASH & CASH EQUIVALENTS	9,727,219	12,804,037	

The above Cash Flow Statement has been completed from and is based on the audited accounts of M/s. Gupta Synthetics Limited for the year ended 31st March, 2014 reported upon by us on 12th August, 2014. According to the informations and explanations given, the aforesaid Cash Flow Statement has been prepared pursuant to Clause 32 of Listing Agreement with Stock exchanges and the reallocations required for purpose are as made by the Company.

As per our report of even date
attached FOR R. R. Patchigar & CO.,

Chartered Accountants

FRN: 107639W

(R. R. Patchigar)

Proprietor

Membership No. : 31172

Place : Surat

Date : 12.08.2014

FOR AND ON BEHALF OF THE BOARD

Prakash Gupta

Managing Director

Mohan Gupta

Whole-time Director

Avinash Shah

Company Secretary

GUPTA SYNTHETICS LIMITED

Registered Office : 326, Sardar Gruh Building, 198 Lok Manya Tilak Road, Mumbai-400002.

CIN : L17110MH1984PLC091906

e-mail : info@guptasynthetics.com, website:www.gslmumbai.com Phone : 022-22000356, Fax : 022-22000357

ATTENDANCE SLIP

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT OVER AT THE ENTRANCE

I/We hereby record my/our presence at the 30th Annual General Meeting of Gupta Synthetics Limited held at M.C. Ghia Hall, Bhogilal Hargoinddas Building, 2ND Floor, Kaikhushru Dubhash Marg, Mumbai- 400 001 AT 01.000 p.m. on Tuesday, 30th September, 2014 at 1.00 p.m.

Name of the Shareholder : _____

Registered Address of the Shareholder : _____

Ledger Folio No./CL ID/DP ID No. : _____

Number of Shares held : _____

Name of the Proxy/Representative, if any : _____

Signature of the Member/s / Proxy : _____

Signature of the Representative : _____

GUPTA SYNTHETICS LIMITED

Registered Office : 326, Sardar Gruh Building, 198 Lok Manya Tilak Road, Mumbai-400002.

CIN : L17110MH1984PLC091906

e-mail : info@guptasynthetics.com, website:www.gslmumbai.com Phone : 022-22000356, Fax : 022-22000357 Form No. MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : _____

Registered Address : _____

E-mail Id : _____

Folio No. / Client Id : _____

DP ID : _____

I/ We being the member(s) holding _____ shares of the above named Company, hereby appoint

1. Name _____ Address: _____

Signature _____ or failing him

2. Name _____ Address: _____

Signature _____ or failing him

3. Name _____ Address: _____

Signature _____ or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on/our behalf at the 30th Annual General Meeting of the Company, to be held on Tuesday, 30th September, 2014. At 1.00 p.m. at M.C. Ghia Hall, Bhogilal Hargoinddas Building, 2ND Floor, Kaikhushru Dubhash Marg, Mumbai- 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.		Optional*	
		For	Against
1	Consider and adoption of Balance Sheet, Profit & Loss, Report of Board of Directors and Auditors for the year ended March 31, 2014.		
2	Re-appointment of Mr. Mohan Gupta, who retires by rotation.		
3	Appointment of Statutory Auditors and fixing their remuneration.		
4	Re-appointment of Mr. Mohan Gupta a whole-time Director.		
5	Re-appointment of Mr. Prakash Gupta a a Managing Director.		
6	Consider and approve Appointment of Mr. Pramod Kumar Tiwari as an independent Director.		
7	Consider and approve Appointment of Mr. Anilkumar Singhal as an independent Director.		
8	Consider and approve the appointment of Cost Auditor and fixing their remuneration.		

Signed this _____ day of _____ 2014.

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Notes :

- This Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- Proxy need not be a member.

* It is Optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box . If you leave the 'For' or 'Against' column blank against or any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Affix
Revenue
Stamp

To,

If undelivered please return to :
GUPTA SYNTHETICS LIMITED
326, Sardar Gruh Building, 3rd
Floor, 198, Lokmanya Tilak Road,
MUMBAI - 400 002.

2656811 (079)

Ganapati,

