



INFORMATION MEMORANDUM

[In accordance with SEBI (Listing of specified securities
on Institutional Trading Platform) Regulations, 2013]

GOKUL SOLUTIONS LIMITED

Registered Office: 30, Bentinck Street, 3rd Floor, Room No. 307

Kolkata – 700001, West Bengal

Phone: +91 33 4008 1393 / 98833 12444

Fax: +91 33 4008 1393

E-mail: gokulsolutions@yahoo.com

Compliance Officer: Ms. Priyanka Sharma



INFORMATION MEMORANDUM

**FOR LISTING OF 1,03,50,000 EQUITY SHARES
OF RS. 10/- EACH FULLY PAID-UP**

**ON INSTITUTIONAL TRADING PLATFORM
OF THE BSE SME**

OF

GOKUL SOLUTIONS LIMITED



Absolute Responsibility of Gokul Solutions Limited

Gokul Solutions Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Company, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum, as a whole or any of such information or the expression of any such opinions, misleading in any material respect.



INTRODUCTION

Our Company was originally incorporated under the Companies Act, 1956, as a private limited company under the name of Gokul Solutions Private Limited having registered office at Kolkata, West Bengal, vide Certificate of Incorporation dated July 25, 2008, issued by the Registrar of Companies, West Bengal. Subsequently, Gokul Solutions Private Limited has been converted into a public limited company and renamed as Gokul Solutions Limited and a fresh Certificate of Incorporation dated August 12, 2014 was issued by the Registrar of Companies, West Bengal, upon conversion into a public company. The Corporate Identification Number (CIN) of our Company is U74140WB2008PLC127891

Registered office: 30, Bentinck Street, 3rd Floor, Room No. 307, Kolkata – 700001, West Bengal
Tel: +91 33 4008 1393 / 98833 12444
Fax: +91 33 4008 1393
E-Mail: gokulsolutions@yahoo.com

Chief Financial Officer: Mr. Bikash Adhikary

Company Secretary & Compliance Officer: Ms. Priyanka Sharma

Promoters of the Company are:

1. Mr. Sanjay Kumar Agarwal
2. Genuine Tradecom Pvt. Ltd.
3. Unity Commotrade Pvt. Ltd.

This Information Memorandum is in terms of the Chapter XC of the SEBI (ICDR) Regulations, 2009, as amended from time to time, for listing 1,03,50,000 Equity Shares of Gokul Solutions Limited on Institutional Trading Platform (ITP) of BSE SME.



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GENERAL

I. Definitions and Abbreviations

Unless the context otherwise indicates, the following terms have the meanings given below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications and re-enactment notified thereto.

In this information memorandum, unless the context otherwise indicates, all references to “we”, “us”, “our”, “GSL”, “the Company”, “our Company” are to Gokul Solutions Limited, a company incorporated in India under the Companies Act, 1956 (“the Companies Act”) and having Registered Office at 30, Bentinck Street, 3rd Floor, Room No. 307, Kolkata – 700001, West Bengal.

Term	Description
Act/Companies Act	The Companies Act, 2013 or such other provisions of the Companies Act, 1956, to the extent not repealed and as may be applicable.
Articles of Association or Articles or AoA	The Articles of Association of our Company, as amended from time to time
Auditors	The statutory auditors of Gokul Solutions Limited, Rakesh Kumar Agrawal, Chartered Accountants, Kolkata.
Board or Board of Directors	The Board of Directors of our Company
BSE	BSE Limited
BSE-SME	SME platform of BSE Limited
Capital/ Share Capital/ Equity Share Capital	Equity Share Capital of the Company
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	The Directors of our Company
Equity Shares	Equity Shares of the Company of face value of Rs. 10/- each, unless otherwise specified in the context thereof
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations / notification issued there under
Financial Year/fiscal year/ FY/ fiscal	Period of twelve months ended March 31 of that particular year, unless otherwise stated
ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
IT Act	The Income Tax Act, 1961, as amended from time to time
Memorandum of Association or Memorandum or MoA	The Memorandum of Association of our Company, as amended from time to time
Promoters	Mr. Sanjay Kumar Agarwal, Genuine Tradecom Pvt. Ltd. and Unity Commotrade Pvt. Ltd.
Registered Office	30, Bentinck Street, 3rd Floor, Room No. 307, Kolkata – 700001, West Bengal

Term	Description
SEBI	Securities and Exchange Board of India
SEBI ACT	Securities & Exchange Board of India Act, 1992, as amended from time to time
Stock Exchange	Shall refer to the BSE Limited where the Shares of the Company are proposed to list

Term	Abbreviation
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
DIN	Director Identification Number
EPS	Earnings Per Share
FI	Financial Institutions
GDP	Gross Domestic Product
GNP	Gross National Product
GoI	The Government of India
N.A. or NA	Not Applicable
NSDL	National Securities Depository Limited
p.a. or pa	Per Annum
p.m. or pm	Per Month
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
RBI	The Reserve Bank of India
ROC	The Registrar of Companies, West Bengal
Rs./₹	Indian National Rupee

The words and expressions used but not defined herein shall have the same meaning as assigned to such terms under the Companies Act, 2013 or the Companies Act, 1956, to the extent not repealed and as may be applicable, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, SEBI (ICDR) Regulations, 2009 and the rules and regulations made thereunder.



Financial Data

In this Information Memorandum, unless the context otherwise requires or unless stated otherwise, the financial data is derived from our financial statements prepared in accordance with the applicable regulations. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts mentioned are owing to rounding-off.

In this Information Memorandum, unless the context otherwise requires, all references to one gender also refers to another gender and the word “lacs” means “one hundred thousand” and the word “million” means “ten lacs” and the word “Crore” means “ten million” and the word billion refers to “Thousand Million”.

Industry & Market Data

Unless otherwise stated, Industry & Market data used throughout this Information Memorandum has been obtained from internal Company reports and Industry publications and the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum are reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Information Memorandum is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

Forward Looking Statements

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others General economic conditions, political conditions, conditions in the agriculture sector, fuel prices, inclement weather, interest rates, inflation etc. and business conditions in India and other countries. Important factors that could cause actual results to differ materially from our expectations include, among others:

- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Our exposure to market risks that have an impact on our business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
- Changes in foreign exchange rates or other rates or prices;
- Our failure to keep pace with rapid changes in consumers’ taste and preference;



- The monetary and interest policies of India, unanticipated turbulence in interest rates;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in the industry we operate.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Changes in political condition in India.
- The outcome of legal or regulatory proceedings that we are or might become involved in;
- Government approvals;
- Changes in pricing policies or those of the competitors.
- Our ability to compete effectively, particularly in new markets and businesses;
- Our dependence on our Key Management Personnel and Promoter;



General Information

Our Company was originally incorporated as Gokul Solutions Private Limited under the Companies Act, 1956 on July 25, 2008, as a private limited company. Subsequently, our Company has been converted into a public company and the name has been changed to Gokul Solutions Limited and a fresh Certificate of Incorporation dated August 12, 2014, was issued by the Registrar of Companies, West Bengal, Kolkata, consequent upon the change of name.

Our Company had started operations as a commission agent of fabric and textile products. Later, our Company has expanded operation by venturing into trading and distribution of sarees and other commodities in the textile market. The Company predominantly caters to Kolkata and nearby markets. We supply entire range of sarees and other dress materials and apparels and we use creativity, market intelligence and industry experience to select apparels to suit the dynamic needs of young generations. The Company has also ventured into embroidery on sarees, cotton and silk cloths. The Company plans to venture into retailing of readymade garments and other textile products and have targeted to open three to four retail outlets in and around Kolkata by the end of this financial year.

CIN	U74140WB2008PLC127891
Registered Office	30, Bentinck Street, 3rd Floor, Room No. 307, Kolkata – 700001, West Bengal
Registration No.	127891
Address of ROC	Nizam Palace, II MSO Bldg., 2nd floor, 234/4, AJC Bose Road, Kolkata – 70020
Website	www.gokulsolutions.com
Email ID	gokulsolutions@yahoo.com

Board of Directors

Our Board of Directors as on the date of this Information Memorandum comprises of:

Name of the Director	Age (Years)	DIN	Designation	Address
Mr. Sanjay Kumar Agarwal	44	01820979	Managing Director	268/10, G T Road, Narayani Niwas,, 4th Floor, Liluah,, Howrah – 711204 West Bengal, India
Ms. Sunita Agarwal	43	01527079	Non-Executive Director	268/10, G. T. Road, Narayani Niwas, 4th floor, Howrah, 711204, West Bengal, India
Mr. Abhinandan Sharma	33	03133763	Independent Director	9, Rishi Bankim Sarani, Rishra, 1st Floor, Hooghly West Bengal – 712248 India
Ms. Rinku Sharma	35	06703545	Independent Director	9, Rishi Bankim Sarani, Rishra, 1st Floor, Hooghly West Bengal – 712248 India



Registrar & Share Transfer Agent

Niche Technologies Pvt. Ltd.
D-511, Bagree Market,
71, B.R.B. Basu Road,
Kolkata - 700 001
Tel. No. - +91 33 2235-7270/ 7271, 2234-3576
Fax. No. - +91 33 2215-6823
Email: nichetechpl@nichetechpl.com
Website: www.nichetechpl.com

Chief Financial Officer

Mr. Bikash Adhikari
30, Bentinck Street
3rd Floor, Room No. 307
Kolkata – 700001
Phone: + 91 33 4008 1393 / 98833 12444
Fax: + 91 33 4008 1393
E-mail: gokulsolutions@yahoo.com

Company Secretary & Compliance Officer

Ms. Priyanka Sharma
30, Bentinck Street
3rd Floor, Room No. 307
Kolkata – 700001
Phone: + 91 33 4008 1393 / 98833 12444
Fax: + 91 33 4008 1393
E-mail: gokulsolutions@yahoo.com

Auditors

Rakesh Kumar Agarwal
Chartered Accountants
Dakshin Math Para
Anandmath, Ichapur,
24, Parganas (N),
Kolkata – 700125
Tel: +91 9748463611
E-Mail: agrawal.rakesh@ymail.com



Eligibility Criteria

We are an unlisted company as on date of this application, and propose to list our Equity Shares on the Institutional Trading Platform (ITP) of BSE SME as per the provisions of the Chapter XC of the SEBI (ICDR) Regulations, 2009. Further, our Company is eligible for the listing as per the eligibility criteria set out in Regulation 106Y and other provisions of Chapter XC of the SEBI (ICDR) Regulations, 2009.

We, further, hereby confirm that:

- a. The name of our Company, our promoters, any of our group companies or Directors do not appear in the list of wilful defaulters of Reserve Bank of India as maintained by Credit Information Bureau (India) Limited;
- b. There is no winding up petition against the company that has been admitted by a competent court;
- c. Our Company, group companies or subsidiaries have not been referred to the Board for Industrial and Financial Reconstruction within a period of five years prior to the date of application for listing;
- d. No regulatory action has been taken against our Company, our promoter or Director, by the SEBI, Reserve Bank of India, Insurance Regulatory and Development Authority or Ministry of Corporate Affairs within a period of five years prior to the date of application for listing;
- e. Our Company was incorporated on July 25, 2008, hence has not completed a period of more than ten years after incorporation and its revenues have not exceeded one hundred crore rupees in any of the previous financial years;
- f. The paid-up capital of our Company has not exceeded twenty-five crore rupees in any of the previous financial years;
- g. We have completed financial 2013-14, being one full year of audited financial statements, for the immediately preceding financial year at the time of making listing application;
- h. Our Company has received finance in form of term loan of Rs.15.00 lacs and Cash Credit of Rs.5.00 lacs from Oriental Bank of Commerce, Rajarhat Branch, in accordance with Regulation 106Y(h)(iii) of SEBI (ICDR) Regulations, 2009 vide sanction letter dated May 31, 2010 for its working capital and a period of three years has elapsed from the date of such financing and the funds so received have been fully utilised;**
- i. We have entered tripartite depository agreement with NSDL and CDSL for dematerialisation of Equity Shares of the Company.

Further, as per Regulation 106 ZB of Chapter XC of the SEBI (ICDR) Regulations, 2009, our promoters i.e. Genuine Tradecom Pvt. Ltd. and Unity Commotrade Pvt. Ltd., have given their consent to lock-in 20,70,000 Equity Share representing 20% of paid-up capital of the Company for a period of three years from date of listing.



SECTION I

BUSINESS

1. Description of our Business and Operations

The main business of the Company comprises of trading and distribution of sarees and other products in the textile market. The Company also operates an embroidery unit for embroidery on sarees, cotton and silk cloths. The Company plans to venture into retailing of readymade garments and other textile products and have targeted to open three to four retail outlets in and around Kolkata by the end of this financial year.

Trading in textile products

Our Company has started operation by venturing as commission agents of fabric and textile products. Later, our Company has expanded operation by venturing into trading and distribution of sarees and other commodities in the textile market. We predominantly cater to Kolkata and nearby markets and supply entire range of sarees and other dress materials and apparels. We use creativity, market intelligence and industry experience to select apparels to suit the dynamic needs of young generations.

Identification of current market trend: A dedicated team headed by our Managing Director keeps a close eye on the consumers' preference and change in the fashion and taste of the consumers in textile industry. Defining fashion and making it a fusion of the traditional attires with the modern look has been our mission. By giving a new dimension to fashion and help it escalate, we are playing an important role in the industry.

Sourcing the material: Based on the changing trends in fashion industry, we explore the various options for sourcing the products. Our Company has always maintained a healthy relation with the vendors. The selection of products and vendors is done by our Company based on the quality of products, current fashion trends, cost of the products, and capacity, credibility, quality awareness and experience of vendors.

Tapping the retailers: Our Company also has a dedicated marketing team, which constantly stay in touch with retailers of sarees and other fabric products. The marketing team showcase samples, collects purchase orders and build delivery schedule.

Embroidery Unit

The Company has diversified into the business of automatic computerized embroidery on various apparels, clothing, caps leather garments, and other leather items. Our Company's embroidery unit is situated at 62/B/P, J.N. Mukherjee Road, P.S. Malipanchghora, District – Howrah comprising of an area of 4000 sq. feet.

The embroidery unit of the Company is growing at a good pace on the marketing exposure which we have created from our trading activities. With the help of embroidery unit, the Company is



successful in converting the trading clients into clients of our manufactured products. The embroidery unit has been equipped with state of art infrastructure and imported machineries.

Retail Trading in readymade garments

Our Company has planned to venture into retailing of readymade garments and other textile products and have targeted to open three to four retail outlets in and around Kolkata by the end of this financial year. Our Company is confident about the success and expansion of the Company's own retail business considering the industry experience and existing business activities.

Our Products: Our range of products consists are:

- Wide range of sarees
- Women dress materials
- Men and Women wears
- Fabrics

Our products are mainly supplied to retailers based at Kolkata and adjacent territories.

Raw Materials: For embroidery unit, the major material is Fabric. Major part of Fabric is procured from local sources. We obtain Cotton, Silk, Synthetic Fabrics, and Sarees, Dress Material from manufacturers and wholesalers and Distributors. Other important raw material required for the embroidery unit is threads and the same is easily available in Kolkata.

Labour is another important factor in embroidery industry. Eastern Indian is also characterised by easy and cheap availability of labour. The Company has quality manpower for its embroidery unit.

Marketing Arrangement

Our Company is primarily focused in Kolkata and adjacent territories. The marketing strategy of the Company is the combination of direct marketing, using the distribution network and sales force. Interaction with retailers on an individual basis, educating them and campaigning for the Company's products all the year round is part of the marketing strategy. We support our marketing efforts through regular interaction and meetings with our customers. We organise exhibition and fairs to showcase our products and build relationship with our customers. We also participate regularly in exhibition and fairs being conducted at various levels.

Competition

We operate in an industry which faces intense competition from established as well as unorganized players. Our competition depends on several factors which include quality, price and most importantly our ability meet the changing trends in fashion industry. Defining fashion and making it a fusion of the traditional attires with the modern look provide us edge over our competitors. Our dedicated design and marketing teams help us in maintaining a healthy relationship with vendors and retailers in Kolkata and nearby territories.



Working Capital

Our business requires a substantial amount of working capital. Significant amount of working capital is required to finance the purchase of products and fabric for embroidery unit. In addition to that, our working capital comprises of receivables from our debtors. Our working capital requirements increases just before the festive season get started in order to store more varieties products/clothing.

Our working capital requirements may increase if, in certain contracts, payment terms do not provide for advance payments to us or if payment schedules are less favorable to us.

As on 31st March, 2014, our working capital comprised of followings:

Particulars	Amount (Rs. in Lacs)
Inventories	179.92
Debtors	410.43
Cash and Bank Balances	16.30
Total (A)	606.65
Less:	
Trade payables	180.01
Short-term borrowings & Other Liabilities	5.25
Short term provisions	0.88
Total (B)	186.13
Net Working Capital (A-B)	420.52

Human Resources

As on August 31, 2014, our Company has a total strength of 38 employees, comprising of:

Category	No. of Employees
Skilled Workers	3
Unskilled Workers	26
Office Staff	9
Total	38

Intellectual Property

Presently, we do not own any patent or trademark.

Franchisee/concessions

As on date we do not have any franchisee. Further, we have not entered into any concession agreements.

Research & Developments:

We have not incurred any amount during the last three fiscal years on Company-sponsored research and development activities.

2. Industry

Indian Textile Industry

India is one of the world's largest producers of textiles and garments. Abundant availability of raw materials such as cotton, wool, silk and jute as well as skilled workforce have made the country a sourcing hub. The Indian textiles industry accounts for about 24 per cent of the world's spindle capacity and 8 per cent of global rotor capacity. The potential size of the Indian textiles and apparel industry is expected to reach US\$ 223 billion by 2021.

The textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes about 11 percent to industrial production, 14 per cent to the manufacturing sector, 4 percent to the GDP and 12 per cent to the country's total export earnings. It provides direct employment to over 35 million people, the second largest provider of employment after agriculture. Besides, another 54.85 million people are engaged in its allied activities. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the India's economy.

The fundamental strength of this industry flows from its strong production base of wide range of fibres/yarns from natural fibres like cotton, jute, silk and wool to synthetic /man-made fibres like polyester, viscose, nylon and acrylic.

Market Size

The Indian textiles industry is set for strong growth, buoyed by strong domestic consumption as well as export demand.

The most significant change in the Indian textiles industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe.

Textiles exports were US\$35.32 billion during Apr–Mar, 2014 (Provisional) as compared to US\$31.30 billion during corresponding period of the previous year, registering a growth of 12.83 percent. Garment exports from India are expected to touch US\$60 billion over the next three years, with the help of government support.

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investment (FDI) worth Rs.6,710.94 crores (US\$ 1.11 billion) during April, 2000 to February, 2014.

Government Initiatives

The Government of India has promoted a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under automatic route.

Some of initiatives taken by the government to further promote the industry are as under:

1. The government has taken a lot of initiatives for the welfare and development of the weavers and the handloom sector. Under revival, reform and restructuring (RRR) package, financial assistance to the tune of Rs.1,019 crore (US\$169.66 million) has been approved and the Indian government has released Rs.741 crore (US\$ 123.42 million).
2. Encouraged by turnaround in textiles exports, the Government of India plans to set up a US\$60 billion target for the current financial year, a jump of over 30 per cent from the previous financial year.
3. The Cabinet Committee on Economic Affairs (CCEA) has approved an Integrated Processing Development Scheme (IPDS) with a corpus of Rs 500 crore (US\$ 83.28 million) to make textiles processing units more environment-friendly and globally competitive.
4. The Government of India plans to set up a Rs.100 crore (US\$16.62 million) venture capital fund to provide equity support to start-ups in the textiles sector, in order to encourage innovative ideas in this export intensive sector.
5. The Government of India has allotted Rs.700 crore (US\$116.60 million) in the 12th Five Year Plan for the development of technical textiles. In 2012–13, the technical textiles industry reached Rs.7.48 trillion (US\$124.60 billion) at an annual growth rate of 3.5 per cent.

Outlook

The Indian textiles industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The industry is expected to reach US\$220 billion by 2020.

The Central Silk Board sets targets for raw silk production and encourages farmers and private players to grow silk. To achieve these targets, alliances with the private sector, especially major agro-based industries in pre-cocoon and post-cocoon segments have been encouraged.

For the textiles industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers. It will also bring in greater investments along the entire value chain – from agricultural production to final manufactured goods.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players having entered the Indian market. The organised apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13 per cent over a 10-year period.

References: Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau



3. Financial Information

The Annual Audited Balance Sheet, Statement of Profit & Loss along with all annexures and notes to accounts and Auditors' Report thereon for the financial year ended March 31, 2014, is produced as under:

Independent Auditor's Report

**To
The members of
Gokul Solutions Private Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s GOKUL SOLUTIONS PRIVATE LIMITED**, which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014 and
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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.
- (c) The Balance Sheet and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet and Statement of Profit and Loss, comply with the Accounting Standards 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, and 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.
- (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place : Kolkata
Date : 30.05.2014

For **RAKESH KUMAR AGRAWAL**
Chartered Accountants

(Rakesh Kumar Agrawal)
Proprietor
Membership No.: 062149



Annexure to Auditor's Report

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of **M/s Gokul Solutions Private Limited** on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.



- (b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
 7. As per information & explanations given by the management, the Company has no internal audit system commensurate with its size and the nature of its business.
 8. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
 10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
 11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution or Bank.
 12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
 14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
 15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
 16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
 17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
 18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.



19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **RAKESH KUMAR AGRAWAL**
Chartered Accountants

Place : Kolkata
Date : 30.05.2014

(Rakesh Kumar Agrawal)
Proprietor
Membership No.: 062149



Gokul Solutions Limited

BALANCE SHEET AS AT 31.03.2014

(in ₹)

Particulars		Note No.	31-03-2014	31-03-2013
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	4,65,00,000.00	4,50,000.00
	(b) Reserves and surplus	3	2,04,453.24	31,69,739.85
2	Non-current liabilities			
	(a) Long-term borrowings	4	-	6,77,695.52
	(b) Deferred tax liabilities (Net)	5	60,978.00	60,098.00
3	Current liabilities			
	(a) Short-term borrowings	6	4,94,713.24	4,80,000.00
	(b) Trade payables	7	1,80,00,540.00	3,55,202.00
	(c) Other current liabilities	8	30,370.00	3,82,371.00
	(d) Short term provisions	9	87,875.27	6,085.27
	TOTAL		6,53,78,929.75	55,81,191.64
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets			
	(i) Tangible assets	10	43,02,490.34	27,29,375.00
	Long-term loans and advances	11	4,11,335.00	5,41,826.95
2	Current assets			
	(a) Inventories	12	1,79,91,768.00	4,04,266.00
	(b) Trade receivables	13	4,10,43,330.00	7,97,262.00
	(c) Cash and cash equivalents	14	16,30,006.41	10,99,461.69
	(d) Other current assets	15	-	9,000.00
	TOTAL		6,53,78,929.75	55,81,191.64

NOTES TO ACCOUNTS

1

Notes referred to above and notes attached there to form an integral part of Balance Sheet As per our report of even date attached.

For RAKESH KUMAR AGRAWAL
Chartered Accountants

(Rakesh Kumar Agrawal)
Proprietor
Membership No.: 062149

Place : Kolkata
Date : 30.05.2014



Gokul Solutions Limited

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31.03.2014

(in ₹)

Particulars		Note No.	31-03-2014	31-03-2013
I.	Revenue from operations	16	4,37,14,230.00	42,63,719.00
II.	Other income	17	4,782.00	1,06,552.00
III.	Total Revenue (I + II)		4,37,19,012.00	43,70,271.00
IV.	Expenses:			
	Purchases of Stock-in-Trade	18	5,79,31,005.95	22,14,367.13
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	(1,75,87,502.00)	4,970.00
	Employee benefits expense	20	14,31,190.00	4,98,600.00
	Finance costs	21	36,066.00	2,35,859.62
	Depreciation and amortization expense	10	4,46,190.66	4,56,268.00
	Other expenses	22	11,94,678.00	9,51,224.00
	Total expenses		4,34,51,628.61	43,61,288.75
V.	Profit before exceptional and extraordinary items and tax (III-IV)		2,67,383.39	8,982.25
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		2,67,383.39	8,982.25
VIII.	Extraordinary and Prior Period Items		-	-
IX.	Profit before tax (VII- VIII)		2,67,383.39	8,982.25
X	Tax expense:			
	(1) Current tax		81,790.00	2,890.00
	(2) Deferred tax		(880.00)	120.00
	(3) Tax for earlier years		-	-
XI	Profit (Loss) for the period from continuing operations (IX-X)		1,84,713.39	6,212.25
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit (Loss) for the period (XI + XIV)		1,84,713.39	6,212.25
XVI	Earnings per equity share:			
	(1) Basic		2.15	0.14
	(2) Diluted		2.15	0.14

NOTES TO ACCOUNTS

1

Notes referred to above and notes attached there to form an integral part of Profit & Loss A/c

As per our report of even date attached.

For RAKESH KUMAR AGRAWAL

Chartered Accountants

(Rakesh Kumar Agrawal)

Proprietor

Membership No.: 062149

Place : Kolkata

Date : 30.05.2014



Note I : Disclosure pursuant to Note No.1 of Part I & II of Schedule VI to the Companies Act, 1956

1. NOTES ON ACCOUNTS

1.1. Significant Accounting Policies:

- a) The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except rates and taxes and other Government payments, which are accounted for on cash basis.
- b) The financial statements have been prepared on Historical Cost basis in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956 as adopted consistently by the company.
- c) Accounting Policies not referred hereto are consistent with generally accepted accounting principles.
- d) Fixed Assets stated at cost less accumulated depreciation
- e) Depreciation has been provided on W.D.V method at the rate specified in Schedule XIV Companies Act, 1956.

1.2. Previous year's figure are re-grouped or rearranged wherever necessary.

1.3. A machinery was undervalued in the Year 2010-2011 due to exclusion of WB VAT of Rs. 1,29,306/- and in effect of that Depreciation was undercharged in the past years, now the VAT has been capitalized and Depreciation has been accordingly charged.

1.4. The Provision regarding additional information as required under Para 4C and 4D of Part II of schedule VI to the Companies Act are not applicable.

1.5. In the opinion of the management and to the best of their knowledge and belief the value of the realization of current assets, loans & advances in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the provisions for all known and determined liabilities are adequate and not in excess of the amount reasonably required.

1.6. 3,15,000 Shares being issued as fully paid up by way of Bonus Shares through Capitalization of Securities Premium Account.

1.7. Earning Per Share (EPS):

The Earnings considered in ascertaining the Company's EPS comprises the net profit (loss) and includes the post tax effect of any extraordinary items. The number of shares used in computing Basic EPS is weighted average number of shares outstanding during the year.

1.8. Additional information pursuant to the provision contained vides part II of the schedule VI of the companies Act. 1956.

I. Earning in foreign Exchange	:	NIL
II. Expenditure in Foreign Currency	:	NIL

1.9. Managerial Remuneration to Directors during the year is Rs. Nil.

1.10. Taxation:

(a) Provision for current year tax is determined on the basis of provisions on Income Tax Act, 1961.

(b) Deferred tax liability is recognized in accordance with 'Accounting Standard-22' Accounting for Taxes on Income issued by the Institute of chartered accountants of India, subject to the consideration of prudence in respect of deferred tax liability, on timing differences, being the difference between taxable incomes and accounting incomes that originate in one year and capable of reversal in one or more subsequent year, and prior period.

1.11. Information as required as under notification no. G.S.R719(E) dated 16.11.2007, issued by the department of company affairs in respect of the total amount payable and amount of interest paid during the year and payable at the end of the year to the sundry creditors has not been disclosed, as the relevant information has not been made available by the respective enterprises as regards to there status/ classification into micro, small, medium enterprises.

1.12. Revenue recognition:

Revenue is recognized on transfer of significant risk and reward in respect of ownership.

Note II : Disclosure pursuant to Note No. 2 to 15 of Part I of Schedule VI to the Companies Act, 1956

Note Share Capital

2

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number	₹	Number	₹
Authorised Equity Shares of Rs. 10/- each	5000000	5,00,00,000.00	50000	5,00,000.00
Issued Equity Shares of Rs. 10/- each	4650000	4,65,00,000.00	45000	4,50,000.00
Subscribed & Paid up Equity Shares of Rs. 10/- each fully paid	4650000	4,65,00,000.00	45000	4,50,000.00
Total	4650000	4,65,00,000.00	45000	4,50,000.00

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Equity Shares			
	2014		2013	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	45000	4,50,000.00	45000	4,50,000.00
Shares Issued during the year	4605000	4,60,50,000.00	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4650000	4,65,00,000.00	45000	4,50,000.00

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956.

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sanjay Kumar Agarwal	40000	0.86%	5000	11.11%
Om Prakash Agarwal	40000	0.86%	5000	11.11%
Unity Commotrade Pvt. Ltd.	160000	3.44%	20000	44.44%
Genuine Tradecom Pvt. Ltd.	120000	2.58%	15000	33.33%
Amritlaxmi Merchandise Pvt. Ltd.	400000	8.60%	-	-
Arrowline Distributors Pvt. Ltd.	500000	10.75%	-	-
Aryavrat Suppliers Pvt. Ltd.	500000	10.75%	-	-
Japonica Agencies Pvt. Ltd.	300000	6.45%	-	-
Khandeshwar Vinimay Pvt. Ltd.	500000	10.75%	-	-
Laxmiputra Vinimay Pvt. Ltd.	400000	8.60%	-	-
Metrocity Suppliers Pvt. Ltd.	530000	11.40%	-	-
Passiflora Agencies Pvt. Ltd.	300000	6.45%	-	-
Speedwell Complex Advisory Pvt. Ltd.	500000	10.75%	-	-

Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Year (Aggregate No. of Shares)			
	2014		2013	
	Number	₹	Number	₹
Equity Shares :				
Fully paid up by way of bonus shares:				
Sanjay Kumar Agarwal	35000	3,50,000.00	-	-
Om Prakash Agarwal	35000	3,50,000.00	-	-
Unity Commotrade Pvt. Ltd.	140000	14,00,000.00	-	-
Genuine Tradecom Pvt. Ltd.	105000	10,50,000.00	-	-

Note 3 Reserves & Surplus

Particulars	As at 31 March 2014	As at 31 March 2013
	₹	₹
a. Securities Premium Account		
Opening Balance	31,50,000.00	31,50,000.00
Add : Securities premium credited on Share issue	-	-
<u>Less : Premium Utilised for various reasons</u>		
For Issuing Bonus Shares	31,50,000.00	-
Closing Balance	-	31,50,000.00
b. Surplus		
Opening balance	19,739.85	13,527.60
(+) Net Profit/(Net Loss) For the current year	1,84,713.39	6,212.25
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	2,04,453.24	19,739.85
Total	2,04,453.24	31,69,739.85

Note 4 Long Term Borrowings

Particulars	As at 31 March 2014	As at 31 March 2013
	₹	₹
Secured		
a. Term Loan		
(Term loan is taken for ₹ 15000000/- from Oriental Bank Of Commerce Rajarhat Branch. The same is payable in 60 equal monthly installment of ₹ 32500/- each. The same is payable at a interest of 13.15% against hypothecation of machinery)	-	6,77,695.52
Total	-	6,77,695.52

Note 5 Deferred Tax Liabilities

Particulars	As at 31 March 2014	As at 31 March 2013
	₹	₹
Opening Balance	60,098.00	60,218.00
Add: Deferred Tax Liability during the year	880.00	-120.00
Total	60,978.00	60,098.00
<u>Computation of Deferred Tax:</u> As per separate sheet attached		

Note 6 Short Term Borrowings

Particulars	As at 31 March 2014	As at 31 March 2013
	₹	₹
Secured		
a) Cash Credit Facility		
(Cash credit facility availed from Oriental Bank of Commerce, Rajarhat Branch against Hypothecation of Stocks and Debtors at a Interest rate of PLR - 1.25% p.a. with monthly rest and repayable on demand.)	4,94,713.24	-
Unsecured		
a) Other loans and advances		
Krishna Apartments Pvt. Ltd.	-	2,50,000.00
Manjil Vinimay P Ltd.	-	2,30,000.00
Total	4,94,713.24	4,80,000.00

Note 7 Trade Payables

Particulars	As at 31 March 2014	As at 31 March 2013
	₹	₹
Payables for Goods	1,80,00,540.00	3,55,202.00
Total	1,80,00,540.00	3,55,202.00

Note 8 Other Current Liabilities

Particulars	As at 31 March 2014	As at 31 March 2013
	₹	₹
Advances From Parties Gokul Vyapaar Pvt. Ltd.	-	3,75,000.00
Liabilities For Expenses	19,370.00	-
Audit Fees Payable	11,000.00	3,371.00
TDS Payable	-	4,000.00
Total	30,370.00	3,82,371.00

Note 9 Short Term Provisions

Particulars	As at 31 March 2014	As at 31 March 2013
	₹	₹
a) Others		
Opening Balance	6,085.27	3,195.27
Income Tax For The Year	81,790.00	2,890.00
Total	87,875.27	6,085.27

Note 10 As Per Separate Sheet Attached

Note 10 - Fixed Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2013	Additions/ (Adjustments)	Deductions/ (Adjustments)	Balance as at 31 March 2014	Balance as at 1 April 2013	Depreciation charge for the year	Deductions / Adjustments	Balance as at 31 March 2014	Balance as at 31 March 2014	Balance as at 1 April 2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets										
<u>Land and Building</u>										
Land	-	18,90,000.00	-	18,90,000.00	-	-	-	-	18,90,000.00	-
<u>Plant and Equipment</u>										
Fire Extinguisher	12,950.00	-	-	12,950.00	4,552.00	1,168.00	-	5,720.00	7,230.00	8,398.00
Inverter	35,000.00	-	-	35,000.00	12,043.00	3,193.00	-	15,236.00	19,764.00	22,957.00
Air Conditioner	1,28,066.66	-	-	1,28,066.66	44,862.66	11,574.00	-	56,436.66	71,630.00	83,204.00
Machine	38,84,146.00	1,29,306.00	-46,861.66	39,66,590.34	13,29,273.00	3,66,851.00	-	16,96,124.00	22,70,466.34	25,54,873.00
<u>Furniture and Fixtures</u>										
Furniture and Fixtures	50,388.00	-	-	50,388.00	21,988.00	5,140.00	-	27,128.00	23,260.00	28,400.00
<u>Office equipment</u>										
Computer	65,203.00	-	-	65,203.00	49,554.00	6,260.00	-	55,814.00	9,389.00	15,649.00
Laptop	49,300.00	-	-	49,300.00	38,060.00	4,496.00	-	42,556.00	6,744.00	11,240.00
UPS	7,280.00	-	-	7,280.00	2,626.00	647.00	-	3,273.00	4,007.00	4,654.00
Total	42,32,333.66	20,19,306.00	(46,861.66)	62,04,778.00	15,02,958.66	3,99,329.00	-	19,02,287.66	43,02,490.34	27,29,375.00

Note 11 Long Term Loans and Advances

Particulars	As at 31 March 2014		As at 31 March 2013	
	₹	₹	₹	₹
a. Security Deposits				
Unsecured, considered good				
Ishan Gupta (Security Deposit against factory rent)	4,00,001.00		4,00,001.00	
		4,00,001.00		4,00,001.00
b. Other loans and advances				
Unsecured, considered good				
Sales Tax	-		1,29,306.00	
Vat(13%)	-		59.47	
Vat Input(4%)	-		1,126.48	
Tax Deducted at Source	11,334.00		11,334.00	
		11,334.00		1,41,825.95
Total		4,11,335.00		5,41,826.95

Note 12 Inventories

Particulars	As at 31 March 2014		As at 31 March 2013	
	₹	₹	₹	₹
a. Stock-in-trade				
- Cloth	1,03,32,680.00		-	
- Threads	6,59,088.00		4,04,266.00	
- Shares	70,00,000.00	1,79,91,768.00	-	4,04,266.00
		1,79,91,768.00		4,04,266.00
Total		1,79,91,768.00		4,04,266.00

Note 13 Trade Receivables

Particulars	As at 31 March 2014	As at 31 March 2013
	₹	₹
Trade receivables outstanding for a period less than six months from the date they are due for payment	-	-
Unsecured, considered good	4,10,43,330.00	7,97,262.00
	4,10,43,330.00	7,97,262.00
Total	4,10,43,330.00	7,97,262.00

Note 14 Cash and cash equivalents

Particulars	As at 31 March 2014		As at 31 March 2013	
	₹	₹	₹	₹
a. Balances with banks		-		
This includes:				
In Current Account				
Oriental Bank of Commerce CC Account (Against Hypothecation of Stock)	-		8,886.25	
Oriental Bank of Commerce	15,09,764.00	15,09,764.00	5,732.03	14,618.28
In Fixed Deposit				
Oriental Bank of Commerce Bank	66,552.00		62,090.00	
Add: Interest Accrued	4,782.00	71,334.00	4,462.00	66,552.00
b. Cash on hand		48,908.41		10,18,291.41
Total		16,30,006.41		10,99,461.69



Note 15 Other Current Assets

Particulars	As at 31 March 2014	As at 31 March 2013
	₹	₹
Share Issue Expenses	-	9,000.00
Total	-	9,000.00

Note III : Disclosure pursuant to Note No. 17 to 22 of Part II of Schedule VI to the Companies Act, 1956

Note 16 Revenue From Operation

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	₹	₹
Sale of products: Sales (Local)	4,37,14,230.00	42,63,719.00
Total	4,37,14,230.00	42,63,719.00

Note 17 Other Income

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	₹	₹
Interest on Fixed Deposit	4,782.00	4,462.00
Job Works	-	1,02,090.00
Total	4,782.00	1,06,552.00

Note 18 Purchase of Stock-in-Trade

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	₹	₹
(a) Threads	9,75,465.95	22,08,067.13
(b) Cloth	4,99,55,540.00	-
(c) Shares	70,00,000.00	-
(d) Spare Parts	-	6,300.00
Total	5,79,31,005.95	22,14,367.13

Note 19 Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Particulars	For the year ended 31 March 2014		For the year ended 31 March 2013	
	₹	₹	₹	₹
a. Finished Goods				
Opening Stock	4,04,266.00		4,09,236.00	
Less: Closing Stock	1,79,91,768.00		4,04,266.00	4,970.00
		(1,75,87,502.00)		
		(1,75,87,502.00)		4,970.00

Note 20 Employee Benefit Expenses

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	₹	₹
(a) Salaries	3,98,500.00	4,98,600.00
(b) Labour Charges	10,12,540.00	-
(c) Staff Welfare Expenses	20,150.00	-
Total	14,31,190.00	4,98,600.00

Note 21 Finance Cost

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	₹	₹
Interest expense :	-	-
Bank Interest On CC	36,066.00	26,609.00
Interest On Term Loan	-	2,09,250.62
Total	36,066.00	2,35,859.62

Note 22 Other Expenses

Particulars	For the year ended 31 March 2014		For the year ended 31 March 2013	
	₹	₹	₹	₹
a. Manufacturing Expenses				
Carriage Inward Exp	30,158.00		2,850.00	
	-	30,158.00	-	2,850.00
b) Office & Administration Expenses				
Electrical Expenses	2,59,510.00		-	
Factory Rent	5,75,000.00		4,80,000.00	
Repairs & Maintenance	50,120.00		32,456.00	
Telephone Expenses	25,654.00		15,660.00	
Audit fees	11,000.00		3,371.00	
Filing Fees	600.00		3,000.00	
Security Account	-		27,000.00	
Office Expenses	27,483.00		22,928.00	
Insurance	2,879.00		13,960.00	
General Exps	12,642.00		24,818.00	
Mess & Tiffin Expenses	50,480.00		36,395.00	
Printing & Stationery	20,150.00	10,35,518.00	12,681.00	6,72,269.00
c) Other Expenses				
Bank Charges	38,327.00		36,013.00	
Travelling Exp	81,548.00		2,33,104.00	
Penalty on TDS	-		4,588.00	
Preliminary Exp w/off	9,000.00		2,400.00	
Interest On Late Payment of TDS	127.00		-	
Round Off		1,29,002.00		2,76,105.00
		11,94,678.00		9,51,224.00

Disclosure pursuant to Note no. 22 of Part II of Schedule VI to the Companies Act, 1956

Payments to the auditor as	For the year ended 31 March 2014	For the year ended 31 March 2013
	₹	₹
a. Audit Fees	11,000.00	3,371.00
Total	11,000.00	3,371.00

Signature to Note No. 1 to 22

For RAKESH KUMAR AGRAWAL

Chartered Accountants

(Rakesh Kumar Agrawal)

Proprietor

Membership No.: 062149

Place : Kolkata

Date : 30.05.2014



4. Capital Structure

The capital structure of our Company is as under:

Particulars	Amount (₹ in Lacs)
A. <u>Authorized Share Capital</u>	
1,05,00,000 Equity Shares of face value of Rs.10 each.	1,050.00
B. <u>Issued, subscribed and paid-up Equity Share Capital</u>	
1,03,50,000 Equity Shares of face value of Rs.10 each.	1,035.00

The history of the Equity Share Capital of the Company is as under:

Date of Allotment	No. of Equity Shares Allotted	Face Value (in Rs.)	Issue Price (in Rs.)	Cumulative paid up capital (in Rs.)	Consideration	Remarks
On incorporation	10,000	10	10	1,00,000	Cash	Subscribers to the MoA
31/03/2010	35,000	10	100	4,50,000	Cash	Preferential allotment
25/02/2014	3,15,000	10	NA	36,00,000	Bonus Issue	Bonus issue of 7 equity shares for every 1 equity share held
31/03/2014	42,90,000	10	10	4,65,00,000	Cash	Preferential allotment
06/05/2014	37,50,000	10	10	8,40,00,000	Cash	Preferential allotment
07/06/2014	19,50,000	10	10	10,35,00,000	Cash	Preferential allotment

The details of the securities premium account of our Company is as under:

Particulars	Share Premium (Rs.)	Cumulative share premium (Rs.)
35,000 equity shares issued at Rs.100/- per share	31,50,000	31,50,000
3,15,000 Bonus shares issued out of securities premium account to the existing shareholders (seven shares for every share held)	(31,50,000)	Nil



5. Description of Property

Registered Office:

The Registered Office of our Company is situated at 30, Bentinck Street, 3rd Floor, Room No. 307, Kolkata – 700001, West Bengal. This property is taken by our Company on leave and licence basis.

Factory - Embroidery Unit:

The factory of the Company is situated in a four storied building at 62/B/P, J.N. Mukherjee Road, P.S. Malipanchghora, District – Howrah. The said property is taken by our Company on leave and licence basis.

Except as mentioned above, our Company does not have any other property.



SECTION II

RISK FACTORS

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

1. Internal Risk Factors

- a. The Company has limited operating history, so it is difficult to estimate its future performance.**

The Company has started operation by venturing as commission agents of fabric and textile products. Later, we have expanded our operations by trading and distribution of sarees and other products in the textile market. Thus, our Company has limited operating history in the business of trading of fabrics and embroidery, and therefore it is difficult to evaluate the business and future prospects and viability of the Company. You should not evaluate the Company's prospects and viability based on the performance of the promoters of the Company. The Company cannot assure you about its future performance or that its business strategy will be successful.

- b. Our Company has lack of profitable operations in the past, therefore investors may not be able to assess the Company's prospects based on past results.**

Our Company has lack of profitable operations in the past. So, it is difficult to evaluate the future financial performance, prospects and viability of the Company. The Company cannot assure you about its future performance or that its business strategy will be successful.

- c. Failure on our part to meet consumer expectations could impact our business operations.**

Our business depends on consumer preferences which cannot be predicted with certainty and are subject to rapid change. We feel that if we fail to understand and respond to the changing consumer demand with quality products, our brand name and brand image may be impaired and in turn result in decline in sales or substantial increase in the amount of unsold inventory. We may not be able to successfully meet changing consumer demands in future. In addition, any new products or brands that we introduce in future may not be successfully received by retailers and consumers. Any failure on our part to successfully meet consumer demand or preference may negatively affect our business, financial condition and results of operations.



d. Significant increase in prices or shortage of products and raw materials could harm the results of operations and financial position of our Company.

In the recent past, we have seen fluctuations in the prices of products and raw materials. Such fluctuations in prices of products and raw material and our Company's inability to negotiate at optimum market rates may affect our profitability.

e. Any decrease in demand/price of Finished Goods will have an adverse impact on our business

Our profits depend on the demand and/or prices of the fabrics and embroidery work in the domestic and international market. If there is a drop in demand, there would be a corresponding drop in prices and consequently have a negative impact on our profit margins.

f. Any inability to effectively execute the Company's future projects or to successfully implement its business plan and growth strategy could have an adverse effect on our Company's operations, results, financial condition and cash flows.

The Company expects that the execution of new projects and its growth strategy may place significant strain on its management, financial and other resources. Further, continued expansion increases the challenges involved in financial and operational management, recruitment, training and retaining sufficient skilled and management personnel and developing and improving the Company's internal administrative infrastructure. The Company may intend to evaluate and consider expansion in the future to pursue existing and potential market opportunities. Any failure to timely and adequately fund the new projects or the Company's inability to manage its business plan effectively and execute its growth strategy could have an adverse affect on the Company's business, financial condition and operations.

g. There are no long-term contracts with customer which may affect our business.

We do not have any long-term contracts with any of our customers and an inability to secure regular contract can adversely affect the business of our Company. Although we have cordial business relations with our customers and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability.

h. We have significant working capital requirements.

Our business requires a substantial amount of working capital. In many cases, working capital is required to finance the purchase of products and materials. Our working capital requirements increases during festive seasons and in certain contracts, if the payment terms do not provide for advance payments to us or if payment schedules are less favourable to us. We may need to borrow funds in the future to fulfil our working capital needs. We meet our working capital requirements through combination of equity, debt and internal accruals. Our



inability to meet working capital requirement will negatively affect our financial condition and results of operations.

i. Our Company is dependent on its management and any inability on their part to contribute to the business may affect its performance.

The success of our Company is dependent on the experience of its management. The operations of the Company and execution of business strategies are handled by the management with the assistance of our Key Managerial Personnel. Any failure of the management to successfully implement and contribute to the Company's business would result in our Company not meeting its customers' expectation. Further, if the management is not able to manage the operations of our Company in an efficient and effective manner, it will affect the profitability of our Company.

j. We face substantial competition in the industry, our revenues could get affected in case we are not able to obtain new customers and orders.

Our Company is operating in the textile sector. We will face significant competition from existing players and potential entrants in the industry. Further, we will face significant competition mainly from large vertically integrated and diversified companies in the industry. Our revenues could get affected adversely in case we are not able to secure new customers and orders.

k. All of our facilities would be geographically located in one area only

All of our facilities would be geographically located in one area only. As a result of this, if there is any localized social unrest, natural disaster or breakdown of services and utilities in that area, it may affect our business adversely.

l. Our ability to pay dividends will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditure, lender's approvals and other factors.

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lender's approvals and other factors. There can be no assurance that we shall have distributable funds or that we will declare dividends.

m. If we are not able to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business, it may have a material adverse effect on our business.

We are required to obtain and maintain certain approvals, licenses, registrations and permits in connection with our business and operations. There can be no assurance that we will be able to obtain and maintain such approvals, licenses, registrations and permits in the future.



An inability to obtain or maintain such registrations and licenses in a timely manner, or at all, and comply with the prescribed conditions in connection therewith may adversely affect our ability to carry on our business and operations, and consequently our results of operations and financial condition.

2. External Risk Factors

a. Our inability to respond to the cultural changes in India could adversely affect our business operations.

We operate in an industry which is characterised by constant change. India has gone through several round of social and cultural changes in past and with the liberalisation and opening up of the Indian economy, these changes are more rapid. Our business may be negatively affected by these changes and our inability to timely respond to the changing demand.

b. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and could materially affect our future financial performance and the trading price of our equity shares.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

c. Political, economic and social developments in India could adversely affect company's business.

Any change in changes in the Government policies, including taxation, social, political, economic or other developments in or affecting India, will affect the industry as a whole.

3. Risks relating to the Equity Shares

a. Our Company may raise further rounds of equity financing in which the existing shareholders may not participate resulting in reduction of their percentage of holding in our Company.

In order to grow business, our Company may require additional funds at various points of time. Our Company may raise funds through various means including debt, equity and securities convertible into equity. Any such issuances of equity and securities convertible into equity would dilute the holding of Equity Shareholders. Difficult market conditions can adversely affect our business in many ways, including by reducing the volume of the transactions involving our advisory business, and these could materially reduce our revenue or income.



b. The price of our Equity Shares may be volatile.

The trading price of our Equity Shares may fluctuate after the listing due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares.

c. Active trading market for our Equity Shares may not develop.

Till date there has been no public market for our Equity Shares. We propose to list our Equity Shares on Institutional Trading Platform (ITP) of BSE SME. We cannot assure that pursuant to listing on ITP, active trading market of our Equity Shares or for securities convertible in to Equity Shares would develop as trading on ITP is subject to certain restrictions like minimum trading lot on ITP is Rs.10 Lacs. Further, the securities listed on ITP will be mandatorily exited within 18 months of triggering various events such as completion of ten years on listing of ITP or attaining paid-up capital of Rs.25 Crores or attaining revenue of Rs.300 Crores or attaining market capitalization of Rs.500 Crores. Accordingly, there can be no assurance that an active trading market for our Equity Shares will develop or be sustained after the listing.

d. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Pursuant to listing, we will be subject to a daily "circuit breaker" imposed by BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The BSE may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding shareholders ability to sell Equity Shares at any particular time.



SECTION III

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Beneficial ownership

Below table shows the beneficial ownership of our shares of each person known by us to be the beneficial owner, being different from registered owner of the issued and subscribed capital.

Class / Type of Securities	Name and Address of Beneficial Owner	Amount and nature of beneficial ownership	Percentage
Equity shares	Nil	NA	NA

Shareholders Agreements

Our Company has not entered into any shareholders agreement relating to any of the securities of our Company as on date of this Information Memorandum.

List of top ten Shareholders of our Company

S. No.	Name	No. of Equity Shares held	Percentage
1	Genuine Tradecom Private Limited	16,70,000	16.14
2	Unity Commotrade Private Limited	15,60,000	15.07
3	Sourav Management Private Limited	4,25,000	4.11
4	Khandeshwar Vinimay Private Limited	4,23,000	4.09
5	Aryavrat Suppliers Private Limited	3,63,000	3.51
6	Sourav Builders Private Limited	2,72,500	2.63
7	Metrocity Suppliers Private Limited	2,60,750	2.52
8	Kag India Private Limited	2,50,000	2.42
9	Gobinda Chandra Pattanaik	2,40,000	2.32
10	Sourav Nursing Home Private Limited	2,02,500	1.96
	Total	56,66,750	57.75



Shareholding Pattern of the Company:

Name of the Company: Gokul Solutions Limited							
Scrip ISIN: INE909Q01010							
Shareholding Pattern as on September 19, 2014							
Statement Showing Shareholding Pattern							
Category code	Category of Shareholder	Number of Shareholders	Table (I)(a)		Total shareholding as a percentage of total number of shares	Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialized form		Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	As a percentage of(A+B) ¹ (VI)	(VII)	As a percentage (VIII)= (VII)/(I V)*100
(A)	Promoter and Promoter Group						
1	Indian						
(a)	Individuals/ Hindu Undivided Family	2	80,000	80,000	0.77	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-
(c)	Bodies Corporate	2	32,30,000	32,30,000	31.21	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-	-
(e-i)					-	-	-
(e-ii)					-	-	-
	Sub Total(A)(1)	4	33,10,000	33,10,000	31.98	-	-
2	Foreign						
A	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-
B	Bodies Corporate	-	-	-	-	-	-
C	Institutions	-	-	-	-	-	-
D	Qualified Foreign Investor	-	-	-	-	-	-
E	Any Others(Specify)	-	-	-	-	-	-
	Sub Total(A)(2)	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	4	33,10,000	33,10,000	31.98	-	-
(B)	Public shareholding						
1	Institutions						
(a)	Mutual Funds/ UTI	-	-	-	-	-	-
(b)	Financial Institutions / Banks	-	-	-	-	-	-

(c)	Central Government/ State Government(s)	-	-	-	-		
(d)	Alternative Investment Fund/Venture Capital Funds	-	-	-	-		
(e)	Insurance Companies	-	-	-	-		
(f)	Foreign Institutional Investors	-	-	-	-		
(g)	Foreign Venture Capital Investors	-	-	-	-		
(h)	Qualified Foreign Investor	-	-	-	-		
(i)	Any Other (specify)	-	-	-	-		
(i-ii)					-		
(i-ii)							
	Sub-Total (B)(1)	-	-	-	-		
B 2	Non-institutions						
(a)	Bodies Corporate	14	27,65,750	27,65,750	26.72		
(b)	Individuals						
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	108	7,31,000	7,31,000	7.06		
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	134	35,43,250	35,05,750	34.24		
(c)	Qualified Foreign Investor	-	-	-	-		
(d)	Any Other (specify)	-	-	-	-		
(d-i)					-		
(d-ii)							
	Sub-Total (B)(2)	256	70,40,000	70,02,500	68.02		
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	256	70,40,000	70,02,500	68.02		
	TOTAL (A)+(B)	260	1,03,50,000	1,03,12,500	100.00		
(C)	Shares held by Custodians and against which Depository Receipts have been issued						
1	Promoter and Promoter Group	-	-	-	-		
2	Public	-	-	-	-		
	Sub-Total (C)	-	-	-	-		
	GRAND TOTAL (A)+(B)+(C)	260	1,03,50,000	1,03,12,500	100.00	-	-



(I)(b) **Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Promoter and Promoter Group”**

Sr. No.	Name of the shareholder	Details of Shares held		Shares pledged or otherwise encumbered (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		Number of shares held	As a % of grand total (A)+(B)+(C)	No.	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)*100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1	Genuine Tradecom Pvt. Ltd.	16,70,000	16.14	-	-	-	-	-	-	-	16.14
2	Unity Commotrade Pvt. Ltd.	15,60,000	15.07	-	-	-	-	-	-	-	15.07
3	Sanjay Kumar Agarwal	40,000	0.39	-	-	-	-	-	-	-	0.39
4	Om Prakash Agarwal	40,000	0.39	-	-	-	-	-	-	-	0.39
TOTAL		33,10,000	31.98	-	-	-	-	-	-	-	31.98

(*) The term “encumbered” shall refer to a pledge, lien or any such transaction, by whatever name called.

(I)(c) **Statement showing Shareholding of persons belonging to the category “Public” and holding more than 5% of the total number of shares:**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
	NIL		
	Total	-	-

(I)(c) **Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares:**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	Sourav Management Private Limited	4,25,000	4.11
2	Khandeshwar Vinimay Private Limited	4,23,000	4.09
3	Aryavrat Suppliers Private Limited	3,63,000	3.51
4	Sourav Builders Private Limited	2,72,500	2.63
5	Metrocity Suppliers Private Limited	2,60,750	2.52



6	Kag India Private Limited	2,50,000	2.42
7	Gobinda Chandra Pattanaik	2,40,000	2.32
8	Sourav Nursing Home Private Limited	2,02,500	1.96
9	Arrowline Distributors Private Limited	1,95,000	1.88
10	Renu Rani Bansal	1,80,000	1.74
11	Speedwell Complex Advisory Pvt Limited	1,56,500	1.51
12	Monish Johari	1,25,000	1.21
	Total	30,93,250	29.89

(I)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B) indicated in Statement at para (I)(a) above}
1	Genuine Tradecom Pvt. Ltd.	10,35,000	10.00
2	Unity Commotrade Pvt. Ltd.	10,35,000	10.00
	Total	20,70,000	20.00

(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL			
TOTAL		-	-	-

(II)(b) Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL			
TOTAL		-	-	-



SECTION IV

OUR MANAGEMENT

1. Board of Directors

In accordance with our Articles, our Company is required to have not less than three and not more than fifteen Directors. Presently, the Board of Directors of our Company comprises four Directors. The details of the Directors of our Company are given below:

Name, Date of Birth and Address of the Directors	DIN	Status of Directorship	Date of appointment	Tenure
Mr. Sanjay Kumar Agarwal DoB: 01/04/1970 Address: 268/10, G T Road, Narayani Niwas, 4th Floor, Liluah, Howrah – 711204 West Bengal, India	01820979	Managing Director	14/04/2014	Appointed as Managing Director for a period of 3 years w.e.f. July 1, 2014 and liable to retire by rotation.
Ms. Sunita Agarwal DoB: 24/10/1971 Address: 268/10, G. T. Road, Narayani Niwas, 4th floor, Howrah, 711204, West Bengal, India	01527079	Non- Executive Non- Independent Director	01/04/2010	Liable to retire by rotation
Mr. Abhinandan Sharma DoB: 31/07/1981 Address: 9, Rishi Bankim Sarani, Rishra, 1st Floor, Hooghly West Bengal – 712248, India	03133763	Independent Director	16/08/2014	For a term of five years and not liable to retire by rotation.
Ms. Rinku Sharma DoB: 20/08/1979 Address: 9, Rishi Bankim Sarani, Rishra, 1st Floor, Hooghly West Bengal – 712248, India	06703545	Independent Director	16/08/2014	For a term of five years and not liable to retire by rotation.

2. Directors' Profile

Mr. Sanjay Kumar Agarwal, aged 44 years, is a commerce professional. He is having over 10 years of experience in the field of finance, management and manufacturing and trading of garments and textile products.

Mr. Agarwal was appointed as an Additional Director of the Company on April 14, 2014 and subsequently designated as Managing Director of the Company w.e.f. July 1, 2014. He is providing leadership and direction to the operations of the Company and responsible for the management of day to day operations of the Company.



Ms. Sunita Agarwal, aged 43 years, is a Non-Executive Non-Independent Director of the Company. She was appointed as a Director of the Company on April 1, 2010. Ms. Agarwal is a commerce graduate and having over 5 years of experience in the field of trading and distribution of textile products. Ms. Sunita Agarwal is wife of Mr. Sanjay Kumar Agarwal, Managing Director of the Company.

Ms. Rinku Sharma, aged 35 years, is an Independent Director of the Company. She is holding a bachelor degree in commerce and having over 7 years of experience in the field of retail trading in garments and textile products. Presently, she is engaged in the retail trading of readymade garments. She does not hold any shares in the Company. Ms. Rinku Sharma is wife of Mr. Abhinandan Sharma, Director of the Company.

Mr. Abhinandan Sharma, aged 33 years, is an Independent Director of the Company. He is holding a bachelor degree in commerce and having over 10 years of experience in the field of trading in industrial goods, railways supply, accounting and management. Presently, he is engaged in the retail trading of readymade garments. He does not hold any shares in the Company.

3. Corporate Governance

Corporate Governance is a set of systems and practices which ensures that the affairs of the Company are being managed in a way which ensures integrity, fairness, equity, transparency, accountability and commitment to values. The Company's focus has always been on adopting the good governance practices. The Corporate Governance demands an improved level of competency among the executives to meet the expectations in managing the enterprises and its resources effectively in an ethical and transparent manner. The company promotes values in its relationships with employees, shareholders, creditors, consumers and other stakeholders. Corporate Governance is a journey for constantly improving sustainable value creation and its upward moving target. The Company believes that good corporate governance is pre-requisite for achieving the highest standards of ethics in the overall interest of all the stakeholders.

Board of Directors

The Board of Directors is the apex body for overseeing the overall functioning of the Company. The Board provides the strategic direction and management policies and evaluates their effectiveness to ensure that the long-term interests of the shareholders are being served. The Managing Director is assisted by senior managerial personnel in overseeing the functional matters of the Company.

At present, we have four Directors on our Board, out of which two are Independent Directors. We are in compliance with the requirements of corporate governance set forth in Clause 42 of the Listing Agreement for Institutional Trading Platform of SME Exchange.



Audit Committee

Our Audit Committee has been constituted on August 16, 2014. The Audit Committee comprises of the following members:

Member	Designation
Mr. Abhinandan Sharma	Chairman (Independent Director)
Ms. Rinku Sharma	Member (Independent Director)
Mr. Sanjay Kumar Agarwal	Member (Managing Director)

The Company Secretary of the Company acts as secretary of the Audit Committee.

Terms of reference

The terms of reference, role and scope of Audit Committee are in line with those prescribed by Clause 42 of the Listing Agreement for Institutional Trading Platform of SME Exchange.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and perform the functions as stipulated by Clause 42 of the Listing Agreement for Institutional Trading Platform of SME Exchange.

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee has been constituted on August 16, 2014. The Nomination and Remuneration Committee comprises of the following members:

Member	Designation
Ms. Rinku Sharma	Chairman (Independent Director)
Mr. Abhinandan Sharma	Member (Independent Director)
Ms. Sunita Agarwal	Member (Non-Executive Director)

The Company Secretary of the Company acts as secretary of the Nomination and Remuneration Committee.

Terms of reference

The terms of reference, role and scope of the Nomination and Remuneration Committee are in line with those prescribed by section 178 of the Companies Act, 2013 and Clause 42 of the Listing Agreement for Institutional Trading Platform of SME Exchange. The role and scope of the Committee includes, inter alia, to identify persons who are qualified to become directors and who may be appointed in senior management, formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.



Stakeholders Relationship Committee

Our Stakeholders Relationship Committee has been constituted on August 16, 2014. The Committee comprises of the following members:

Member	Designation
Mr. Abhinandan Sharma	Chairman (Independent Director)
Mr. Sanjay Kumar Agarwal	Member (Managing Director)

Terms of reference

The terms of reference, role and scope of the Shareholders/Investors' Grievances/Stakeholders Relationship Committee are in line with those prescribed by Section 178 of the Companies Act, 2013 and Clause 42 of the Listing Agreement for Institutional Trading Platform of SME Exchange. The Committee was constituted to address investor grievances and complaints such as transfer of equity shares, non-receipt of annual reports and non-receipt of declared dividends, among others, and ensure an expeditious resolution of the matter. The Committee also evaluates performance and service standards of Registrar and Transfer Agent and provides continuous guidance to improve the service levels for investors.

Terms and conditions of employment of our Executive Directors

The details of terms and conditions of appointment, including remuneration, of Mr. Sanjay Kumar Agarwal, Managing Director are as under:

Name	Mr. Sanjay Kumar Agarwal
Designation	Managing Director
Tenure	3 years. From July 1, 2014 to June 30, 2016
Notice Period	Three months
Remuneration	No remuneration payable for the current tenure.

Remuneration to our Non-Executive Directors

Presently, Non-Executive Directors of the Company are not entitled to any remuneration whether by way of sitting fees or commission or otherwise.

Confirmations

There is no arrangement or understanding amongst any of the Directors and any other person(s) pursuant to which he was or is to be selected as a director or nominee in the Company.



SECTION V

PROMOTERS

The Promoters of the company are as follows:

1. Mr. Sanjay Kumar Agarwal
2. Genuine Tradecom Pvt. Ltd.
3. Unity Commotrade Pvt. Ltd.

Individual Promoter

1. Mr. Sanjay Kumar Agarwal

Passport No.	J6804189
PAN No.	ACHPA1285G
DIN	01820979
Address	268/10, G T Road, Narayani Niwas,, 4th Floor, Liluah,, Howrah – 711204 West Bengal, India
Directorship in other companies	1) Genuine Tradecom Pvt. Ltd. 2) Unity Commotrade Pvt. Ltd. 3) Annapurna Barter Pvt. Ltd. 4) Annapurna Comtrade Pvt. Ltd. 5) Horizon Financial Consultants Pvt. Ltd. 6) Annapurna Tradecom Pvt. Ltd. 7) Durgeshwari Developers Pvt. Ltd.
<p>Mr. Sanjay Kumar Agarwal, aged 44 years, is a commerce professional. He is having over 10 years of experience in the field of finance, management and manufacturing and trading of garments and textile products.</p> <p>Mr. Agarwal was appointed as an Additional Director of the Company on April 14, 2014 and subsequently designated as Managing Director of the Company w.e.f. July 1, 2014. He is providing leadership and direction to the operations of the Company and responsible for the management of day to day operations of the Company.</p>	



Corporate Promoters

2. Genuine Tradecom Private Limited

Genuine Tradecom Private Limited was incorporated vide Certificate of Incorporation dated March 20, 2009 issued by the Registrar of Companies West Bengal.

The main object of the Company is to carry on the business as trading, buying, selling, indenting agents, wholeselling, retailing, consignor, supplying, distributor, dealer of all types of homecare products and consumer goods, household goods, industrial goods, clocks, watches, digital camera, calculator, jewellery items, mobile phones, engineering goods, etc.

Corporate Identity Number: U52390WB2009PTC134036

Registered Office: The registered office of the company is situated at 30, Bentinck Street, 3rd Floor, Room No. 307, Kolkata – 700001, West Bengal

Shareholding Pattern: Shareholding Pattern of Genuine Tradecom Private Limited is as follows:

Sl. No.	Name of Share Holder	No. of Share	%
1	Promoters and Promoters Group	97,800	34.58
2	Others	185,000	65.42
	Total	2,82,800	100.00

Board of Directors

The Board of Directors of Genuine Tradecom Private Limited comprises of:

Sl. No.	Name	Designation
1.	Mr. Sanjay Kumar Agarwal	Director
2.	Mr. Om Prakash Agarwal	Director

Change in the Management

The present promoter of Genuine Tradecom Private Limited is Mr. Sanjay Kumar Agarwal. He has acquired control over the company in the year 2010.



Financial Information

Highlights of the financials of Genuine Tradecom Private Limited for FY2013 and FY2014 are as under:

Particulars	FY2014 (Rs. in lacs)	FY2013 (Rs. in lacs)
Balance Sheet Highlights		
Paid-up Capital	1.28	1.28
Reserve and Surplus	13.56	13.58
Secured Loan	-	-
Statement of Profit and Loss Highlights		
Income from operations	-	-
Total Expenditure	0.04	0.04
Profit/(Loss) Before Tax	(0.04)	(0.04)
Profit/(Loss) Before Tax After Tax	(0.04)	(0.04)

3. Unity Commotrade Private Limited

Unity Commotrade Private Limited was incorporated vide Certificate of Incorporation dated March 31, 2010 issued by the Registrar of Companies, West Bengal.

The main object of the Company is to carry on the business as distributors, agents, traders, merchants, contractors, brokers and otherwise deal in merchandise and articles of all kinds including clearing agents, freight contractors, forwarding agents, licensing agents, general brokers, and to carry any kind of commercial business etc.

Corporate Identity Number: U51909WB2010PTC144754

Registered Office: The registered office of the company is situated at 30, Bentinck Street, 3rd Floor, Room No. 307, Kolkata -700001, West Bengal.

Shareholding Pattern: The Shareholding Pattern of Unity Commotrade Private Limited is as follows:

Sl. No.	Category	No. of Share	%
1	Promoters and Promoter Group	96,000	32.99
2	Others	195,000	67.01
	Total	291,000	100.00



Board of Directors

The Board of Directors of Unity Commotrade Private Limited comprises of:

Sl. No.	Name	Designation
1	Mr. Sanjay Kumar Agarwal	Director
2	Mr. Om Prakash Agarwal	Director

Change in the Management

The present promoter of Unity Commotrade Private Limited is Mr. Sanjay Kumar Agarwal. He has acquired control over the company in the year 2010.

Financial Information

Highlights of the financials of Unity Commotrade Private Limited for FY2013 and FY2014 are as under:

Particulars	FY2014 (Rs. in lacs)	FY2013 (Rs. in lacs)
Balance Sheet Highlights		
Paid-up Capital	1.10	1.10
Reserve and Surplus	4.71	4.73
Secured Loan	-	-
Statement of Profit and Loss Highlights		
Income from operations	-	-
Total Expenditure	0.04	0.15
Profit Before Tax	(0.04)	(0.15)
Profit After Tax	(0.04)	(0.15)



SECTION VI

RELATED PARTY TRANSACTIONS

1. List of related parties of Our Company is as under:

S. No.	Name of the related party
Directors	
1.	Mr. Sanjay Kumar Agarwal
2.	Ms. Sunita Agarwal
3.	Mr. Abhinandan Sharma
4.	Ms. Rinku Sharma
Group Companies	
	NIL
Key Managerial Persons	
1.	Mr. Sanjay Kumar Agarwal, Managing Director
2.	Ms. Priyanka Sharma, Company Secretary & Compliance Officer
3.	Mr. Bikash Adhikari, CFO
Relatives of Key Managerial Persons	
	NIL

2. Details of Transactions with Related party:

Our Company does not have any transactions with any related parties during the preceding three financial years.



SECTION VII

OUTSTANDING LITIGATIONS

There are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities against the Company that would have a material adverse effect on the business of the Company and there are no defaults, non payment or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures, bonds and fixed deposits that would have a material adverse effect on the Company's business other than unclaimed liabilities against the Company and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company.



SECTION VIII

DECLARATION

We, the Directors of the Company, hereby certify and declare that, all relevant provisions of the Companies Act, 2013 and Companies Act, 1956, as applicable and to the extent not repealed, and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013 and Companies Act, 1956 to the extent not repealed and as applicable, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or regulations issued, as the case may be. We further certify that all the statements in this Information Memorandum are true and correct.

SIGNED BY ALL THE DIRECTORS, CFO and CS

Sanjay Kumar Agarwal
Managing Director

Abhinandan Sharma
Independent Director

Sunita Agarwal
Non-Executive Non-Independent Director

Rinku Sharma
Independent Director

Bikash Adhikari
Chief Financial Officer

Priyanka Sharma
Company Secretary

Date: September 22, 2014

Place: Kolkata