

**INDEPENDENT AUDITORS' REPORT**

To the members of **ALL COLOUR GARMENTS PRIVATE LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **ALL COLOUR GARMENTS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2016;
- b) in the case of the Statement of Profit and Loss, of the loss Incurred the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Reports are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a. the Company has disclosed the details of litigations and the possible impact on the financial position of the company – Refer Note 17 to the financial statements
    - b. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - c. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

**For Girish Murthy & Kumar**

ICAI Firm Registration Number: 000934S

Chartered Accountants

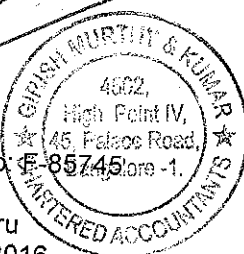
**Girish Rao B**

Partner

Membership No. **85745**

Place: Bengaluru

Date: May 23, 2016

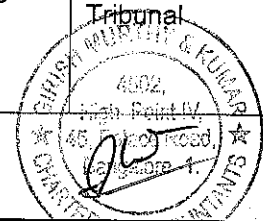


**Annexure referred to in clause 1 of paragraph on Report on Other Legal and Regulatory Requirements of our report of even date**

Re: All Colour Garments Private Limited

- i. (a) There are no fixed assets in the books of the company except a vehicle which is physically verified by the by the management at reasonable intervals and as such clause (b) and (c) are not applicable.
- ii. (a) The Company has neither purchased nor sold any raw material or finished goods during the year. Further the Company is not holding any stock of inventory at the year end. Hence the physical verification of inventories and maintenance of inventory records are not applicable to the Company.
- b) The Company has not maintained the records for inventory, as the Company has not purchased nor sold any raw material or finished goods during the year. Further the Company is not holding any stock of inventory at the year end.
- III. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to the companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- IV. In our opinion and according to the information and explanation given to us the company has not granted any loan, made any investments, gave any guarantee or provided security in connection with a loan to any other body corporate or person in contravention of section 185 and 186 of the Companies Act, 2013.
- V. According to the information and explanation given to us the company has not accepted deposits from the public during the year. Accordingly clause 3 (V) of the order is not applicable.
- VI. According to the information and explanation given to us the Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act, 2013 for the activities carried out by the Company, and hence Clause 3 (VI) of the order is not applicable.
- VII. a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, employees' state insurance Income-Tax, Sales tax, Service Tax, Value added Tax, Cess and any other statutory dues with the appropriate authorities. We are informed by the company that the Excise, Customs and Wealth Tax are not applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- b. According to the information and explanations given to us, no disputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, value added tax, cess and other material statutory dues were outstanding, at the year end, except in the cases as follows.

Name of Statute	Nature of dues	Demand Amount (Rs.)	Paid Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The employees Provident funds and Misc provision act, 1952	Interest and penal damages on PF dues	869,614	288,626	April 2005-2008	Employees provident Fund Tribunal

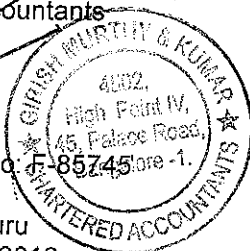


- VIII. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that, the company has not defaulted in the repayment of loans taken from a bank, and financial Institutions during the year.
- Further the company has not taken any loan either from government or has not issued any debentures at any point of time during the year and as such there is no dues outstanding at the end of the year to debenture holders.
- IX. The company did not raise any money by way of initial public offer or further public offer (Including debt instrument) or has taken term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
- X. During the course of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of fraud by the company or on the company by its officers or employees of the company during the year.
- XI. According to the information and explanation given to us and the records of the company examined by us the Company has not paid or provided any managerial Remuneration. Accordingly, paragraph 3 (xi) of the order is not applicable.
- XII. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the order is not applicable.
- XIII. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that all the transaction with the related parties are in compliance with section 177 and 188 of Companies Act.2013 and the details of the transactions have been disclosed in the Financial Statements as per applicable accounting Standards.
- XIV. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that the Company has not made any preferential allotment or private placement of shares or fully or partly debentures during the year under review.
- XV. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that that the Company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the order is not applicable.
- XVI. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that that the Company is not required to be Registered under Section 45 -IA of the Reserve Bank of India.

**For Girish Murthy & Kumar**  
ICAI Firm Registration Number: 000934S  
Chartered Accountants

**Girish Rao B**  
Partner

Membership No: F-85745



Place: Bengaluru  
Date: May 23, 2016.

## **Annexure B to Auditors' Report of even date**

### **Report on the Internal Controls on Financial Controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ("the Act")**

Re: All Colour Garments Private Limited

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We have audited the internal financial controls over financial reporting of **All Colour Garments Private Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

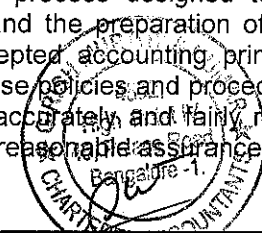
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that



transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

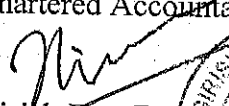
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

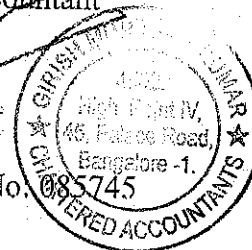
#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

PLACE : BANGALORE  
DATE : May 23, 2016

FOR GIRISH MURTHY & KUMAR  
ICAI Firm Registration Number: 000934S  
Chartered Accountant

  
Girish Rao B.  
Partner.  
Membership No. 085745



# ALL COLOUR GARMENTS PRIVATE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED  
MARCH 31, 2016

## 1. Corporate Information:

All Colour Garments Private Limited (herein after referred to as "the Company") was incorporated on 1st June 2004. The Company took over all the assets and liabilities of M/s Hinduja Fashions and M/s Balaji Finishing House as a going concern on 1st July 2004. The Company became a subsidiary of Gokaldas Exports Limited (formerly known as Gokaldas India Private Limited) on 1st December 2004.

## 2. Basis of preparation of financial statements

In view of recession in the industry, the company has closed both of its manufacturing facilities. However, the management intends to re establish the manufacturing facilities in different locations and the closure of operations is only temporary in nature. Hence, the company has adopted the basic accounting assumption of going concern concept in preparation of financial statements.

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

### 2.1 Summary of Significant accounting policies

#### a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring material adjustment to the carrying amounts of assets and liabilities in future periods.

#### b) Revenue recognition

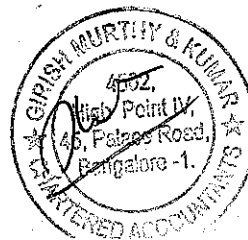
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the customer.

Export incentives are recognized on accrual basis in accordance with the applicable schemes formulated, by the Government of India.

Revenues from job work contract are recognized as and when services are rendered.

Dividend income on investments is accounted when the right to receive the dividend is established as at reporting date.



Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Insurance / other claims are recognized on acceptance basis.

**c) Fixed assets and depreciation/ amortization (tangible and intangible)**

Fixed assets are stated at cost of acquisition/construction less accumulated depreciation and impairment losses if any, net of grants received, where applicable and subsequent improvements thereto including taxes, duties, freight, and other incidental expenses related to acquisition/construction. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation is provided using the written down value method as per the useful lives of the assets estimated by the management with residual value at 5%, which is equal to the corresponding rates prescribed under schedule II of the Companies Act, 2013.

	<u>useful life estimated by the management (years)</u>
Buildings	30
Plant & Machinery	15
Electrical Equipments	10
Office Equipments	5
Furniture & Fixtures	10
Computers	6
Vehicles	8
Computer Software (Intangibles)	3

Leasehold improvements are depreciated over the primary lease period or useful life, whichever is lower which ranges between 5 to 10 years

Intangible assets comprising of Know-how (Process improvement costs) are amortized over 36 months.

**d) Borrowing Costs**

Borrowing costs includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

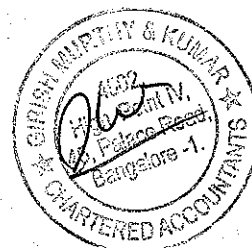
Borrowing costs attributable to acquisition and construction of qualifying assets that necessarily takes substantial period of time to get ready for its intended use are capitalized as a part of the cost of such asset. All other borrowing costs are expensed in the period they occur.

**e) Impairment of tangible and intangible assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit and loss to the extent the carrying amount exceeds the recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**f) Inventories**

Raw materials, packing materials, stores, spares, and consumables are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis. However, materials and other items





held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished goods and work in progress are valued at lower of cost and net realisable value after considering provision for obsolescence and other anticipated loss, wherever considered necessary. Finished goods and work in progress includes cost of conversion and other production overheads. Cost is determined on a weighted average basis. Cost of finished goods includes excise duty.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**g) Foreign currency transactions**

**(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**(iii) Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**h) Government Grants and subsidies**

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is netted off with the relevant expense. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

**i) Investments**

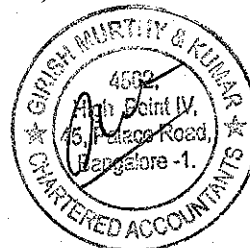
Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged / credited to statement of profit and loss.

**j) Retirement and Other Employee Benefits**

**(i) Defined Contribution Plans:**

Contributions to provident fund are made at pre-determined rates and charged to the statement of profit and loss for the year when contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

**(ii) Defined Benefit Plans:**



Gratuity liability is accrued in the books based on actuarial valuation on projected unit credit method as at reporting date. Actuarial gains or losses are immediately taken to statement of profit and loss and are not deferred.

(iii) **Compensated absences:**

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the basis of an actuarial valuation using the projected unit credit method at the year end. Actuarial gains or losses are immediately taken to statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

**k) Taxation**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax asset is recognised only to the extent that it has timing differences the reversal of which will result in sufficient income or there is other convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realised.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised.

Minimum Alternative Tax ('MAT') credit is recognised, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**l) Accounting for leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.



**m) Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

**n) Segment Reporting Policies**

**(i) Identification of segments:**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

**(ii) Basis of allocation:**

Assets, liabilities, income, and expenditure are allocated to each segment according to the relative contribution of each segment to the total amount. Unallocated items include general corporate items, which are not allocated to any segment.

**(iii) Segment Policies:**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**o) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**p) Contingent Liability**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the controls of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

**q) Cash and Cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



**ALL COLOUR GARMENTS PRIVATE LIMITED****Balance Sheet as at 31 March 2016***All amounts in Indian Rupees, except stated otherwise*

	Notes	31 March 2016	31 March 2015
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholder's funds</b>			
Share Capital	3	200,000	200,000
Reserves and Surplus	4	34,428,253	34,687,489
		<b>34,628,253</b>	<b>34,887,489</b>
<b>Current Liabilities</b>			
Trade payables	5	-	-
Other current liabilities	5	1,014,195	1,014,195
		<b>1,014,195</b>	<b>1,014,195</b>
<b>TOTAL</b>		<b>35,642,448</b>	<b>35,901,684</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Fixed assets	6		
Tangible assets		4,460	4,639
Intangible assets		-	-
Capital work-in-progress		-	-
		<b>4,460</b>	<b>4,639</b>
Long-term loans and advances	7	6,125,246	8,119,618
		<b>6,129,706</b>	<b>8,124,257</b>
<b>Current assets</b>			
Current investments	8	200	200
Trade receivables	9	29,286,680	27,549,906
Cash and Cash equivalents	10	24,862	26,321
Short-term loans and advances	7	201,000	201,000
		<b>29,512,742</b>	<b>27,777,427</b>
<b>TOTAL</b>		<b>35,642,448</b>	<b>35,901,684</b>

Summary of significant accounting policies 2

The accompanying notes are integral part of the financial statements.

**As per our report of even date****For GIRISH MURTHY & KUMAR**

Firm Regn. No: 000934S

Chartered Accountants

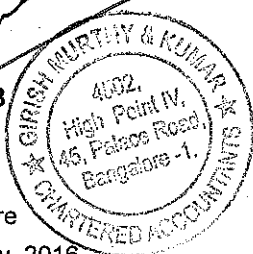
**GIRISH BAO.B**

Partner.

**M.No. 85745**

Place : Bangalore

Date : 23rd May, 2016

**For and on behalf of the Board****For ALL COLOUR GARMENTS PRIVATE LIMITED****P.Ramababu**  
Director**Sathyamurthy A**  
Director

**ALL COLOUR GARMENTS PRIVATE LIMITED****Statement of profit and loss for the year ended 31 March 2016***All amounts in Indian Rupees, except stated otherwise*

	Notes	31 March 2016	31 March 2015
Revenue from operations (Net)	11	-	-
Other income	12	86,407	-
<b>Total Revenue</b>		<b>86,407</b>	<b>-</b>
<b>Expenses</b>			
Employee benefits expense	13	-	-
Other expenses	14	55,974	40,414
Depreciation and amortisation expense	15	178	1,620
Finance costs	16	289,491	561
<b>Total Expenses</b>		<b>345,643</b>	<b>42,595</b>
Profit / (Loss) before tax		(259,236)	(42,595)
<b>Tax expense:</b>			
Current tax		-	-
Tax of earlier years (net)		-	-
Profit / (loss) for the year		<b>(259,236)</b>	<b>(42,595)</b>
Earnings per equity share - (Nominal value per share - Rs. 10) :			
Basic		(12.96)	(2.13)
Diluted		(12.96)	(2.13)

Summary of significant accounting policies 2

The accompanying notes are integral part of the financial statements.

As per our report of even date  
For **GIRISH MURTHY & KUMAR**  
Firm Regn. No: 000934S  
Chartered Accountants

**GIRISH RAO.B**

Partner.

**M.No. 85745**

Place : Bangalore

Date : 23rd May, 2016



For and on behalf of the Board  
For **ALL COLOUR GARMENTS PRIVATE LIMITED**

**P.Ramababu**  
Director

**Sathyamurthy A**  
Director

*All amounts in Indian Rupees, except stated otherwise*

20,000 (2015:20,000) Equity Shares of Rs. 10 each fully paid-up

31 March 2016	31 March 2015
200,000	200,000
200,000	200,000
200,000	200,000
200,000	200,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
Equity shares	31 March 2016		31 March 2015	
	No.	Amount	No.	Amount
At the beginning of the period	20,000	200,000	200,000	20,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	20,000	200,000	200,000	20,000

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

(c) Shares held by holding/ ultimate holding Company and/ or their subsidiaries/ associates	31 March 2016 Amount	31 March 2015 Amount
Holding Company : Gokaldas Exports Ltd.,	200,000	200,000

d) Details of shareholders holding more than 5% shares in the Company				
Equity shares	31 March 2015		31 March 2015	
	No.	shareholding %	No.	shareholding %
Equity shares of Rs.10 each fully paid Gokaldas Exports Ltd.,	20,000	100.00%	20,000	100.00%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

## Net surplus / (deficit) in the statement of profit and loss

<u>31 March 2016</u>	<u>31 March 2015</u>
191,446	191,446
33,198,000	33,198,000
1,298,043	1,340,638
(259,236)	(42,595)
1,038,807	1,298,043
<b>34,428,253</b>	<b>34,687,489</b>



**ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2016

All amounts in Indian Rupees, except stated otherwise

**5 Trade payables and Other Current Liabilities****Trade Payables**to Micro and Small Enterprises  
to Others**Other current liabilities**

Employees benefit payable

Other expenses payable

**31 March 2016**   **31 March 2015**

-	-
-	-
986,399	986,399
27,796	27,796
1,014,195	1,014,195
<b>1,014,195</b>	<b>1,014,195</b>

**7 Loans and advances**

(unsecured, considered good)

Advance Tax (Net of provision)

Balance with government authorities

Non current		Current	
31 March 2016	31 March 2015	31 March 2016	31 March 2015
6,125,246	8,119,618	-	-
-	-	201,000	201,000
<b>6,125,246</b>	<b>8,119,618</b>	<b>201,000</b>	<b>201,000</b>

**8 Current Investments**

Investment in Government Securities (unquoted)

Indira Vikas Patra

**31 March 2016**   **31 March 2015**

200	200
<b>200</b>	<b>200</b>

**9 Trade Receivables**

(unsecured, considered good)

Due from Holding Company

- outstanding for a period exceeding six months from the date they are due for payment

- other receivables

Current	
31 March 2016	31 March 2015
29,286,680	27,549,906
-	-
<b>29,286,680</b>	<b>27,549,906</b>

**10 Cash and bank balances****Cash and cash equivalents**

Balance with banks :

-- in Current accounts

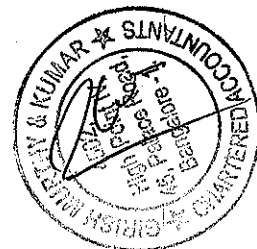
Current	
31 March 2016	31 March 2015
24,862	26,321
<b>24,862</b>	<b>26,321</b>



ALL COLOUR GARMENTS PRIVATE LIMITED  
NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH, 31, 2015

6 Tangible assets

	Building	Improvement on lease hold rights	Electrical Equipments	Office Equipments	Furniture & Fixtures	Plant & Machinery	Computers	Vehicle	Total
<i>Cost or valuation</i>									
At 31 March 2014	-	-	-	-	-	-	-	89,194	89,194
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2015	-	-	-	-	-	-	-	89,194	89,194
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2016	-	-	-	-	-	-	-	89,194	89,194
<i>Depreciation</i>									
At 31 March 2014	-	-	-	-	-	-	-	82,935	82,935
Charge for the year	-	-	-	-	-	-	-	1,620	1,620
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2015	-	-	-	-	-	-	-	84,555	84,555
Charge for the year	-	-	-	-	-	-	-	178	178
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2016	-	-	-	-	-	-	-	84,734	84,734
At 31 March 2015	-	-	-	-	-	-	-	4,639	4,639
At 31 March 2016	-	-	-	-	-	-	-	4,460	4,460





**ALL COLOUR GARMENTS PRIVATE LIMITED****Notes to financial statements for the year ended 31 March 2016***All amounts in Indian Rupees, except stated otherwise*

	<u>31 March 2016</u>	<u>31 March 2015</u>
<b>11 Revenue from operations</b>		
Job work income	-	-
	<u>-</u>	<u>-</u>
<b>12 Other income</b>		
Other non-operating income	86,407	-
	<u>86,407</u>	<u>-</u>
<b>13 Employee benefits expense</b>		
Contribution to provident fund and other fund	-	-
	<u>-</u>	<u>-</u>
<b>14 Other expenses</b>		
Rates and taxes	31,254	15,694
Payment to auditors	24,720	24,720
	<u>55,974</u>	<u>40,414</u>
<u>Payment to auditor</u>		
As Auditor		
Audit fees	24,720	24,720
	<u>24,720</u>	<u>24,720</u>
<b>15 Depreciation and amortisation expense</b>		
Depreciation on tangible assets	178	1,620
	<u>178</u>	<u>1,620</u>
<b>16 Finance costs</b>		
Bank charges	265	561
Interest on others	289,226	
	<u>289,491</u>	<u>561</u>



**ALL COLOUR GARMENTS PRIVATE LIMITED**

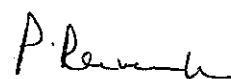
Cash-flow statement for the year ended 31 March 2016

All amounts in Indian Rupees, except stated otherwise

PARTICULARS	31 March 2016	31 March 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax from continuing operations	(259,236)	(42,595)
Loss before tax	(259,236)	(42,595)
Non-cash adjustment to reconcile profit before tax to net cash flow		
Depreciation/amortization on continuing operations	178	1,620
<b>Operating Profit before working capital changes</b>	<b>(259,058)</b>	<b>(40,975)</b>
Movements in Working Capital :		
(Increase)/Decrease in inventories		
(Increase)/Decrease in trade receivables	(1,736,774)	35,300
(Increase)/Decrease in current loans and advances	-	-
Increase/(Decrease) in trade payables	-	-
Increase/(Decrease) in other current liabilities	-	-
<b>Cash Generated from /(used in) Operations</b>	<b>(1,995,832)</b>	<b>(5,675)</b>
Direct taxes paid (net of refunds)	1,994,373	1,994,372
<b>Net Cash Flow from Operating Activities</b>	<b>(1,459)</b>	<b>1,988,697</b>
<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>(1,459)</b>	<b>1,988,697</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>Net Cash Flow from / (used in) Investing Activities</b>	<b>-</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
<b>Net Cash Flow from / (used in) Financing Activities</b>	<b>-</b>	<b>-</b>
<b>D. Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(1,459)</b>	<b>1,988,697</b>
<b>E. Opening Balance of Cash &amp; Cash Equivalents</b>	<b>26,321</b>	<b>31,996</b>
<b>F. Closing Balance of Cash &amp; Cash Equivalents</b>	<b>24,862</b>	<b>2,020,693</b>
Components of Cash and Cash Equivalents		
Cash on hand		
Bank Balances with Scheduled Banks:		
– in Current Accounts	24,862	26,321
	<b>24,862</b>	<b>26,321</b>

For and on behalf of the Board

For ALL COLOUR GARMENTS PRIVATE LIMITED



P. Ramababu

Director



Sathyamurthy A

Director

As per our report of even date

For GIRISH MURTHY &amp; KUMAR

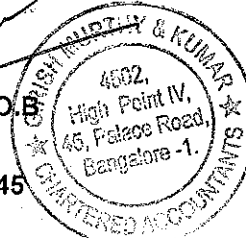
Firm Regn. No: 000934S

Chartered Accountants


  
GIRISH RAO.B

Partner.

M.No. 85745



Place : Bangalore

Date : 23rd May, 2016

## Notes to Account

### 17. Contingent liabilities

(Amount in Rs.)		
Particulars	2016	2015
Claims against the Company not acknowledged as debts	580,988	869,614
Guarantees given by banks	Nil	Nil
Outstanding letters of credit	Nil	Nil
Export Bills discounted with banks	Nil	Nil
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	Nil	Nil

The Company does not have any further pending litigations which would impact its financial position.

### 18. Gratuity

In view of closure of both of its manufacturing facilities, the company has terminated the services of all its employees, and settled all the retirement benefits. Hence no provision for Gratuity and Leave encashment has been made as at 31st March 2016. The undrawn fund balance with insurer (LIC of India) as on 31.03.2016 is Rs.653,306

### 19. Segment information

#### a) Primary business segment

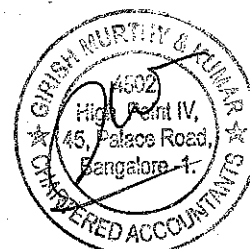
The Company is engaged in a single business segment of job work related to garments, and hence, no additional disclosures are required, other than those already given in the financial statements.

#### b) Secondary business segment (by geographical area based on location of customers):

(Amount in Rs)		
Geographical Segment	Revenues	Carrying amount of segment assets (Debtors)
In India	Nil (Nil)	29,286,680 (27,549,906)
Outside India	-	-
Total	Nil (Nil)	29,286,680 (27,549,906)

Note:

- Figures in brackets relate to previous year.



## 20. Related party disclosures

Names of related parties and description of relationship:

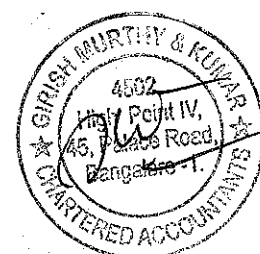
Ref	Description of Relationship	Names of related parties
a.	Parties where control exists:	
(i)	Immediate Holding Company	Gokaldas Exports Limited
(ii)	Fellow Subsidiaries	Deejay Trading Private Limited
		Glamourwear Apparels Private Limited
		Madhin Trading Private Limited
		Magenta Trading Private Limited
		Rafter Trading Private Limited
		Rajdin Apparels Private Limited
		Reflexion Trading Private Limited
		Rishikesh Apparels Private Limited
		Robot Systems Private Limited
		Seven Hills Clothing Private Limited
		SNS Clothing Private Limited
		Vignesh Apparels Private Limited
b.	Key management personnel:	
(i)	Director	Mr. Gautam Chakravarti (resigned on 11.04.2016)
(ii)	Director	Mr. SumitKeshan (resigned on 15.12.2015)
	Director	Mr. P Ramababu (appointed on 22.06.2015)
	Director	Mr. A Sathyamurthy (appointed on 10.02.2016)

The following are the volume of transactions with related parties during the year and outstanding balances as at the year- end disclosed in aggregate by type of related party:

(Amount in Rs)				
Nature of transactions	Holding Company	FellowSubsidiaries	Others	Total
	A (a)	A (b)	A (c)	
<b>Income</b>				
Job work charges	Nil (Nil)			Nil (Nil)
Balances outstanding as at March 31, 2016				
-- Credit balances				
-- Debit balances	29,286,680 (27,549,906)	Nil (Nil)		29,286,680 (27,549,906)

Figures in brackets relate to previous year.

Disclosure for transactions that exceed 10% of total value of each class of transactions: **NIL**



**21. Earnings per share**

(Amount in Rs)

Particulars	2016	2015
Net profit for the year as per statement of profit and loss before exceptional items	(259,236)	(42,595)
Net profit for the year as per statement of profit and loss after exceptional items	(259,236)	(42,595)
Weighted average number of equity shares (Nos.)	20,000	20,000
Nominal value per share	10	10
<b>Earnings per share – Basic and diluted</b>		
Before exceptional items	(12.96)	(2.13)
After exceptional items		

**22. Deferred taxes - Components**

(Amount in Rs)

Particulars	As at March 31, 2015	Current year (charge)/credit	As at March 31, 2016
Difference between book and tax base of fixed assets	-	-	-
Retirement benefits allowed on payment basis accrued in books	-	-	-
<b>Total</b>	-	-	-

**23. Remuneration to directors**

(Amount in Rs)

Particulars	2016	2015
Salaries	Nil	Nil

**24. CIF value of imports**

Current Year : Nil

Previous Period : Nil

**25. Expenditure in foreign currency on accrual basis**

Current Year : Nil

Previous Period : Nil



26. **Imported and indigenous raw materials, stores and spare parts consumed**

Particulars	2016		2015	
	Amount (Rs)	%	Amount (Rs)	%
<i>Raw Materials</i>				
Imported	Not Applicable		Not Applicable	
Indigenous				
<i>Consumables, Stores and Spares</i>				
Imported	Not Applicable		Not Applicable	
Indigenous				

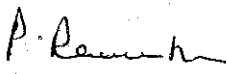
27. **Earnings in foreign currency**

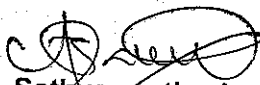
Current Year : Nil Previous Period : Nil

28. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
29. Based on the information available with the company, there are no suppliers who are registered as micro, small or medium enterprises under the Micro, Small or Medium Enterprises Development Act 2006.
30. Previous year's figures have been regrouped/rearranged/reclassified, wherever necessary to conform to the current year's presentation.

**Signatures to schedules 1 to 30**

**For and on behalf of the Board**


  
**P. Ramababu**  
 Director

  
**Sathyamurthy A**  
 Director

Bangalore:  
 Dated: 23<sup>rd</sup> May, 2016

**As per our report of even date**

**For Girish Murthy & Kumar**  
**Firm Regn. No. 000934S**  
 Chartered Accountants

  
**Girish Rao, B**  
 (Partner)  
 (Membership No. 85745)

