

**DEEJAY TRADING PRIVATE LIMITED****Balance Sheet as at 31 March 2015***All amounts in Indian Rupees, except stated otherwise*

	Notes	31 March 2015	31 March 2014
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholder's funds</b>			
Share Capital	3	200,000	200,000
Reserves and Surplus	4	11,580,005	11,234,157
		<b>11,780,005</b>	<b>11,434,157</b>
<b>Non- current liabilities</b>			
Long-term Provisions	5	-	6,317,299
		-	<b>6,317,299</b>
<b>Current Liabilities</b>			
Trade payables	6	519,919	74,171
Other current liabilities	6	35,754,496	26,232,038
Short term provisions	5	12,833,553	4,998,918
		<b>49,107,968</b>	<b>31,305,127</b>
<b>TOTAL</b>		<b>60,887,973</b>	<b>49,056,583</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Fixed assets	7		
Tangible assets		3,017,250	5,143,950
Intangible assets		-	-
Capital work-in-progress		-	-
		<b>3,017,250</b>	<b>5,143,950</b>
Non-current investments	8	1,000	1,000
Long-term loans and advances	9	12,315,133	10,790,834
		<b>15,333,383</b>	<b>15,935,784</b>
<b>Current assets</b>			
Trade receivables	10	44,110,867	26,273,649
Cash and Cash equivalents	11	1,089,940	6,802,923
Short-term loans and advances	9	353,783	44,227
		<b>45,554,590</b>	<b>33,120,799</b>
<b>TOTAL</b>		<b>60,887,973</b>	<b>49,056,583</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 DURGA KRISHNAMURTI & CO.,  
Firm Regn. No.004590S  
Chartered Accountants

**DURGA KRISHNAMURTHY**  
Proprietor  
Membership No.206962  
Place : Bangalore  
Date : 20th May, 2015

For and on behalf of the Board  
For DEEJAY TRADING PRIVATE LIMITED

Gautam Chakravarti  
Director

Sumit Keshan  
Director



**DEEJAY TRADING PRIVATE LIMITED****Statement of profit and loss for the year ended 31 March 2015***All amounts in Indian Rupees, except stated otherwise*

	Notes	31 March 2015	31 March 2014
Revenue from operations (Gross)	12	272,990,369	237,001,582
Other income	13	281,245	79,185
<b>Total Revenue</b>		<b>273,271,614</b>	<b>237,080,767</b>
<b>Expenses</b>			
Employee benefits expense	14	248,455,680	209,727,960
Other expenses	15	22,313,402	20,189,465
Depreciation and amortisation expense	16	1,961,828	1,505,489
Finance costs	17	12,222	12,137
<b>Total Expenses</b>		<b>272,743,132</b>	<b>231,435,051</b>
Profit / (Loss) before tax		528,482	5,645,716
<b>Tax expense:</b>			
Current tax		562,934	1,970,558
Tax of earlier years (net)		(545,172)	3,326,860
Deferred tax charge / (credit)		-	(241,418)
		17,762	5,056,000
Profit / (Loss) for the period		<b>510,720</b>	<b>589,716</b>
<b>Earnings per equity share - (Nominal value per share - Rs. 10) :</b>			
Basic		25.54	29.49
Diluted		25.54	29.49

Summary of significant accounting policies 2

The accompanying notes are integral part of the financial statements.

As per our report of even date  
For DURGA KRISHNAMURTI & CO.,  
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**DURGA KRISHNAMURTHY**  
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**Gautam Chakravarti**  
Director

  
**Sumit Keshan**  
Director



**DEEJAY TRADING PRIVATE LIMITED****Notes to financial statements for the year ended 31 March 2015**

All amounts in Indian Rupees, except stated otherwise

**3 Share Capital**Authorised shares

20,000 (2014:20,000) Equity Shares of Rs. 10 each

**31 March 2015**    **31 March 2014**

200,000	200,000
<b>200,000</b>	<b>200,000</b>

Issued, subscribed and fully paid-up

20,000 (2014:20,000) Equity Shares of Rs. 10 each fully paid-up

200,000	200,000
<b>200,000</b>	<b>200,000</b>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	31 March 2015		31 March 2014	
	No.	Amount	No.	Amount
At the beginning of the period	20,000	200,000	20,000	200,000
Issued during the period		-		-
Outstanding at the end of the period	<b>20,000</b>	<b>200,000</b>	<b>20,000</b>	<b>200,000</b>

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in ensuing Annual General meeting.

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

Equity shares of Rs.10 each fully paid	31 March 2015 Amount	31 March 2014 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 2014	
	No.	shareholding %	No.	shareholding %
Equity shares of Rs.10 each fully paid Gokaldas Exports Ltd.,	20,000	20,000	20,000	20,000

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.

**4 Reserves and Surplus****Capital Reserves**

Capital Reserve (on amalgamation) balance as per last account

**31 March 2015**    **31 March 2014**

23,209    23,209

**Securities Premium Reserve**

Balance as per last account

7,996,000    7,996,000

**Surplus / (deficit) in the statement of profit and loss**

Balance as per last financial statements

3,214,948    2,625,232

Depreciation Reserve as per new Schedule II

(164,872)

Profit / (loss) for the year

510,720

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

589,716

3,560,796    3,214,948

**Total Reserves and Surplus****11,580,005    11,234,157**

**DEEJAY TRADING PRIVATE LIMITED**  
**NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH, 31, 2015**

**7 Tangible assets**

	Building	Electrical Equipments	Office Equipments	Furniture & Fixtures	Plant & Machinery	Computers	Vehicle	Total
<i>Cost or valuation</i>								
At 1 April 2013	3,685,733	5,320,933	592,357	2,676,468	6,984,743	1,756	25,288	19,287,278
Additions								
Other adjustments								
Disposals								
<b>At 31 March 2014</b>	3,685,733	5,320,933	592,357	2,676,468	6,984,743	1,756	25,288	19,287,278
Additions		-			-			-
Other adjustments								
Disposals								
<b>At 31 March 2015</b>	3,685,733	5,320,933	592,357	2,676,468	6,984,743	1,756	25,288	19,287,278
<b>Depreciation</b>								
At 1 April 2013	3,046,704	3,353,819	341,682	1,956,065	3,914,398	1,736	23,435	12,637,839
Charge for the year	639,029	273,625	34,869	130,393	427,085	8	480	1,505,489
Disposals								
<b>At 31 March 2014</b>	3,685,733	3,627,444	376,551	2,086,458	4,341,483	1,744	23,915	14,143,328
Charge for the year		1,087,919	73,849	246,957	553,103	(75)	109	1,961,828
Depreciation on expired assets			112,338	52,500				164,872
Disposals								
<b>At 31 March 2015</b>	3,685,733	4,715,363	562,738	2,385,915	4,894,586	1,669	24,024	16,270,028
<b>Net Block</b>								
At 31 March 2014	0	1,693,489	215,806	590,010	2,643,260	12	1,373	5,143,950
At 31 March 2015	0	605,570	29,619	290,553	2,090,157	87	1,264	3,017,250



**DEEJAY TRADING PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2015

**5 Provisions**

	Long Term		Short term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Provision for employee benefits	-	6,317,299	7,425,152	1,076,435
Provision for gratuity	-	-	5,408,401	3,922,483
Provision for leave benefits	-	6,317,299	12,833,553	4,998,918

**6 Trade payables and Other Current Liabilities****Trade Payables**

to Micro and Small Enterprises  
to Others

	31 March 2015	31 March 2014
	519,919	74,171
	519,919	74,171

**Other current liabilities**

Employee benefit payable  
Other expenses payable  
Advance from customers  
Book Overdraft  
ESI payable  
Provident fund payable  
TDS payable  
Professional tax payable

	26,883,718	21,253,944
	2,118,886	1,876,992
	674,479	-
	1,628,779	-
	869,222	723,377
	3,111,114	2,102,169
	414,134	250,606
	54,164	24,950
	35,754,496	26,232,038
	36,274,415	26,306,209

**8 Non-current investments**

Non Trade investments [valued at cost unless stated otherwise]

Investment in Government Securities (unquoted)  
Indira Vikas Patra

	31 March 2015	31 March 2014
	1,000	1,000
	1,000	1,000

**9 Loans and advances**

(unsecured, considered good)

Security deposits  
Advances recoverable in cash / kind  
Advance Tax net of provisions  
Prepaid expenses  
Loans and advances to employees

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	7,042,173	6,619,991	-	-
	-	-	-	25,002
	5,272,960	4,170,843	-	-
	-	-	259,283	17,095
	-	-	94,500	2,130
	12,315,133	10,790,834	353,783	44,227

**10 Trade Receivables**

(unsecured, considered good)

- Outstanding for a period exceeding six months from the date they are due for payment  
- Other receivables  
Due from Holding Company  
Total Trade receivables

	Current	
	31 March 2015	31 March 2014
	32,600,173	16,407,166
	11,510,694	9,866,483
	44,110,867	26,273,649

**11 Cash and bank balances****Cash and cash equivalents**

Balance with banks :  
-- in Current accounts  
Cash on hand

	Current	
	31 March 2015	31 March 2014
	526,136	6,690,834
	563,804	112,089
	1,089,940	6,802,923



**DEEJAY TRADING PRIVATE LIMITED****Notes to financial statements for the year ended 31 March 2015***All amounts in Indian Rupees, except stated otherwise*

	<u>31 March 2015</u>	<u>31 March 2014</u>
<b>12 Revenue from operations</b>		
Contract receipts	272,990,369	237,001,582
	<b>272,990,369</b>	<b>237,001,582</b>
<b>13 Other Income</b>		
Other non-operating income	132,392	79,185
Excess provision of earlier years written back	148,853	-
	<b>281,245</b>	<b>79,185</b>
<b>14 Employee benefits expense</b>		
Salaries, wages and bonus	208,917,254	180,574,391
Contribution to provident fund and other fund	26,810,350	20,179,519
Gratuity expense	3,587,666	2,049,725
Staff welfare expenses	9,140,410	6,924,325
	<b>248,455,680</b>	<b>209,727,960</b>
<b>15 Other expenses</b>		
Power and fuel	9,097,560	8,176,013
Job work charges	150,320	126,020
Other manufacturing expenses	228,952	146,025
Repairs and maintenance		
- Plant and machinery	143,226	102,085
- Buildings	466,480	236,215
- Others	249,385	179,123
Rent	8,407,672	8,284,638
Rates and taxes	161,513	154,738
Legal and professional charges	243,205	181,029
Printing and stationery	125	4,112
Communication costs	-	348
Travelling and conveyance	121,913	225,822
Auditors' Remuneration	33,708	33,708
Other Miscellaneous expenses	3,009,343	2,339,589
	<b>22,313,402</b>	<b>20,189,465</b>
<u>Payment to auditor</u>		
As Auditor	33,708	33,708
Audit fees	33,708	33,708
<b>16 Depreciation and amortisation expense</b>		
Depreciation on tangible assets	1,961,828	1,505,489
	<b>1,961,828</b>	<b>1,505,489</b>
<b>17 Finance costs</b>		
Bank charges	12,222	12,137
	<b>12,222</b>	<b>12,137</b>



**DEEJAY TRADING PRIVATE LIMITED**

**Cash-flow statement for the year ended 31 March 2015**  
 amounts in Indian Rupees, except stated otherwise

PARTICULARS	2015	2014
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>	<b>528,482</b>	<b>5,645,716</b>
Profit before tax from continuing operations	528,482	5,645,716
Loss before tax		
Non-cash adjustment to reconcile profit before tax to net cash flow	1,961,828	1,505,489
Depreciation/amortization on continuing operations	(132,392)	(79,185)
Interest earned		
<b>Operating Profit before working capital changes</b>	<b>2,357,918</b>	<b>7,072,020</b>
Movements in Working Capital :		
Increase/(Decrease) in trade receivables	(17,837,218)	(851,472)
Increase/(Decrease) in non current loans and advances	(422,182)	(128,110)
Increase/(Decrease) in current loans and advances	(309,556)	824,022
Increase/(Decrease) in trade payables	445,748	(149,303)
Increase/(Decrease) in other current liabilities	9,522,458	(1,966,031)
Increase/(Decrease) in long term provisions	(6,317,299)	474,417
Increase/(Decrease) in short term provisions	7,834,635	1,467,195
<b>Cash Generated from / (used in) Operations</b>	<b>(4,725,496)</b>	<b>6,742,738</b>
Direct taxes paid (net of refunds)	(1,119,879)	(3,266,810)
<b>Net Cash Flow from Operating Activities</b>	<b>(5,845,375)</b>	<b>3,475,928</b>
<b>Net Cash Flow from / (used in) Operating Activities</b>	<b>(5,845,375)</b>	<b>3,475,928</b>
<b>3. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest received	132,392	79,185
<b>Net Cash Flow from / (used in) Investing Activities</b>	<b>132,392</b>	<b>79,185</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
<b>Net Cash Flow from / (used in) Financing Activities</b>		
<b>D. Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(5,712,983)</b>	<b>3,555,113</b>
<b>E. Opening Balance of Cash &amp; Cash Equivalents</b>	<b>6,802,923</b>	<b>3,247,810</b>
<b>F. Closing Balance of Cash &amp; Cash Equivalents</b>	<b>1,089,940</b>	<b>6,802,923</b>
Components of Cash and Cash Equivalents		
Cash on hand	563,804	112,089
Bank Balances with Scheduled Banks:		
-- in Current Accounts	526,136	6,690,834
	<b>1,089,940</b>	<b>6,802,923</b>

For and on behalf of the Board  
 For DEEJAY TRADING PRIVATE LIMITED

*Gautam Chakravarti*

Gautam Chakravarti  
 Director

*Sumit Keshan*  
 Director

Place : Bangalore  
 Date : 20th May, 2015



As per our report of even date  
 For DURGA KRISHNAMURTI & CO.,  
 Firm Regn. No.004590S  
 Chartered Accountants

*Durga Krishna Murthy*  
 DURGA KRISHNAMURTHY  
 Proprietor  
 Membership No.206962

## DEEJAY TRADING PRIVATE LIMITED

### SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

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#### 1. Corporate Information:

Deejay Trading Private Limited (herein after referred to as "the Company") was incorporated on 21st February 2003. The Company took over all the assets and liabilities of M/s Wearcraft Apparels 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

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.



## Notes to Account

### 18. Contingent liabilities

(Amount in Rs.)

Particulars	2015	2014
Claims against the Company not acknowledged as debts	997,722	997,722
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.

### 19. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Net employee benefit expense (in Profit and Loss Account)	(Amount in Rs)	
	2015	2014
Current Service Cost	2701,937	1,632,141
Interest cost on benefit obligation	651,774	591,955
Expected Return on Plan Assets	(291,924)	(39,524)
Actuarial gain/(loss)	525,879	(134,846)
<b>Net benefit expense</b>	<b>35,87,666</b>	<b>2,049,726</b>

Details of Provision for gratuity (in Balance Sheet)	(Amount in Rs)	
	2015	2014
Defined benefit obligation	100,77,292	7,861,390
Fair value of plan asset	2,652,140	467,655
<b>Liability recognized in the balance sheet</b>	<b>(7,425,152)</b>	<b>(7,393,735)</b>

Changes in the present value of the defined benefit obligation are as follows: (Amount in Rs)

	2015	2014
Opening defined benefit obligation - Current	1,076,435	806,475
Opening defined benefit obligation - Non-current	6,784,955	6,377,567
Current Service Cost	2,701,937	1,632,141
Interest Cost	6,51,774	591,955
Benefits Paid	(1,429,490)	(1,386,618)
Actuarial (gain)/loss	291,681	(160,130)
<b>Closing defined benefit obligation</b>	<b>10,077,292</b>	<b>7,861,390</b>
Closing defined benefit obligation - Current	10,077,292	1,076,435
Closing defined benefit obligation - Non Current	0	6,784,955



(Amount in Rs)		
Changes in the fair value of plan asset are as follows:		
	2015	2014
Opening fair value of plan asset	467,655	534,685
Expected return	291,924	39,524
Actuarial gain/(loss)	(234,198)	(25,284)
Benefits Payout	(1,429,490)	(1,386,618)
Employer Contribution	3,556,249	1,305,348
<b>Closing fair value of plan asset</b>	<b>2,652,140</b>	<b>467,655</b>

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Interest Rate	7.95%	9.12%
Discount Factor	7.95%	9.12%
Estimated Rate of return on Plan Assets	8.00%	8.00%
Attrition Rate	40.00%	40.00%
Rate of escalation in Salary per annum	12.00%	20.00%
Retirement Age	60	60

The Company expects to contribute Rs.74. lakhs to Employees Gratuity fund Trust account in 2015-16.  
The major categories of plan asset as a percentage of the fair value of total plan asset are as follows:

	2015	2014
Investments with insurer	100%	100%

Notes:

- The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

## 20. Segment information

### a) Primary business segment

The Company is engaged in a single business segment of job work related to garment, 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	272,990,369 (237,001,582)	44,110,867 (26,273,649)
Outside India		
<b>Total</b>	<b>272,990,369 (237,001,582)</b>	<b>44,110,867 (26,273,649)</b>

- Note: 1. All fixed assets are located in India.  
2. Figures in brackets relate to previous year.



## 21. Related party disclosures

### A. Names of related parties and description of relationship:

Ref	Description of Relationship	Names of related parties
	<i>Parties where control exists:</i>	
	Immediate Holding Company	Gokaldas Exports Limited
	Fellow Subsidiaries	All Colour Garments 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
	<i>Key management personnel:</i>	
	Director	Mr. GautamChakravarti
	Director	Mr. SumitKeshan

### B. 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	Fellow Subsidiaries	Others	Total
	A(a)	A(a)	A(c)	
<b>Income</b>				
Job work charges	172,823,450 (147,509,332)			172,823,450 (147,509,332)
<b>Balances outstanding as at March 31, 2015</b>				
-- Creditbalances		Nil (Nil)		Nil (Nil)
-- Debitbalances	11,510,694 (9,866,483)	(Nil)	(NIL)	11,510,694 (9,866,483)

Figures in brackets relate to previous year.

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

## 22. Leasing Arrangements:

The Company's leasing arrangements in respect of its office, factory and residential premises are in the nature of operating leases. These leasing arrangements are usually cancellable at the option of the lessee any time.



**23. Earnings per share**

(Amount in Rs)

Particulars	2015	2014
Net profit for the year as per profit and loss account before exceptional items	510,720	589,716
Net profit for the year as per profit and loss account after exceptional items	510,720	589,716
Weighted average number of equity shares (Nos.)	20000	20,000
Nominal value per share	10	10
Earnings per share – Basic and diluted	25.54	29.49
Before exceptional items		
After exceptional items		

**24. Deferred taxes – Components Asset / (Liability)**

(Amount in Rs)

Particulars	As at March 31, 2014	Current year (charge)/credit	As at March 31, 2014
Difference between book and tax base of fixed assets	-	-	-
Retirement benefits allowed on payment basis accrued in books	-	-	-
Total	-	-	-

**25. Remuneration to directors**

(Amount in Rs)

Particulars	2015	2014
Salaries	Nil	Nil

**26. CIF value of imports**

Current Year : Nil Previous Period : Nil

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

Current Year : Nil Previous Period : Nil

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

Particulars	2015		2014	
	Amount (Rs)	%	Amount (Rs)	%
Raw Materials				
Imported	Not Applicable		Not Applicable	
Indigenous				
Consumables, Stores and Spares				
Imported	Not Applicable		Not Applicable	
Indigenous				



**29. Depreciation on tangible fixed assets**

Pursuant to the requirements of Schedule II of the Companies Act, 2013 ("the Act"), management has reassessed and changed, wherever necessary the useful lives to compute depreciation. Accordingly, the carrying amount as at April 1, 2014 is being depreciated over the revised remaining useful life of the asset. The carrying value of Rs. 164,872, in case of assets with nil revised remaining useful life as at April 1, 2014, is reduced from the retained earnings as at such date. Further, had the Company continued with the previously assessed useful lives, charge for depreciation for the year would have been lower by Rs. 1,221,416 with consequential impact in the profits for the year.

30. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**31. Earnings in foreign currency**

Current Year : Nil Previous Period : Nil

32. 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.
33. Previous year's figures have been regrouped/rearranged/reclassified, wherever necessary to conform to the current year's presentation.

**Signatures to schedules 1 to 33**

For DURGA KRISHNAMURTI & Co  
Firm Regn. No.004590S  
Chartered Accountants

  
DURGA KRISHNAMURTHY  
Proprietor

Membership No.206962  
Place : Bangalore  
Date : 20<sup>th</sup> May, 2015

For and on behalf of the Board

For Deejay Trading Private Limited

  
GautamChakravarti  
Director

  
Sumit Keshan  
Director

