

MADHIN TRADING PRIVATE LIMITED**Balance Sheet as at 31 March 2014***All amounts in Indian Rupees, except stated otherwise*

	Notes	31 March 2014	31 March 2013
<u>EQUITY AND LIABILITIES</u>			
Shareholder's funds			
Share Capital	3	200,000	200,000
Reserves and Surplus	4	7,134,148	6,821,040
		7,334,148	7,021,040
Non- current liabilities			
Long-term Provisions	5	3,213,486	2,147,166
		3,213,486	2,147,166
Current Liabilities			
Trade payables	6	123,083	194,559
Other current liabilities	6	15,151,483	16,982,872
Short term provisions	5	3,215,994	2,360,335
		18,490,560	19,537,766
TOTAL		29,038,194	28,705,972
<u>ASSETS</u>			
Non-current assets			
Fixed assets	7		
Tangible assets		3,560,830	4,284,430
Intangible assets		-	-
Capital work-in-progress		-	-
		3,560,830	4,284,430
Non-current investments	8	1,000	1,000
Long-term loans and advances	9	11,915,609	11,329,364
		15,477,439	15,614,794
Current assets			
Trade receivables	10	11,708,126	12,315,981
Cash and Cash equivalents	11	1,397,843	287,031
Short-term loans and advances	9	454,786	455,366
Other current assets	12	-	32,800
		13,560,755	13,091,178
TOTAL		29,038,194	28,705,972
Summary of significant accounting policies	2		
The accompanying notes are integral part of the financial statements.			

As per our report of even date

For V. M. PAL & Co.,
Firm Regn. No. 09075S
Chartered Accountants

A. V. PAL
Partner
(Membership No.37316)
Place : Bangalore
Date : 8th May 2014



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

Gautam Chakravarti
Gautam Chakravarti
Director

Sumit Keshan
Sumit Keshan
Director

MADHIN TRADING PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2014***All amounts in Indian Rupees, except stated otherwise***3 Share Capital**Authorised shares

20,000 (2013:20,000) Equity Shares of Rs. 10 each

31 March 2014 **31 March 2013**

200,000 200,000

200,000 **200,000**Issued, subscribed and fully paid-up

20,000 (2013:20,000) Equity Shares of Rs. 10 each fully paid-up

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 2014		31 March 2013	
	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	20,000	200,000	20,000	200,000

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

	31 March 2014 Amount	31 March 2013 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 2014		31 March 2013	
	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.

4 Reserves and Surplus**Capital Reserves**

Balance as per last account

31 March 2014 **31 March 2013**

10,988 10,988

Securities Premium Reserve

Balance as per last account

6,386,000 6,386,000

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

Balance as per last financial statements

Profit / (loss) for the year

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

424,052 139,969

313,108 284,083

737,160 424,052

7,134,148 **6,821,040**

MADHIN TRADING PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2014****5 Provisions**

	Long Term		Short term	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Provision for employee benefits				
Provision for gratuity	3,213,486	2,147,166	875,469	682,674
Provision for leave benefits	-	-	2,340,525	1,677,661
	3,213,486	2,147,166	3,215,994	2,360,335

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

to Micro and Small Enterprises
to Others

31 March 2014 **31 March 2013**

123,083 194,559
123,083 194,559

Other current liabilities

Employees benefit payable
Other expenses payable
Book Overdraft
ESI payable
Provident fund payable
TDS payable
Professional tax payable

11,488,830 13,039,903
1,530,614 1,362,735
81,404 245,489
449,351 526,938
1,477,683 1,671,388
111,051 124,769
12,550 11,650

15,151,483 16,982,872

15,274,566 **17,177,431**

8 Non-current investments

Non Trade investments [valued at cost unless stated otherwise]

Investment in Government Securities (unquoted)
Indira Vikas Patra

31 March 2014 **31 March 2013**

1,000 1,000

1,000 **1,000**

9 Loans and advances

(unsecured, considered good)

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

Non-current Current
31 March 2014 31 March 2013 31 March 2014 31 March 2013

82,360 37,200 - -
- - - 1,103
1,032,862 1,963,282 - -
10,800,387 9,328,882 - -
- - 262,306 330,280
- - 192,480 123,983

11,915,609 **11,329,364** **454,786** **455,366**

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

Current
31 March 2014 31 March 2013

180,746 -
11,527,380 12,315,981

11,708,126 **12,315,981**

Total Trade receivables



MADHIN TRADING PRIVATE LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH, 31, 2014

7 Tangible assets

	Building	Improvement on lease hold rights	Electrical Equipments	Office Equipments	Furniture & Fixtures	Plant & Machinery	Computers	Total
Cost or valuation								
At 1 April 2012	427,874	2,050,000	3,958,102	111,748	4,053,031	2,418,186	84,009	13,102,950
Additions						68,099		68,099
Disposals	427,874	2,050,000	3,958,102	111,748	4,053,031	2,486,285	84,009	13,171,049
At 31 March 2013	427,874	2,050,000	3,958,102	111,748	4,053,031	2,486,285	84,009	13,171,049
Additions						-		-
Disposals	427,874	2,050,000	3,958,102	111,748	4,053,031	2,486,285	84,009	13,171,049
At 31 March 2014	427,874	2,050,000	3,958,102	111,748	4,053,031	2,486,285	84,009	13,171,049
Depreciation								
At 1 April 2012	427,874	349,405	1,954,999	60,216	3,431,249	1,725,142	71,222	8,020,107
Charge for the year		300,952	261,415	7,168	114,038	177,824	5,115	866,512
At 31 March 2013	427,874	650,357	2,216,414	67,384	3,545,287	1,902,966	76,337	8,886,619
Charge for the year		300,952	225,052	6,171	93,894	94,462	3,069	723,600
At 31 March 2014	427,874	951,309	2,441,466	73,555	3,639,181	1,997,428	79,406	9,610,219

Net Block

At 31 March 2013	-	1,399,643	1,741,688	44,364	507,744	583,319	7,672	4,284,430
At 31 March 2014	-	1,098,691	1,516,636	38,193	413,850	488,857	4,603	3,560,830



MADHIN TRADING PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2014

11 Cash and bank balancesCash and cash equivalents

Balance with banks :

-- in Current accounts

Cash on hand

Total Cash and cash equivalents

Current	
31 March 2014	31 March 2013

1,252,742	213,296
145,101	73,735

1,397,843	287,031
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12 Other assets

(unsecured, considered good)

Insurance claim receivable

Current	
31 March 2014	31 March 2013

-	32,800
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-	32,800
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MADHIN TRADING PRIVATE LIMITED**Statement of profit and loss for the year ended 31 March 2014***All amounts in Indian Rupees, except stated otherwise*

	Notes	31 March 2014	31 March 2013
Revenue from operations	13	133,829,835	129,062,403
Other income	14	-	21,521,307
Total Revenue		133,829,835	150,583,710
Expenses			
Cost of materials consumed			
(Increase) / decrease in inventories	15	-	8,417,664
Employee benefits expense	16	119,330,895	125,874,618
Other expenses	17	12,220,647	14,616,481
Depreciation and amortisation expense	18	723,600	866,512
Finance costs	19	23,098	37,092
Total Expenses		132,298,240	149,812,367
Profit before tax		1,531,595	771,343
Tax expense:			
Current tax		483,783	268,511
Tax of earlier years (net)		734,704	218,749
		1,218,487	487,260
Profit for the period		313,108	284,083
Earnings per equity share - (Nominal value per share - Rs. 10) :			
Basic		15.66	14.20
Diluted		15.66	14.20
Summary of significant accounting policies	2		
The accompanying notes are integral part of the financial statements.			

As per our report of even date

For V. M. PAL & Co.,

Firm Regn. No. 09075S

Chartered Accountants

A. V. PAL

Partner

(Membership No.37316)

Place : Bangalore

Date : 8th May 2014

For and on behalf of the Board
For MADHIN TRADING PRIVATE LIMITEDGautam Chakravarti
DirectorSumit Keshan
Director

MADHIN TRADING PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2014***All amounts in Indian Rupees, except stated otherwise*

	<u>31 March 2014</u>	<u>31 March 2013</u>
13 Revenue from operations		
Contract Receipts	133,829,835	129,062,403
	<u>133,829,835</u>	<u>129,062,403</u>
14 Other Income		
Other non-operating income	-	21,521,307
	<u>-</u>	<u>21,521,307</u>
15 (Increase) / decrease in inventories		
Inventories at the beginning of the year		
Finished goods	-	-
Work-in-progress	-	8,417,664
	<u>-</u>	<u>8,417,664</u>
Inventories at the end of the year		
Finished goods	-	-
Work-in-progress	-	-
	<u>-</u>	<u>-</u>
(increase)/ decrease	<u>-</u>	<u>8,417,664</u>
<u>Details of inventory</u>		
Finished goods - Readymade garments	-	-
Work-in-progress - Readymade garments	-	8,417,664
	<u>-</u>	<u>8,417,664</u>
16 Employee benefits expense		
Salaries, wages and bonus	102,956,471	105,862,449
Contribution to provident fund and other fund	13,034,434	13,937,746
Gratuity expense	1,259,115	1,872,174
Staff welfare expenses	2,080,875	4,202,249
	<u>119,330,895</u>	<u>125,874,618</u>
17 Other expenses		
Power and fuel	2,670,319	2,641,364
Other manufacturing expenses	140,630	200,911
Job work charges	143,649	412,842
Repairs and maintenance		
- Plant and machinery	93,215	352,804
- Buildings	105,244	455,291
- Others	92,793	542,946
Rent	5,180,408	4,934,960
Rates and taxes	155,895	137,388
Legal and professional charges	133,617	215,976
Printing and stationery	1,950	7,366
Bad debts written off	-	1,422,160
Communication costs	39,549	21,919
Travelling and conveyance	663,289	593,425
Payment to auditors	40,532	40,532
Other Miscellaneous expenses	2,759,557	2,636,597
	<u>12,220,647</u>	<u>14,616,481</u>



MADHIN TRADING PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2014

Payment to auditor

As Auditor

Audit fees

40,532

40,532

40,532

40,53231 March 201431 March 2013**18 Depreciation and amortisation expense**

Depreciation on tangible assets

723,600

866,512

723,600

866,512**19 Finance costs**

Bank charges

23,098

37,092

23,098

37,092

Notes to Account

20. Contingent liabilities

(Amount in Rs.)		
Particulars	2014	2013
Claims against the Company not acknowledged as debts	Nil	Nil
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

21. 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)		
	2014	2013
Current Service Cost	1,204,365	1,860,423
Interest cost on benefit obligation	283,326	110,956
Expected Return on Plan Assets	(22,144)	(20,504)
Actuarial gain/(loss)	(206,432)	(78,701)
Net benefit expense	1,259,115	1,872,174

Details of Provision for gratuity (in Balance Sheet)

(Amount in Rs)		
	2014	2013
Defined benefit obligation	4,384,440	3,106,641
Fair value of plan asset	295,485	276,801
Plan liability	(4,088,955)	(2,829,840)

Changes in the present value of the defined benefit obligation are as follows:

(Amount in Rs)		
	2014	2013
Opening defined benefit obligation – Current	682,674	158,726
Opening defined benefit obligation – Non Current	2,423,967	1,317,162
Current Service Cost	1,204,365	1,860,423
Interest Cost	283,326	110,956
Benefits Paid	-	(261,925)
Actuarial (gain)/loss	(209,892)	(78,701)
Closing defined benefit obligation – current	875,469	682,674
Closing defined benefit obligation – Non current	3,508,971	2,423,967



Changes in the fair value of plan asset are as follows:

	(Amount in Rs)	
	2014	2013
Opening fair value of plan asset	276,801	256,297
Expected return	22,144	20,504
Actuarial gain/(loss)	(3,460)	-
Contributions (less risk premium, service tax)	-	-
Benefits Paid	-	-
Contribution for Benefits settled directly by company	-	261,925
Benefits settled directly by company	-	(261,925)
Closing fair value of plan asset	295,485	276,801

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below: (years not shown)

Interest Rate	9.12%	8.25%
Discount Factor	9.12%	8.25%
Estimated Rate of return on Plan Assets	8.00%	8.00%
Attrition Rate	40.00%	40.00%
Rate of escalation in Salary per annum	20.00%	5.00%
Retirement Age	60	60

The Company expects to contribute Rs.4,100,000 to gratuity fund account in 2014-15.

The major categories of plan asset as a percentage of the fair value of total plan asset are as follows:

	2014	2013
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.

22. 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):

Geographical Segment	Revenues	Carrying amount of segment assets (Debtors)
In India	133,829,835 (129,062,403)	11,708,126 (12,315,981)
Outside India	-	-
Total	133,829,835 (129,062,403)	11,708,126 (12,315,981)

Note:

- All fixed assets are located in India.
- Figures in brackets relate to previous year.



23. Related party disclosures

A. Names of related parties and description of relationship:

Ref	Description of Relationship	Names of related parties
a.	<i>Parties where control exists:</i>	
(i)	Immediate Holding Company	Gokaldas Exports Limited
(ii)	Fellow Subsidiaries	Deejay Trading Private Limited Glamourwear Apparels Private Limited All Colour Garments 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.	<i>Key management personnel:</i>	
(i)	Director	Mr. Gautam Chakravarti
(ii)	Director	Mr. Sumit Keshan

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:

Figures in brackets relate to previous year.

(Amount in Rs)

Nature of transactions	Holding Company	Fellow Subsidiaries	Others	Total
	A(a)(i)	A(a)(ii)		
Income				
Job work charges	131,968,145 (114,270,420)			131,968,145 (114,270,420)
Balances outstanding as at March 31, 2014				
-- Credit balances	(Nil) (Nil)			Nil (Nil)
-- Debit balances	11,527,380 (12,315,981)	(Nil) (Nil)		11,527,380 (12,315,981)



24. 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.

25. Earnings per share

(Amount in Rs)

Particulars	2014	2013
Net profit for the year as per profit and loss account before exceptional items	313,108	284,083
Net profit for the year as per profit and loss account after exceptional items	313,108	284,083
Weighted average number of equity shares (Nos.)	20,000	20,000
Nominal value per share	10	10
Earnings per share – Basic and diluted		
Before exceptional items	15.66	14.20
After exceptional items		

26. Deferred taxes – Components Assets / (Liability)

(Amount in Rs)

Particulars	As at March 31, 2013	Current year (charge)/credit	As at March 31, 2014
Difference between book and tax base of fixed assets	-		-
Relating to Loss carried forward	-		-
Total	-		-

27. CIF value of imports

Current Year : Nil Previous Period : Nil

28. Expenditure in foreign currency on accrual basis

Current Year : Nil Previous Period : Nil

29. Imported and indigenous raw materials, stores and spare parts consumed

Particulars	2014		2013	
	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				



30. Earnings in foreign currency

Current Year : Nil Previous Period : Nil

31. 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.

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

Signatures to schedules 1 to 32

For and on behalf of the Board

For MADHIN TRADING PRIVATE LIMITED



Gautam Chakravarti
Director



Sumit Keshan
Director

Bangalore:

Dated: May 08, 2014

As per our report of even date

For V.M.Pal & Co.

Firm Regn. No.09075S

Chartered Accountants



A.V. Pal
(Partner)

(Membership No.37316)



MADHIN TRADING PRIVATE LIMITED

Cash-flow statement for the year ended 31 March 2014
All amounts in Indian Rupees, except stated otherwise

PARTICULARS	2014	2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax from continuing operations	1,531,595	771,343
Loss before tax	1,531,595	771,343
Non-cash adjustment to reconcile profit before tax to net cash flow		
Depreciation/amortization on continuing operations	723,600	866,512
Operating Profit before working capital changes	2,255,195	1,637,855
Movements in Working Capital :		
(Increase)/Decrease in trade receivables	607,855	(12,178,893)
(Increase)/Decrease in other current assets	32,800	-
(Increase)/Decrease in non current loans and advances	885,260	76,928
(Increase)/Decrease in current loans and advances	580	1,391,860
Increase/(Decrease) in trade payables	(71,476)	(547,517)
Increase/(Decrease) in other current liabilities	(1,831,390)	(3,376,706)
Increase/(Decrease) in long term provisions	1,066,320	(696,593)
Increase/(Decrease) in short term provisions	855,659	1,745,755
Cash Generated from /(used in) Operations	3,800,803	(11,947,311)
Direct taxes paid (net of refunds)	(2,689,991)	(3,121,004)
Net Cash Flow from Operating Activities	1,110,812	(15,068,315)
Net Cash Flow from/(used in) Operating Activities	1,110,812	(15,068,315)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	-	(68,099)
Net Cash Flow from / (used in) Investing Activities	-	(68,099)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Net Cash Flow from / (used in) Financing Activities	-	-
D. Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	1,110,812	(15,136,414)
E. Opening Balance of Cash & Cash Equivalents	287,031	6,862,555
F. Closing Balance of Cash & Cash Equivalents	1,397,843	(8,273,859)
Components of Cash and Cash Equivalents		
Cash on hand	145,101	73,735
Bank Balances with Scheduled Banks:		
-- in Current Accounts	1,252,742	213,296
	1,397,843	287,031
	1,397,843	287,031

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

Gautam Chakravarti
Director

Sumit Keshan
Director

Place : Bangalore

Date : 8th May 2014

As per our report of even date
For V. M. PAL & Co.,
Firm Regn. No. 09075S
Chartered Accountants



A. V. PAL
Partner

(Membership No.37316)