

MAGENTA 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	7,528,836	7,132,855
		7,728,836	7,332,855
Non- current liabilities			
Long-term Provisions	5	3,118,822	4,543,029
		3,118,822	4,543,029
Current Liabilities			
Trade payables	6	1,452,003	1,870,783
Other current liabilities	6	26,637,099	40,440,567
Short term provisions	5	4,476,173	4,531,580
		32,565,275	46,842,930
TOTAL		43,412,933	58,718,814
<u>ASSETS</u>			
Non-current assets			
Fixed assets	7		
Tangible assets		10,412,725	18,103,219
Intangible assets		-	-
Capital work-in-progress			
		10,412,725	18,103,219
Non-current investments	8	2,500	2,500
Long-term loans and advances	9	22,503,590	24,974,463
		32,918,815	43,080,182
Current assets			
Trade receivables	10	4,625,799	13,032,730
Cash and Cash equivalents	11	4,874,390	1,431,787
Short-term loans and advances	9	993,929	1,174,115
		10,494,118	15,638,632
TOTAL		43,412,933	58,718,814

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 MAGENTA TRADING PRIVATE LIMITED

Gautam Chakravarti
Director

Sumit Keshan
Director

MAGENTA 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

Equity shares of Rs.10 each fully paid	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**31 March 2014** **31 March 2013****Capital Reserves**

Balance as per last account

33,900 33,900

Securities Premium Reserve

Balance as per last account

6,708,000 6,708,000

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

390,955 257,666

395,981 133,289

786,936 **390,955****7,528,836** **7,132,855**

MAGENTA 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	3,118,822	4,543,029	815,463	906,783
Provision for leave benefits	-	-	3,660,710	3,624,797
	3,118,822	4,543,029	4,476,173	4,531,580

6 Trade payables and Other Current Liabilities

	31 March 2014	31 March 2013
Trade Payables		
to Micro and Small Enterprises		
to Others	1,452,003	1,870,783
	1,452,003	1,870,783
Other current liabilities		
Employees benefit payable	20,902,392	31,165,517
Other expenses payable	1,939,912	2,622,830
Bank Overdraft	663,831	2,059,878
ESI payable	748,257	1,227,392
Provident fund payable	2,090,570	3,073,094
TDS payable	255,293	237,340
Service tax payable	5,510	5,512
Professional Tax payable	31,334	49,004
	26,637,099	40,440,567
	28,089,102	42,311,350

8 Non-current investments

Non Trade investments [valued at cost unless stated otherwise]

	31 March 2014	31 March 2013
Investment in Government Securities (unquoted)		
Indira Vikas Patra	2,500	2,500
	2,500	2,500

9 Loans and advances

(unsecured, considered good)

	Non-current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Security deposits	9,624,608	13,193,078	-	-
Advances recoverable in cash / kind	-	-	10,661	6,463
Advance Tax	12,878,982	11,781,385	-	-
Prepaid expenses	-	-	56,250	109,634
Loans and advances to employees	-	-	927,018	1,058,018
	22,503,590	24,974,463	993,929	1,174,115



MAGENTA 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	Vehicle	Total	
Cost or valuation At 31 March 2012	8,763,995	10,979,680	14,565,843	527,016	8,419,404	12,329,350	19,972	107,506	55,712,766	
Additions					146,068				146,068	
Disposals						2,095,257			2,095,257	
At 31 March 2013	8,763,995	10,979,680	14,565,843	527,016	8,565,472	10,234,093	19,972	107,506	53,763,577	
Additions	-	-	-	-	-	-	-	-	-	
Disposals	-	6,747,222	2,049,008	-	878,577	2,206,606	-	-	11,881,413	
At 31 March 2014	8,763,995	4,232,458	12,516,835	527,016	7,686,895	8,027,487	19,972	107,506	41,882,164	
Depreciation										
At 31 March 2012	5,378,713	3,551,806	8,966,546	304,797	5,777,673	7,501,940	17,971	96,872	31,596,318	
Charge for the year	1,294,023	2,296,200	778,847	31,742	480,384	746,328	800	2,753	5,631,077	
Disposals		-	-		-	1,567,036			1,567,036	
At 31 March 2013	6,672,736	5,848,006	9,745,393	336,539	6,258,057	6,681,232	18,772	99,625	35,660,359	
Charge for the year	565,540	2,161,441	628,848	25,666	405,864	469,562	603	2,040	4,259,565	
Disposals/Additions	-	4,831,256	1,432,093	-	674,355	1,512,781	-	-	8,450,485	
At 31 March 2014	7,238,276	3,178,192	8,942,148	362,205	5,989,566	5,638,013	19,374	101,666	31,469,439	
Net Block										
At 31 March 2013	2,091,259	5,131,674	4,820,451	190,477	2,307,415	3,552,861	1,200	7,881	18,103,219	
At 31 March 2014	1,525,719	1,054,266	3,574,687	164,811	1,697,329	2,389,475	598	5,840	10,412,725	



MAGENTA TRADING PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2014****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

224,850	-
4,400,949	13,032,730
4,625,799	13,032,730

11 Cash and bank balancesCash and cash equivalents

Balance with banks :

-- in Current accounts

Cash on hand



Current
31 March 2014 31 March 2013

4,769,324	920,249
105,066	511,538
4,874,390	1,431,787

MAGENTA 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	12	249,283,640	354,963,955
Other income	13	9,265	932,573
Total Revenue		249,292,905	355,896,528
Expenses			
Employee benefits expense	14	213,455,259	309,534,109
Other expenses	15	27,385,457	36,549,926
Depreciation and amortisation expense	16	4,259,565	5,631,077
Finance costs	17	14,034	34,712
Total Expenses		245,114,315	351,749,824
Profit before tax		4,178,590	4,146,704
Tax expense:			
Current tax		1,743,798	1,972,263
Tax of earlier years (net)		2,038,811	2,041,152
		3,782,609	4,013,415
Profit for the period		395,981	133,289
Earnings per equity share - (Nominal value per share - Rs.10) :			
Basic		19.80	6.66
Diluted		19.80	6.66

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 MAGENTA TRADING PRIVATE LIMITED

Gautam Chakravarti

Director

Sumit Keshan

Director

MAGENTA 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>
12 Revenue from operations		
Contract Receipts	249,283,640	354,963,955
	<u>249,283,640</u>	<u>354,963,955</u>
13 Other Income		
Other non-operating income	9,265	763,794
Profit on sale of fixed assets	-	168,779
	<u>9,265</u>	<u>932,573</u>
14 Employee benefits expense		
Salaries, wages and bonus	182,592,583	258,189,209
Contribution to provident fund and other fund	20,804,138	31,321,737
Gratuity expense	(816,302)	4,238,538
Staff welfare expenses	10,874,840	15,784,625
	<u>213,455,259</u>	<u>309,534,109</u>
15 Other expenses		
Consumption of consumables, stores and spares	-	791
Power and fuel	7,330,153	11,078,157
Job work charges	7,077,533	11,737,151
Other manufacturing expenses	362,481	241,146
Repairs and maintenance		
- Plant and machinery	190,545	682,929
- Buildings	2,265,061	1,690,297
- Others	227,547	1,387,893
Rent	1,488,540	1,488,540
Insurance	-	11,899
Rates and taxes	233,826	394,076
Legal and professional charges	184,054	316,004
Printing and stationery	4,624	14,211
Bad debts written off	-	427,526
Communication costs	6,841	37,680
Travelling and conveyance	465,734	985,914
Payment to auditors	40,450	40,450
Other Miscellaneous expenses	7,508,068	6,015,262
	<u>27,385,457</u>	<u>36,549,926</u>
	<u>31 March 2014</u>	<u>31 March 2013</u>
<u>Payment to auditor</u>		
As Auditor		
Audit fees	40,450	40,450
	<u>40,450</u>	<u>40,450</u>
16 Depreciation and amortisation expense		
Depreciation on tangible assets	4,259,565	5,631,077
	<u>4,259,565</u>	<u>5,631,077</u>
17 Finance costs		
Bank charges	14,034	34,712
Interest on others	-	-
	<u>14,034</u>	<u>34,712</u>



Notes to Account

18. 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

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)

	2014	2013
Current Service Cost	325,534	3,051,426
Interest cost on benefit obligation	695,107	380,203
Expected Return on Plan Assets	(201,727)	(221,161)
Actuarial gain/(loss)	(1,635,216)	1,028,070
Net benefit expense	(816,302)	4,238,538

Details of Provision for gratuity (in Balance Sheet)

(Amount in Rs)

	2014	2013
Defined benefit obligation	2,575,893	7,991,910
Fair value of plan asset	6,510,178	2,542,098
Plan liability	(3,934,285)	(5,449,812)

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

(Amount in Rs)

	2014	2013
Opening defined benefit obligation – Current	906,783	115,439
Opening defined benefit obligation – Non current	7,085,127	5,582,367
Current Service Cost	325,534	3,051,426
Interest Cost	695,107	380,203
Benefits Paid	(740,244)	(2,178,560)
Actuarial (gain)/loss	(1,762,129)	1,041,035
Closing defined benefit obligation	6,510,178	7,991,910
Closing defined benefit obligation – Current	815,463	906,783
Closing defined benefit obligation – Non current	5,694,715	7,085,127



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

	(Amount in Rs)	
	2014	2013
Opening fair value of plan asset	2,542,098	3,221,061
Expected return	201,727	221,161
Actuarial gain/(loss)	(126,913)	12,965
Contributions (less risk premium, service tax)	0	0
Benefits Paid	(41,019)	(913,089)
Contribution for Benefits settled directly by company	699,225	1,265,471
Benefits settled directly by company	(699,225)	(1,265,471)
Closing fair value of plan asset	2,575,893	2,542,098

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

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	20.00%	40.00%
Rate of escalation in Salary per annum	40.00%	5.00%
Retirement Age	60	60

The Company expects to contribute Rs.4,000,000 to gratuity 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.

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	249,283,640 (354,963,955)	4,625,799 (13,032,730)
Outside India	(Nil)	(Nil)
Total	249,283,640 (354,963,955)	4,625,799 (13,032,730)

Note:

- All fixed assets are located in India.
- 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
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 Madhin Trading Private Limited All Colour Garments 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	244,880,140 (354,963,955)			244,880,140 (354,963,955)
Interest Paid				
On Unsecured loan		Nil (Nil)		Nil (Nil)
Balances outstanding as at March 31, 2014				
-- Credit balances	Nil (Nil)	Nil (Nil)		Nil (Nil)
-- Debit balances	4,400,949 (13,032,730)	Nil (Nil)		4,400,949 (13,032,730)

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	2014	2013
Net profit for the year as per profit and loss account before exceptional items	395,981	133,289
Net profit for the year as per profit and loss account after exceptional items	395,981	133,289
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	19.80	6.66
After exceptional items		

24. Deferred taxes - Components

(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	-		-
Retirement benefits allowed on payment basis accrued in books	-		-
Total	-		-

25. Remuneration to directors

(Amount in Rs)

Particulars	2014	2013
Salaries	Nil	Nil

26. CIF value of imports

Current Year : Nil Previous Year : Nil

27. Expenditure in foreign currency on accrual basis

Current Year : Nil Previous Year : Nil

28. 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				



29. Earnings in foreign currency

Current Year : Nil Previous Year : Nil

30. 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.
31. Previous year's figures have been regrouped/rearranged/reclassified, wherever necessary to conform to the current year's presentation.

Signatures to schedules 1 to 31

For and on behalf of the Board

For MADHIN TRADING PRIVATE LIMITED



Gautam Chakravarti
Director

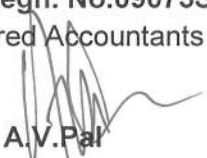


Sumit Keshan
Director

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)



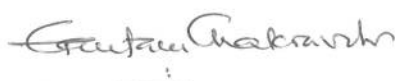
MAGENTA TRADING PRIVATE LIMITED

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	4,178,590	4,146,704
Loss before tax	4,178,590	4,146,704
Non-cash adjustment to reconcile profit before tax to net cash flow		
Depreciation/amortization on continuing operations	4,259,565	5,631,077
(Profit)/Loss on sale of assets (net)	-	(168,779)
Assets Written off	3,430,929	-
Interest earned	-	(206,965)
Operating Profit before working capital changes	11,869,084	9,402,037
Movements in Working Capital :		
(Increase)/Decrease in inventories		(3,426,942)
(Increase)/Decrease in trade receivables	-	(609,500)
(Increase)/Decrease in non current loans and advances	3,568,470	206,421
(Increase)/Decrease in current loans and advances	180,186	(898,140)
Increase/(Decrease) in trade payables	-	(3,259,652)
Increase/(Decrease) in other current liabilities	-	(2,036,150)
Increase/(Decrease) in long term provisions	-	4,019,846
Increase/(Decrease) in short term provisions	-	
Cash Generated from /(used in) Operations	15,617,740	3,397,920
Direct taxes paid (net of refunds)	(16,661,591)	(4,835,780)
Net Cash Flow from/(used in) Operating Activities	(1,043,851)	(1,437,860)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	-	206,965
Purchase of Fixed Assets	-	(146,068)
Proceeds from Sale of Fixed Assets	-	697,000
Net Cash Flow from / (used in) Investing Activities	-	757,897
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	-	-
Net Cash Flow from / (used in) Financing Activities	-	-
D. Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(1,043,851)	(679,962)
E. Opening Balance of Cash & Cash Equivalents	1,431,787	2,111,749
F. Closing Balance of Cash & Cash Equivalents	387,936	1,431,787
Cash on hand	105,066	511,538
Bank Balances with Scheduled Banks:		
-- in Current Accounts	4,769,324	920,249
	4,874,390	1,431,787
	4,874,390	1,431,787

For and on behalf of the Board
For MAGENTA 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)