

RAJDIN APPARELS PRIVATE LIMITED

Balance Sheet as at 31 March 2013

All amounts in Indian Rupees, except stated otherwise

	Notes	31 March 2013	31 March 2012
EQUITY AND LIABILITIES			
Shareholder's funds			
Share Capital	3	2,00,000	2,00,000
Reserves and Surplus	4	1,96,70,506	1,92,27,751
		1,98,70,506	1,94,27,751
Non-current liabilities			
Long-term Provisions	5	41,30,273	68,08,683
		41,30,273	68,08,683
Current Liabilities			
Trade payables	6	3,88,562	10,70,351
Other current liabilities	6	2,18,88,647	2,79,32,730
Short term provisions	5	25,40,630	5,31,047
		2,48,17,839	2,95,34,128
TOTAL		4,88,18,618	5,57,70,562
ASSETS			
Non-current assets			
Fixed assets	7		
Tangible assets		1,08,54,744	1,43,09,596
Intangible assets		-	-
Capital work-in-progress		-	-
		1,08,54,744	1,43,09,596
Non-current investments	8	600	600
Long-term loans and advances	9	3,66,74,124	2,04,28,795
Other non-current assets		-	-
		4,75,29,468	3,47,38,991
Current assets			
Trade receivables	10	1,40,508	16,98,152
Cash and Cash equivalents	11	7,62,089	13,91,858
Short-term loans and advances	9	3,86,553	1,79,41,561
		12,89,150	2,10,31,571
TOTAL		4,88,18,618	5,57,70,562

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

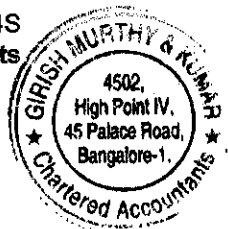
GIRISH RAO.B

Partner.

M.No. 85745

Place : Bangalore

Date : 15th May, 2013

For and on behalf of the Board
For RAJDIN APPARELS PRIVATE LIMITED

Gautam Chakravarti
Director

Sumit Keshan
Director

RAJDIN APPARELS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2013***All amounts in Indian Rupees, except stated otherwise***3 Share Capital**Authorised shares

20,000 (2012:20,000) Equity Shares of Rs. 10 each

31 March 2013 31 March 2012

2,00,000 2,00,000

Issued, subscribed and fully paid-up

20,000 (2012:20,000) Equity Shares of Rs. 10 each fully paid-up

2,00,000 2,00,000

2,00,000 2,00,000

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

Equity shares	31 March 2013		31 March 2012	
	No.	Amount	No.	Amount
At the beginning of the period	20,000	2,00,000	20,000	2,00,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	20,000	2,00,000	20,000	2,00,000

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 2013 Amount	31 March 2012 Amount
Holding Company : Gokaldas Exports Ltd.,	2,00,000	2,00,000

(d) Details of shareholders holding more than 5% shares in the Company

Equity shares	31 March 2013		31 March 2012	
	No.	shareholding %	No.	shareholding %
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**Securities Premium Reserve**

Balance as per last account

31 March 2013 31 March 2012

1,68,90,000 1,68,90,000

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

Balance as per last financial statements

23,37,751 19,89,450

Profit / (loss) for the year

4,42,755 3,48,301

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

27,80,506 23,37,751

Total Reserves and Surplus1,96,70,506 1,92,27,751**5 Provisions**

Non Current

Current

31 March 2013 31 March 2012 31 March 2013 31 March 2012

Provision for employee benefits

Provision for gratuity

41,30,273 43,76,108 7,03,426 1,35,097

Provision for leave benefits

- 24,32,575 18,37,204 3,95,950

41,30,273 68,08,683 25,40,630 5,31,047**6 Trade payables and Other Current Liabilities**31 March 2013 31 March 2012**Trade Payables**

to Micro and Small Enterprises

- -

to Others

3,88,562 10,70,351

3,88,562 10,70,351**Other current liabilities**

Employees benefit payable

1,59,38,566 1,77,68,476

Other expenses payable

33,42,036 27,88,272

Book Overdraft

1,36,341 -

Due to Holding Company

2,39,924 48,86,042

Due to fellow subsidiaries

- 3,36,330

ESI payable

5,41,601 4,86,549

Provident fund payable

14,37,202 14,08,526

TDS payable

2,38,327 2,33,615

Professional tax payable

14,650 13,650

VAT & CST payable

- 11,270

2,18,88,647 2,79,32,7302,22,77,209 2,90,03,081**8 Non-current investments**31 March 2013 31 March 2012**Non Trade investments [valued at cost unless stated otherwise]**

Investment in Government Securities (unquoted)

Indira Vikas Patra

600 600

600 600


9 Loans and advances

(unsecured, considered good)

	Non Current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Security deposits	2,01,55,926	2,04,28,795	-	36,84,000
Due from fellow subsidiaries	-	-	6,639	-
Advances recoverable in cash / kind	-	-	10,134	-
Advance Tax net of Provision	1,65,18,198	-	-	1,39,46,254
Prepaid expenses	-	-	3,69,780	3,11,307
	3,66,74,124	2,04,28,795	3,86,553	1,79,41,561

10 Trade Receivables

(unsecured, considered good)

	Current	
	31 March 2013	31 March 2012
- Outstanding for a period exceeding six months from the date they are due for payment	-	3,55,231
- Other receivables	1,40,508	13,42,921
Total Trade receivables	1,40,508	16,98,152

11 Cash and bank balancesCash and cash equivalents

Balance with banks :

- in Current accounts

Cash on hand

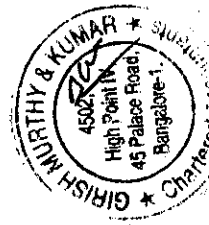
	Current	
	31 March 2013	31 March 2012
	5,56,894	10,88,067
	2,05,195	3,03,791
	7,62,089	13,91,858



RAJ DIN APPARELS PRIVATE LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH, 31, 2013

7 Tangible assets

	Building	Improvement on lease hold rights	Electrical Equipments	Office Equipments	Furniture & Fixtures	Plant & Machinery	Computers	Vehicle	Total
Cost or valuation									
At 1 April 2011	1,02,11,239	71,78,444	47,16,188	9,24,900	44,53,006	1,54,35,215	27,576	71,305	4,30,17,873
Additions									
Other adjustments									
(A)	1,02,11,239	71,78,444	47,16,188	9,24,900	44,53,006	1,54,35,215	27,576	71,305	4,30,17,873
(B)	36,36,222		8,23,365		13,00,676	3,16,667			60,76,930
Disposals									
At 31 March 2012 (A)-(B)	65,75,017	71,78,444	38,92,823	9,24,900	31,52,330	1,51,18,548	27,576	71,305	3,69,40,943
Additions									
Other adjustments									
(C)	65,75,017	71,78,444	38,92,823	9,24,900	31,52,330	1,51,18,548	27,576	71,305	3,69,40,943
Disposals /Write off									
At 31 March 2013 (C)-(D)	65,75,017	71,78,444	38,92,823	9,24,900	31,52,330	1,51,18,548	27,576	71,305	3,69,40,943
Depreciation									
At 1 April 2011	47,76,369	17,72,516	25,11,381	3,56,500	28,60,473	87,24,395	26,548	61,788	2,10,89,970
Charge for the year	12,07,698	23,18,613	2,95,278	79,059	2,72,939	9,32,091	411	2,474	51,08,563
Disposals	18,54,583		5,25,986		10,04,435	1,82,182			35,67,186
At 31 March 2012	41,29,484	40,91,129	22,80,673	4,35,559	21,28,977	94,74,304	26,959	64,262	2,26,31,347
Charge for the year	9,55,333	12,34,926	2,24,235	68,063	1,85,227	7,84,998	247	1,823	34,54,852
Disposals									
At 31 March 2013	50,84,817	53,26,055	25,04,908	5,03,622	23,14,204	1,02,59,302	27,206	66,085	2,60,86,199
Net Block									
At 31 March 2011	24,45,533	30,87,315	16,12,150	4,89,341	10,23,353	56,44,244	617	7,043	1,43,09,596
At 31 March 2012	14,90,200	18,52,389	13,87,915	4,21,278	8,38,126	48,59,246	370	5,220	1,08,54,744



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RAJDIN APPARELS PRIVATE LIMITED**Statement of profit and loss for the year ended 31 March 2013***All amounts in Indian Rupees, except stated otherwise*

	Notes	31 March 2013	31 March 2012
Revenue from operations (Gross)	12	18,45,81,762	20,70,92,407
Other income	13	64,27,007	6,44,680
Total Revenue		19,10,08,769	20,77,37,087
Expenses			
Employee benefits expense	14	14,79,62,345	15,57,05,204
Other expenses	15	3,79,26,264	4,28,74,680
Depreciation and amortisation expense	16	34,54,852	51,08,563
Finance costs	17	5,146	15,49,209
Total Expenses		18,93,48,607	20,52,37,656
Profit before and tax		16,60,162	24,99,431
Tax expense:			
Current tax		3,12,407	21,51,130
Tax of earlier years (net)		9,05,000	-
		12,17,407	21,51,130
Profit for the period		4,42,755	3,48,301
Earnings per equity share - (Nominal value per share - Rs. 10) :			
Basic		22.14	17.42
Diluted		22.14	17.42

Summary of significant accounting policies 2

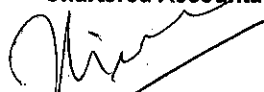
The accompanying notes are integral part of the financial statements.

As per our report of even date

For GIRISH MURTHY & KUMAR

Firm Regn. No: 000934S

Chartered Accountants

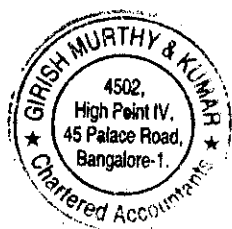
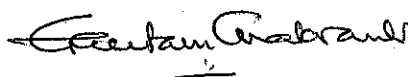
**GIRISH RAO.B**

Partner.

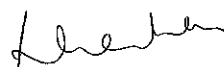
M.No. 85745

Place : Bangalore

Date : 15th May, 2013

For and on behalf of the Board
For RAJDIN APPARELS PRIVATE LIMITED**Gautam Chakravarti**

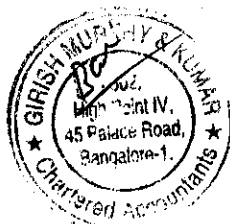
Director

**Sumit Keshan**

Director

RAJDIN APPARELS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2013***All amounts in Indian Rupees, except stated otherwise*

	31 March 2013	31 March 2012
12 Revenue from operations		
Contract Receipt	18,45,81,762	20,70,92,407
	18,45,81,762	20,70,92,407
13 Other Income		
Other non-operating income	64,27,007	6,44,680
	64,27,007	6,44,680
14 Employee benefits expense		
Salaries, wages and bonus	12,23,90,175	13,02,30,917
Contribution to provident fund and other fund	1,45,37,431	1,49,03,558
Gratuity expense	21,53,129	38,51,820
Staff welfare expenses	88,81,610	67,18,909
	14,79,62,345	15,57,05,204
15 Other expenses		
Consumption of consumables, stores and spares	-	1,578
Power and fuel	66,80,111	73,45,428
Job work charges	27,96,571	2,39,087
Other manufacturing expenses	5,34,422	4,39,767
Repairs and maintenance		
- Plant and machinery	6,49,514	7,45,804
- Buildings	1,45,609	1,20,308
- Others	6,54,685	5,93,876
Rent	2,25,53,412	2,58,71,652
Insurance	4,473	3,423
Rates and taxes	1,96,768	3,52,165
Legal and professional charges	2,41,557	3,74,431
Printing and stationery	3,107	46,888
Communication costs	2,567	35,890
Travelling and conveyance	4,26,906	4,03,805
Security expenses	26,40,797	23,24,673
Payment to auditors	61,810	67,200
Bad debts written off	2,10,669	9,28,187
Other Miscellaneous expenses	1,23,286	5,32,779
Assets written off	-	24,47,739
	3,79,26,264	4,28,74,680
Payment to auditor		
As Auditor		
Audit fees	61,810	53,760
Taxation matters	-	13,440
	61,810	67,200
16 Depreciation and amortisation expense		
Depreciation on tangible assets	34,54,852	51,08,563
	34,54,852	51,08,563
17 Finance costs		
Bank charges	4,914	7,703
Interest on others	232	15,41,506
	5,146	15,49,209



Signature

RAJDIN APPARELS PRIVATE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

1. Corporate Information:

Rajdin Apparels Private Limited (herein after referred to as "the Company") was incorporated on 7th May 2004. The Company took over all the assets and liabilities of M/s Lucky Tex and Venkateswara Clothing Company 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) and complies in all material respects with the notified accounting standards under Companies (Accounting Standards) Rules (as amended), 2006 and the relevant provisions of the Companies Act, 1956. 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, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher.

	<u>Rate of depreciation (WDV)</u>
Buildings	10.00%
Plant & Machinery	13.91%
Electrical Equipments	13.91%
Office Equipments	13.91%
Furniture & Fixtures	18.10%
Computers	40.00%
Vehicles	25.89%
Computer Software (Intangibles)	40.00%

Assets individually costing Rs. 5,000 or less are fully depreciated in the year of addition. Leasehold improvements are depreciated over the primary lease period or useful life, whichever is lower.

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. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

The company recognises termination benefit as a liability and an expense when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than twelve months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

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.

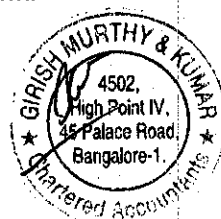
At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets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

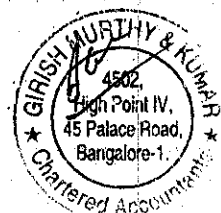
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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	2013	2012
Claims against the Company not acknowledged as debts	439,554	174,633
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)

	2013	2012
Current Service Cost	1,953,046	3,770,165
Interest cost on benefit obligation	412,419	287,929
Expected Return on Plan Assets	(112,251)	(88,283)
Actuarial gain/(loss)	(100,086)	(117,991)
Net benefit expense	2,153,129	3,851,820

Details of Provision for gratuity (in Balance Sheet)

(Amount in Rs)

	2013	2012
Defined benefit obligation	6,047,233	6,209,418
Fair value of plan asset	1,213,535	1,698,213
Liability recognized in the balance sheet	(4,833,699)	(4,511,205)

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

(Amount in Rs)

	2013	2012
Opening defined benefit obligation – Current	135,097	367,846
Opening defined benefit obligation – Non current	6,074,321	4,159,060
Opening defined benefit obligation Total	6,209,418	4,526,906
Current Service Cost	1,953,046	3,770,165
Interest Cost	412,419	287,929
Benefits Paid	(2,420,798)	(2,279,007)
Actuarial (gain)/loss	(106,852)	(96,575)
Closing defined benefit obligation – Current	703,426	135,097
Closing defined benefit obligation – Non current	5,343,807	6,074,321
Closing defined benefit obligation	6,047,233	6,209,418



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

	(Amount in Rs)	
	2013	2012
Opening fair value of plan asset	1,698,213	618,569
Expected return	112,251	88,283
Actuarial gain/(loss)	(6,766)	21,416
Contributions(less risk premium,Service tax)	0	1,844,652
Benefits Paid	(590,163)	(874,707)
Contribution for Benefits settled directly by company	1,830,635	1,404,300
Benefits settled directly by company	(1,830,635)	(1,404,300)
Closing fair value of plan asset	1,213,535	1,698,213

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

Interest Rate	8.25%	8.50%
Discount Factor	8.25%	8.50%
Estimated Rate of return on Plan Assets	8.00%	8.00%
Attrition Rate	40.00%	25.00%
Rate of escalation in Salary per annum	5.00%	5.00%
Retirement Age	60	58

The Company expects to contribute Rs.4,835,000 to gratuity in 2013-14.

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

	2013	2012
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	184,581,762 (207,092,406)	140,508 (1,698,152)
Outside India		
Total	184,581,762 (207,092,406)	140,508 (1,698,152)

Note:

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



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 Magenta Trading Private Limited Rafter Trading Private Limited All Colour Garments 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:

(Amount in Rs)

Nature of transactions	Holding Company	Fellow Subsidiaries	Others	Total
	A(i)	A(ii)	A(b)	
Income				
Job work charges	183,164,450 (194,789,241)			183,164,450 (194,789,241)
Scrap sales	Nil (156,500)			Nil (156,500)
Fixed assets Sales	Nil (62,008)			Nil (62,008)
Expenses				
Interest Paid		Nil (1,541,506)		Nil (1,541,506)
Balances outstanding as at March 31, 2013				
-- Credit balances	239,924 (4,886,042)	Nil (336,330)	Nil (Nil)	239,924 (5,222,372)
-- Debit balances	(Nil)	6,639 (Nil)	Nil (Nil)	6,639 (Nil)

Figures in brackets relate to previous year.



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

	(Amount in Rs)	
	2013	2012
Interest Paid		
SNS Clothing Private Limited	-	1,541,506
Debit balances from fellow subsidiaries		
Glamourwear Apparels Private Limited	6,639	
SNS Clothing Private Limited		336,330

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

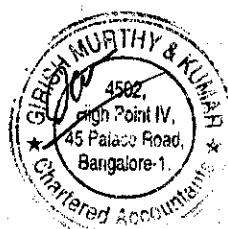
	(Amount in Rs)	
Particulars	2013	2012
Net profit for the year as per profit and loss account before exceptional items	442,756	348,301
Net profit for the year as per profit and loss account after exceptional items	442,756	348,301
Weighted average number of equity shares (Nos.)	20,000	20,000
Nominal value per share	10	10
Earnings per share – Basic and diluted		
Before exceptional items	22.14	17.42
After exceptional items		

24. Deferred taxes – Components of assets / (liability)

	(Amount in Rs)		
Particulars	As at March 31, 2012	Current year (charge)/credit	As at March 31, 2013
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	2013	2012
Salaries	Nil	Nil



26. Licensed, installed capacities and production

Particulars	Unit	2013	2012
<i>Licensed capacity</i>			
Readymade garments	Pcs	Not Applicable	Not Applicable
<i>Installed capacity</i>			
Readymade garments		Refer note below	
<i>Production</i>			
Readymade garments	Pcs		
- Own production			
- Through Job workers			

Note: Installed capacity cannot be quantified on account of a large variety of products that can be manufactured with varying specifications.

27. CIF value of imports

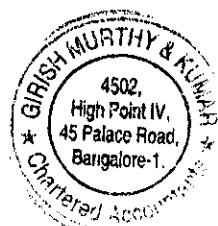
Current Year : Nil Previous Period : Nil

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	2013		2012	
	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

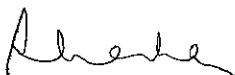
- 31.** Based on the information available with the company, there are no suppliers who are registered as micro, small or medium enterprises under the Micro, Small or Medium Enterprises Development Act 2006.
- 32.** Previous year's figures have been regrouped/rearranged/reclassified, wherever necessary to conform to the current year's presentation.

Signatures to schedules 1 to 32

For and on behalf of the Board



Gautam Chakravarti
Director



Sumit Keshan
Director

Place : Bangalore
Dated 15th May, 2013

As per our report of even date

For Girish Murthy & Kumar

Firm Regn. No. 000934S

Chartered Accountants



Girish Rao.B

(Partner)

(Membership No.85745)



RAJDIN APPARELS PRIVATE LIMITED

Cash-flow statement for the year ended 31 March 2013

All amounts in Indian Rupees, except stated otherwise

PARTICULARS	2013	2012
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax from continuing operations	16,60,162	24,99,431
Loss before tax	16,60,162	24,99,431
Non-cash adjustment to reconcile profit before tax to net cash flow		
Depreciation/amortization on continuing operations	34,54,852	51,08,563
Assets Written off	-	24,47,739
Interest expense	(232)	(15,41,506)
Interest earned	-	(22,299)
Operating Profit before working capital changes	51,14,782	84,91,927
Movements in Working Capital :		
(Increase)/Decrease in trade receivables	15,57,644	25,37,360
(Increase)/Decrease in non current loans and advances	2,72,869	36,16,613
(Increase)/Decrease in current loans and advances	36,08,754	(38,03,908)
Increase/(Decrease) in trade payables	(6,81,789)	7,79,200
Increase/(Decrease) in other current liabilities	(60,44,083)	38,46,340
Increase/(Decrease) in long term provisions	(26,78,410)	11,45,008
Increase/(Decrease) in short term provisions	20,09,583	(1,13,751)
Cash Generated from /(used in) Operations	31,59,350	1,64,98,789
Direct taxes paid (net of refunds)	(37,89,352)	(26,89,816)
Net Cash Flow from Operating Activities	(6,30,001)	1,38,08,974
Net Cash Flow from/(used in) Operating Activities	(6,30,001)	1,38,08,974
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	-	22,299
Proceeds from Sale of Fixed Assets	-	62,006
Proceeds from sale of current Investments	-	33,000
Net Cash Flow from / (used in) Investing Activities	-	1,17,305
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from/ (repayment of short term borrowings)	-	(1,55,00,000)
Interest paid	232	15,41,506
Net Cash Flow from / (used in) Financing Activities	232	(1,39,58,494)
D. Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(6,29,769)	(32,215)
E. Opening Balance of Cash & Cash Equivalents	13,91,858	14,24,074
F. Closing Balance of Cash & Cash Equivalents	7,62,089	13,91,858
Components of Cash and Cash Equivalents		
Cash on hand	2,05,195	3,03,791
Bank Balances with Scheduled Banks:		
-- in Current Accounts	5,56,894	10,88,067
	7,62,089	13,91,858
	7,62,089	13,91,858

For and on behalf of the Board

For RAJDIN APPARELS PRIVATE LIMITED



Gautam Chakravarti
Director



Sumit Keshan
Director

Place : Bangalore

Date : 15th May, 2013

As per our report of even date

For GIRISH MURTHY & KUMAR

Firm Regn. No: 000934S

Chartered Accountants

GIRISH RAO.B
Partner
M.No. 85745

