

**RISHIKESH 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
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholder's funds</b>			
Share Capital	3	2,00,000	2,00,000
Reserves and Surplus	4	87,82,419	80,28,732
		<b>89,82,419</b>	<b>82,28,732</b>
<b>Non- current liabilities</b>			
Long-term Provisions	5	69,14,793	82,85,443
		<b>69,14,793</b>	<b>82,85,443</b>
<b>Current Liabilities</b>			
Trade payables	6	37,34,644	13,41,319
Other current liabilities	6	4,36,41,222	4,63,54,707
Short term provisions	5	46,64,339	4,65,040
		<b>5,20,40,205</b>	<b>4,81,61,066</b>
<b>TOTAL</b>		<b>6,79,37,417</b>	<b>6,46,75,241</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Fixed assets	7		
Tangible assets		1,72,74,389	2,08,52,840
Intangible assets		-	-
Capital work-in-progress		-	-
		<b>1,72,74,389</b>	<b>2,08,52,840</b>
Non-current investments	8	400	400
Long-term loans and advances	9	4,88,17,964	1,99,16,775
		<b>6,60,92,753</b>	<b>4,07,70,015</b>
<b>Current assets</b>			
Trade receivables	10	1,41,186	1,54,916
Cash and Cash equivalents	11	11,36,794	13,16,955
Short-term loans and advances	9	5,66,684	2,24,33,355
		<b>18,44,664</b>	<b>2,39,05,226</b>
<b>TOTAL</b>		<b>6,79,37,417</b>	<b>6,46,75,241</b>

Summary of significant accounting policies 2

The accompanying notes are integral part of the financial statements.

As per our report of even date

For GIRISH MURTHY &amp; KUMAR

Firm Regn. No: 000934S

Chartered Accountants

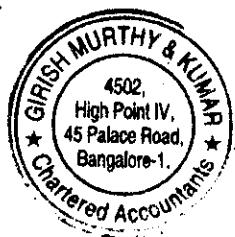
GIRISH RAO.B

Partner.

M.No. 85745

Place : Bangalore

Date : 15th May, 2013



For RISHIKESH APPARELS PRIVATE LIMITED

Gautam Chakravarti

Director

Sumit Keshan

Director

**RISHIKESH 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

**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	<b>20,000</b>	<b>2,00,000</b>	<b>20,000</b>	<b>2,00,000</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 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 %
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 2013** **31 March 2012**

5,398

5,398

**Securities Premium Reserve**

Balance as per last account

65,83,000

65,83,000

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

Balance as per last financial statements

14,40,334

10,79,068

Profit / (loss) for the year

7,53,687

3,61,266

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

21,94,021

14,40,334

**Total Reserves and Surplus****87,82,419****80,28,732****5 Provisions**

## Long Term

## Short term

31 March 2013

31 March 2012

31 March 2013

31 March 2012

Provision for employee benefits

Provision for gratuity

69,14,793

51,28,736

10,56,931

1,20,895

Provision for leave benefits

31,56,707

36,07,408

3,44,145

**69,14,793****82,85,443****46,64,339****4,65,040****6 Trade payables and Other Current Liabilities****31 March 2013** **31 March 2012****Trade Payables**

to Micro and Small Enterprises

to Others

37,34,644

13,41,319

37,34,644

13,41,319

**Other current liabilities**

Employees benefit payable

2,96,96,202

2,54,97,984

Other expenses payable

55,81,602

48,29,788

Book Overdraft

4,67,576

2,79,365

Due to Holding Company

22,89,347

1,27,62,239

Due to fellow subsidiaries

10,16,689

3,86,382

ESI payable

12,78,932

6,93,597

Provident fund payable

29,84,453

18,17,379

TDS payable

2,65,246

53,623

Professional tax payable

52,930

24,980

VAT &amp; CST payable

50

9,370

Service tax payable

8,195

-

4,36,41,222

4,63,54,707

**Total Trade payables and other current liabilities****4,73,75,866****4,76,96,026****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

400

400

**400****400**

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**9 Loans and advances**  
(unsecured, considered good)

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Security deposits ( net of provisions)	2,00,45,717	1,99,16,775	-	2,55,959
Advances recoverable in cash / kind	-	-	1,47,019	18,384
Advance Tax net of provisions	2,87,72,247	-	-	2,15,67,043
Prepaid expenses	-	-	3,16,165	4,20,257
Loans and advances to employees	-	-	1,03,500	1,71,712
	<b>4,88,17,964</b>	<b>1,99,16,775</b>	<b>5,66,684</b>	<b>2,24,33,355</b>

**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 2013	31 March 2012
	-	-
	1,41,186	1,54,916
	-	-
	<b>1,41,186</b>	<b>1,54,916</b>

**11 Cash and bank balances**

Cash and cash equivalents

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

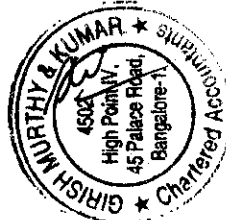
	Current	
	31 March 2013	31 March 2012
	10,21,350	8,34,425
	1,15,444	4,82,530
	<b>11,36,794</b>	<b>13,16,955</b>




**RISHIKESH 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	Vehicle	Total
<i>Cost or valuation</i>								
At 1 April 2011	44,50,274	7,93,143	2,33,35,978	1,36,704	75,26,642	2,59,81,777	43	6,22,24,561
Additions						1,15,766		1,15,766
Other adjustments								
(A)	44,50,274	7,93,143	2,33,35,978	1,36,704	75,26,642	2,60,97,543	43	6,23,40,327
(B)	3,20,000	2,21,297	49,58,420		13,72,159	20,79,741		89,51,617
At 31 March 2012 (A)-(B)	41,30,274	5,71,846	1,83,77,558	1,36,704	61,54,483	2,40,17,802	43	5,33,88,710
Additions		5,45,021				78,318		6,23,339
Other adjustments								
(C)	41,30,274	11,16,867	1,83,77,558	1,36,704	61,54,483	2,40,96,120	43	5,40,12,049
(D)						18,97,634		18,97,634
At 31 March 2013 (C)-(D)	41,30,274	11,16,867	1,83,77,558	1,36,704	61,54,483	2,21,98,487	43	5,21,14,416
<i>Depreciation</i>								
At 1 April 2011	20,59,311	5,24,822	1,26,83,076	96,049	46,57,257	1,35,42,764	37	3,35,63,316
Charge for the year	9,17,031	1,82,391	12,38,854	9,018	4,37,511	15,90,992	1	43,75,798
Disposals	1,41,279	1,35,367	29,38,247		9,54,501	12,33,850		54,03,244
At 31 March 2012	28,35,063	5,71,846	1,09,83,683	1,05,067	41,40,267	1,38,99,906	38	3,25,35,870
Charge for the year	6,06,260	13,626	10,23,036	9,853	3,64,573	14,39,476	1	34,56,825
Disposals						11,52,668		11,52,668
At 31 March 2013	34,41,323	5,85,472	1,20,06,719	1,14,920	45,04,840	1,41,86,714	39	3,48,40,026
Net Block								
At 31 March 2012	12,95,211	(0)	73,93,875	31,637	20,14,216	1,01,17,896	5	2,08,52,840
At 31 March 2013	6,88,951	5,31,395	63,70,839	21,784	16,49,643	80,11,773	4	1,72,74,389



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**RISHIKESH 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	31,46,34,024	28,05,96,582
Other income	13	1,34,73,581	5,27,081
<b>Total Revenue</b>		<b>32,81,07,605</b>	<b>28,11,23,663</b>
<b>Expenses</b>			
Employee benefits expense	14	26,26,34,115	20,67,50,050
Other expenses	15	6,20,83,403	6,39,74,973
Depreciation and amortisation expense	16	34,56,825	43,75,798
Finance costs	17	12,668	14,51,146
<b>Total Expenses</b>		<b>32,81,87,011</b>	<b>27,65,51,967</b>
Profit / (Loss) before tax		(79,406)	45,71,696
<b>Tax expense:</b>			
Current tax		-	38,12,289
Tax of earlier years (net)		(8,33,093)	5,70,464
Deferred tax charge / (credit)		-	(1,72,323)
		(8,33,093)	42,10,430
Profit / (Loss) for the period		<b>7,53,687</b>	<b>3,61,266</b>

**Earnings per equity share - (Nominal value per share - Rs. 10) :**

Basic	37.68	18.06
Diluted	37.68	18.06


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

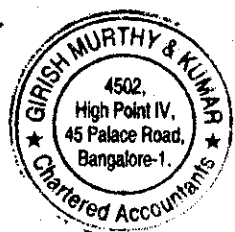
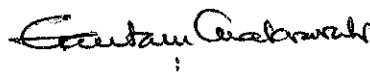
**GIRISH RAO.B**

Partner.

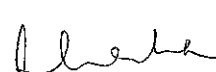
**M.No. 85745**

Place : Bangalore

Date : 15th May, 2013

**For RISHIKESH APPARELS PRIVATE LIMITED****Gautam Chakravarti**

Director

**Sumit Keshan**

Director



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

	<u>31 March 2013</u>	<u>31 March 2012</u>
<b>12 Revenue from operations</b>		
Contract Receipts	31,46,34,024	28,05,96,582
	<b>31,46,34,024</b>	<b>28,05,96,582</b>
<b>13 Other Income</b>		
Other non-operating income	1,31,78,546	5,27,081
Profit on sale of fixed assets	2,95,035	-
	<b>1,34,73,581</b>	<b>5,27,081</b>
<b>14 Employee benefits expense</b>		
Salaries, wages and bonus	22,37,31,893	17,71,47,071
Contribution to provident fund and other fund	2,50,46,872	1,95,88,470
Gratuity expense	44,56,333	53,30,093
Staff welfare expenses	93,99,017	46,84,416
	<b>26,26,34,115</b>	<b>20,67,50,050</b>
<b>15 Other expenses</b>		
Consumption of consumables, stores and spares	-	8,543
Power and fuel	1,73,15,208	1,33,49,284
Job work charges	21,15,878	5,05,221
Manufacturing Expenses - Water Expenses	1,18,64,207	61,69,420
Other manufacturing expenses	5,55,977	3,96,783
Security Expenses	37,61,704	30,93,106
Repairs and maintenance		
- Plant and machinery	17,69,427	25,16,855
- Buildings	5,67,728	12,67,616
- Others	13,59,048	15,58,807
Rent	2,15,41,140	2,52,75,969
Rates and taxes	3,36,868	3,09,596
Payment to auditors	55,067	53,933
Provision for doubtful deposits and advances	-	46,19,541
Other Miscellaneous expenses	8,41,151	13,01,929
Assets written off	-	35,48,371
	<b>6,20,83,403</b>	<b>6,39,74,973</b>
<u>Payment to auditor</u>		
As Auditor		
Audit fees	55,067	40,450
Taxation matters		13,483
	<b>55,067</b>	<b>53,933</b>
<b>16 Depreciation and amortisation expense</b>		
Depreciation on tangible assets	34,56,825	43,75,798
	<b>34,56,825</b>	<b>43,75,798</b>
<b>17 Finance costs</b>		
Bank charges	12,316	9,091
Interest on others	352	14,42,055
	<b>12,668</b>	<b>14,51,146</b>



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## **RISHIKESH APPARELS PRIVATE LIMITED**

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

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#### **1. Corporate Information:**

**Rishikesh Apparels Private Limited** (herein after referred to as "the Company") was incorporated on 15th April 2004. The Company took over all the assets and liabilities of M/s Global Garmentss 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.

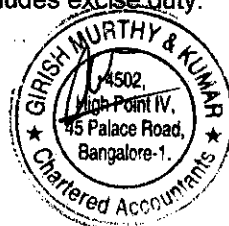
**e) Impairment of tangible and intangible assets**

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.

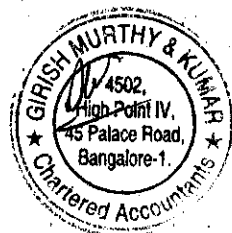
At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets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

### 18. Contingent liabilities

(Amount in Rs.)

Particulars	2013	2012
Claims against the Company not acknowledged as debts	8,817,649	687,860
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 recognized in the profit and loss account and the funded status and amounts recognized 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	4,058,604	4,190,426
Interest cost on benefit obligation	469,209	360,725
Expected Return on Plan Assets	(104,390)	(115,845)
Actuarial gain/(loss)	(32,910)	894,788
<b>Net benefit expense</b>	<b>4,456,333</b>	<b>5,330,094</b>

Details of Provision for gratuity (in Balance Sheet)

(Amount in Rs)

	2013	2012
Defined benefit obligation	8,730,327	7,114,918
Fair value of plan asset	758,603	1,865,288
<b>Liability recognized in the balance sheet</b>	<b>(7,971,724)</b>	<b>(5,249,630)</b>

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

(Amount in Rs)

	2013	2012
Opening defined benefit obligation - Current	120,895	543,129
Opening defined benefit obligation - Non current	6,994,023	6,302,649
Opening defined benefit obligation Total	7,114,918	6,845,778
Current Service Cost	4,058,604	4,190,426
Interest Cost	469,209	360,725
Benefits Paid	(2,855,063)	(5,203,917)
Actuarial (gain)/loss	(57,341)	921,906
<b>Closing defined benefit obligation Total</b>	<b>8,730,327</b>	<b>7,114,918</b>
<b>Closing defined benefit obligation</b>	<b>1,056,931</b>	<b>120,895</b>
<b>Closing defined benefit obligation</b>	<b>7,673,396</b>	<b>6,994,023</b>



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

(Amount in Rs)

	2013	2012
Opening fair value of plan asset	1,865,288	1,173,811
Expected return	104,390	115,845
Actuarial gain/(loss)	(90,251)	27,118
Contributions (less risk premium, service tax)	0	3,489,288
Benefits Paid	(1,120,823)	(2,940,774)
Contribution for Benefits settled directly by company	1,734,240	2,263,143
Benefits settled directly by company	(1,734,240)	(2,263,143)
<b>Closing fair value of plan asset</b>	<b>758,603</b>	<b>1,865,288</b>

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%	8.50%
Attrition Rate	40%	25%
Rate of escalation in Salary per annum	5%	5%
Retirement Age	60	58

The Company expects to contribute Rs. 8,000,000 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.

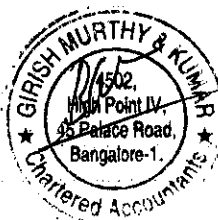
### b) Secondary business segment (by geographical area based on location of customers):

(Amount in Rs)

Geographical Segment	Revenues	Carrying amount of segment assets (Debtors)
In India	314,634,024 (280,596,582)	141,186 (154,916)
Outside India		
<b>Total</b>	<b>314,634,024 (280,596,582)</b>	<b>141,186 (154,916)</b>

Note:

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



## 21. Related party disclosures

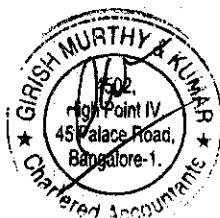
### A. Names of related parties and description of relationship:

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 Rajdin Apparels Private Limited Reflexion Trading Private Limited All colour Garments 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(a)	A(b)	A©	
<b>Income</b>				
Job work charges	314,634,024 (278,171,429)			314,634,024 (278,171,429)
Scrap sales	Nil (187,400)			Nil (187,400)
<b>Expenses</b>				
Interest on unsecured loan		Nil (1,442,055)		Nil (1,442,055)
<b>Balances outstanding as at March 31, 2012</b>				
-- Credit balances	2,289,347 (12,762,239)	1,016,689 (386,382)		3,306,036 (13,148,621)
-- Debit balances	0 (0)		0 (0)	0 (0)

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
<b>Interest Paid</b>		
SNS Clothing Private Limited	-	1,442,055
<b>Credit Balances</b>		
SNS Clothing Private Limited	-	314,630
Seven Hills Clothing Private Limited	251,000	-
Deejay Trading Private Limited	765,689	-
Reflexion Trading Private Limited	-	71,752

## 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	753,687	361,266
Net profit for the year as per profit and loss account after exceptional items	753,687	361,266
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	37.68	18.06
After exceptional items		

## 24. Deferred taxes – Components Assets / (Liability)

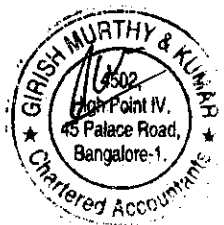
(Amount in Rs)

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			
<b>Total</b>	-	-	-

## 25. Remuneration to directors

(Amount in Rs)

Particulars	2013	2012
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	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				

**29. Earnings in foreign currency**

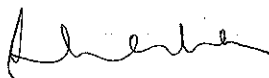
Current Year : Nil Previous Period : Nil

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****As per our report of even date**


**Gautam Chakravarti**  
Director

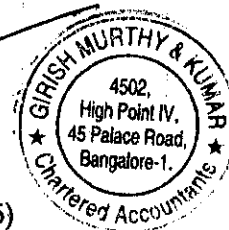


**Sumit Keshan**  
Director

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

  
**Girish Rao.B**  
(Partner)

(Membership No.85745)



Bangalore:

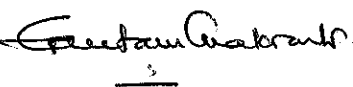
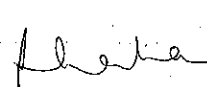
Dated: May 15, 2013

**RISHIKESH APPARELS PRIVATE LIMITED****Cash-flow statement for the year ended 31 March 2013***All amounts in Indian Rupees, except stated otherwise*

<b>PARTICULARS</b>	<b>2013</b>	<b>2012</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax from continuing operations	(79,406)	45,71,696
Loss before tax	(79,406)	45,71,696
Non-cash adjustment to reconcile profit before tax to net cash flow		
Depreciation/amortization on continuing operations	34,56,825	43,75,798
(Profit)/Loss on sale of assets (net)	(2,95,035)	
Assets Written off	-	35,48,371
Interest expense	(352)	(14,42,055)
Interest earned	(4,900)	(18,509)
<b>Operating Profit before working capital changes</b>	<b>30,77,132</b>	<b>1,10,35,301</b>
<b>Movements in Working Capital :</b>		
(Increase)/Decrease in trade receivables	13,730	1,56,88,812
(Increase)/Decrease in non current loans and advances	(1,28,942)	(5,06,355)
(Increase)/Decrease in current loans and advances	2,99,628	54,52,884
Increase/(Decrease) in trade payables	23,93,325	(2,50,595)
Increase/(Decrease) in other current liabilities	(27,13,485)	(1,29,03,326)
Increase/(Decrease) in long term provisions	(13,70,650)	(6,25,978)
Increase/(Decrease) in short term provisions	41,99,299	(5,74,102)
<b>Cash Generated from / (used in) Operations</b>	<b>57,70,037</b>	<b>1,73,16,641</b>
Direct taxes paid (net of refunds)	(63,72,111)	(42,17,215)
<b>Net Cash Flow from Operating Activities</b>	<b>(6,02,074)</b>	<b>1,30,99,425</b>
<b>Net Cash Flow from / (used in) Operating Activities</b>	<b>(6,02,074)</b>	<b>1,30,99,425</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest received	4,900	18,509
Purchase of Fixed Assets	(6,23,339)	(1,15,766)
Proceeds from Sale of Fixed Assets	10,40,000	-
<b>Net Cash Flow from / (used in) Investing Activities</b>	<b>4,21,561</b>	<b>(97,257)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from / (repayment of short term borrowings)	-	(1,45,00,000)
Interest paid	352	14,42,055
<b>Net Cash Flow from / (used in) Financing Activities</b>	<b>352</b>	<b>(1,30,57,945)</b>
<b>D. Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(1,80,161)</b>	<b>(55,777)</b>
<b>E. Opening Balance of Cash &amp; Cash Equivalents</b>	<b>13,16,955</b>	<b>13,72,732</b>
<b>F. Closing Balance of Cash &amp; Cash Equivalents</b>	<b>11,36,794</b>	<b>13,16,955</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on hand	1,15,444	4,82,530
Bank Balances with Scheduled Banks:		
-- in Current Accounts	10,21,350	8,34,425
	<b>11,36,794</b>	<b>13,16,955</b>
	<b>11,36,794</b>	<b>13,16,955</b>

For and on behalf of the Board

For RISHIKESH APPARELS PRIVATE LIMITED

Gautam Chakravarti

Sumit Keshan

Director

Director

Place : Bangalore

Date : 15th May, 2013

As per our report of even date

For GIRISH MURTHY &amp; KUMAR

Firm Regn. No: 000934S

Chartered Accountants



GIRISH RAO.B

Partner

M.No. 85745

