

Rishikesh Apparels Private Limited

**Annual Report
2010-11**

Board of Directors

Mr Gautam Chakravarti, Director
Mr Sumit Keshan, Director

Registered Office:

70, Mission Road
Bangalore-560027.

Auditors

M/s Girish, Murthy & Kumar.
Chartered Accountants
4502, High Point IV
45, Palace Road
Bangalore - 560001.

Bankers

Canara Bank
"Avenue Plaza"
Avenue Road Branch
Bangalore - 560002

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Seventh Annual General Meeting of the members of the company will be held at the registered office of the Company at No.70, Mission Road, Bangalore -560 027 September 5, 2011 at 1.00 PM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint M/s Girish, Murthy & Kumar, Chartered Accountants as Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

“RESOLVED THAT Mr. Gautam Chakravarti, whose term of office as an Additional Director, pursuant to section 260 of the Companies Act, 1956, expires on the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable for retirement by rotation.”

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

“RESOLVED THAT Mr. Sumit keshan, whose term of office as an Additional Director, pursuant to section 260 of the Companies Act, 1956, expires on the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable for retirement by rotation.”

**For and on behalf of the
Board of Directors**

Bangalore
May 23, 2011

Sd/-
Gautam Chakravarti
Director

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy must be a member of the Company. Proxies in order to be effective must be received at the company's registered office not later than forth-eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the company will remain closed from August 25, 2010 to August 30, 2010 (both days inclusive) for the purpose of Annual General Meeting.

DIRECTORS' REPORT

Your Directors take great pleasure in presenting the Seventh Annual Report of your Company together with the audited accounts for the period ended March 31, 2011.

1. Financial Results:

The company primarily derives its income from the holding company, viz., Gokaldas Exports Limited by way of Job Work charges, etc and the financial results for the period ended March 31, 2011 are furnished below:

(Rupees)		
Particulars	31.03.2011	31.03.2010
Total Income	36,81,22,360	34,96,79,603
Expenditure	36,84,23,505	34,84,61,915
Profit Before Tax	(3,01,145)	12,17,688
Taxation	9,65,131	3,76,266
Profit After Tax	(12,66,276)	8,41,422
Balance Carried Forward	10,79,068	23,45,344

2. Performance:

During the year the company posted a turnover of Rs 36.81 crores and loss before tax and after tax of Rs 3.01 lakhs and 12.66 lakhs respectively.

3. Auditors:

M/s. Girish, Murthy & Kumar, Chartered Accountants, will retire at the ensuing Annual General Meeting. However, being eligible, they offer themselves for re-appointment.

4. Directors :

Mr Madanlal J Hinduja stepped down for the Board wef January 15, 2011. Mr Rajendra J Hinduja and Mr Dinesh J Hinduja stepped down from the Board wef March 31, 2011.

Mr Gautam Chakravarti was appointed as Director wef January 24, 2011 and Mr Sumit Keshan was appointed as Director wef March 31, 2011.

5. Conservation of energy, foreign exchange earnings and outgo:

Not applicable.

6. Particulars of Employees:

The human capital has been recognized as a vital factor in achieving the goals and objectives of the organization. Emphasis is placed to build a network of dedicated and experienced professionals who would strive for organizational growth by maximizing the effectiveness while the policies and practices would foster employees' satisfaction, retention and productivity.

There are no employees whose details are required to be mentioned under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

7. Directors Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of directors report that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- accounting policies have been selected and applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the annual accounts have been prepared on a "going concern" basis.

8. ACKNOWLEDGEMENTS:

Your Directors express their thanks to Gokaldas Exports Ltd, the holding company, its bankers and employees for their support and look forward to their continued co-operation in the ensuing year.

For and on behalf of the Board of Directors
of **RISHIKESH APPARELS PRIVATE LIMITED**

Bangalore
May 23, 2011

Sd/-
Gautam Chakravarti
Director

AUDITORS' REPORT

TO THE MEMBERS OF RISHIKESH APPARELS PRIVATE LIMITED

We have audited the attached Balance Sheet of RISHIKESH APPARELS PRIVATE LIMITED as on 31st March 2011 & Profit and Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted the audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Further, we report that,

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account, as required by law have been kept by the Company, so far as appears from our examination of the books.

The said Balance Sheet and Profit and Loss account and the Cash flow statement dealt by this report are in agreement with books of account.

In our opinion, the Balance Sheet and the profit and Loss Account and cash flow statement dealt with by this report complies with the mandatory Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956, and

On the basis of written representations received from the directors as at 31st March 2011 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies act, 1956, as on that date.

In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, together with and subject to notes annexed thereto, give the information required, and give a true and fair view:



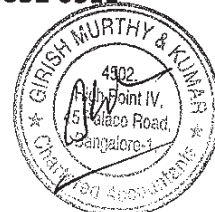
**GIRISH
MURTHY & KUMAR
Chartered Accountants**

- a. In the case of balance sheet of the state of affairs of the Company as at 31st March, 2011,
- b. In the case of Profit and loss account, of the loss of the Company for the year ended on that date, and
- c. in the case of Cash flow statement, of the cash flows of the Company for the year ended on that date.

As required by the Companies (Auditors report) order, 2003 as amended by the companies (auditors report) (amended) 2004 issued by the Company law board, and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of our audit, We report that:-

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. During the year the fixed assets have been physically verified by the management and there were no discrepancies.
- ii) No substantial part of the Fixed Assets has been disposed during the year.
- iii) The company has not purchased nor sold any raw material or finished goods during the year. Further the Company is not holding any stock of inventory at the year end. Hence the physical verification of inventories is not applicable.
- iv) The company has not maintained the records for inventory, as the company has not purchased nor sold any raw material or finished goods during the year. Further the Company is not holding any stock of inventory at the year end.
- v) The Company has taken unsecured loan of Rs.14,500,000 from a fellow subsidiary company covered in the register maintained under section 301 of the companies Act 1956. The maximum amount involved during the year and the year end balance, aggregates to Rs.14,500,000. The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company. Repayments of the principal and the interest amounts have not fallen due during the current year.
- vi) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties listed in the register maintained under section 301 of the Companies' Act 1956.
- vii) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and nature of its business for the purchase fixed Assets, inventory and with regard to sale of goods and services. During the course of audit We have not noticed any evidence of continuing failures to correct major weaknesses in internal control.

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**GIRISH
MURTHY & KUMAR**
Chartered Accountants

- viii) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under the act.
- ix) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of the companies Act 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- x) The Company has not accepted deposits from the public during the year to which the provisions of section 58A and 58AA or any relevant provisions of the companies Act, 1956.
- xi) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, Income tax, service tax, sales tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- xii) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty, service tax and cess were in arrears as at 31.03.2011 for a period of more than six months from the date they became payable.
- xiii) The Company is not having any accumulated losses nor the Company has incurred any cash loss for this year and in the immediately preceding financial year.
- xiv) In our opinion, the Company's present Internal Audit system is commensurate with the size and nature of its business.
- xv) The central government has not prescribed the maintenance of cost records by the companies under section 209(i)(d) of the companies act, 1956.
- xvi) According to the information and explanations given to us, there are no dues of income tax, wealth tax, sales tax, custom duty, excise duty and cess which have not been deposited on account of any dispute
- xvii) The Company has not taken any loan from financial institutions and from banks and as such question of default in repayment does not arise. The Company has not issued any debentures at any point of time.



**GIRISH
MURTHY & KUMAR**
Chartered Accountants

- xviii) The Company has not granted any loans/advances on the basis of security by way of shares, debenture etc. As such no records and documents have been maintained.
- xix) In our opinion, the Company is not dealing or trading in shares, debentures and other investments and as such no records have been maintained. During the year Company has not made any investments.
- xx) We have been informed by the Company that it has not given any guarantee for any loans taken by the others from banks and financial institutions.
- xxi) The Company has not taken any term loans during this year and as such question of its application for the purpose for which it is taken does not arise.
- xxii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, We report that the Company has not used any funds raised on short term basis for long term investment.
- xxiii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the registers maintained under section 301 of the act.
- xxiv) According to the information and explanations given to us, during the year covered by our report, the Company has not issued any debentures and therefore no securities or charges have been created.
- xxv) The Company has not raised any money by public issue and as such disclosure on the end use of money does not arise.
- xxvi) We have not noticed any fraud on or by the Company during the year.
- xxvii) The Company is not covered under special statutory provisions applicable to the chit fund, nidhi or mutual benefit societies.

PLACE : BANGALORE

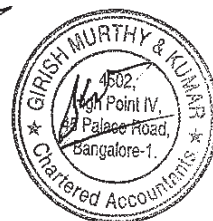
DATED : May 23, 2011

FOR GIRISH MURTHY & KUMAR
Firm Regn. No. 000934S
Chartered Accountants


GIRISH RAO .B

Partner

(Membership No. 85745)



RISHIKESH APPARELS PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2011

	Schedules	31-03-2011	31-03-2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	I	200,000	200,000
Reserves and Surplus	II	7,667,466	8,933,742
Loan Funds	III		
Secured Loans		-	-
Unsecured Loans		14,500,000	-
Deferred Tax Liability (net) [Refer Note C-8 of Schedule XV]		172,324	304,755
Total		22,539,789	9,438,497
APPLICATION OF FUNDS			
Fixed Assets	IV		
Gross Block		62,224,561	60,840,232
Less: Accumulated Depreciation		33,563,317	28,735,804
Net Block		28,661,244	32,104,428
Capital work-in-progress including capital advances		-	-
		28,661,244	32,104,428
Investments	V	400	400
Current Assets, Loans and Advances	VI		
Inventories		-	-
Sundry Debtors		15,843,728	1,313
Cash and Bank Balances		1,372,732	7,387,173
Other Current Assets		-	-
Loans and Advances		47,465,373	46,200,983
		64,681,833	53,589,469
Less: Current Liabilities and Provisions	VII		
Current Liabilities		60,853,126	71,488,390
Provisions		9,950,562	4,767,410
		70,803,688	76,255,800
Net Current Assets		(6,121,855)	(22,666,331)
Total		22,539,789	9,438,497

Notes to Accounts

XV

Schedules referred to above form an integral part of the Balance Sheet

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 : 23rd May, 2011



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

Gautam Chakravarti

Gautam Chakravarti
Director

Sumit Keshan

Sumit Keshan
Director

RISHIKESH APPARELS PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2011

	Schedules	31-03-2011	31-03-2010
<u>INCOME</u>			
Contract Receipts	VIII	385,937,864	349,674,644
Other Income	IX	184,496	-
		386,122,360	349,674,644
<u>EXPENDITURE</u>			
Raw Materials Consumed	X	-	-
Other Manufacturing and Operating Expenses	XI	36,237,838	30,819,212
Personnel Costs	XII	294,190,431	291,094,036
Selling and Administrative Expenses	XIII	51,133,153	21,425,797
Finance Charges	XIV	34,569	18,221
Depreciation	IV	4,827,514	5,099,690
		386,423,505	348,456,956
Profit Before Exceptional items		(301,145)	1,217,688
Add/(Less): Exceptional items		-	-
Profit / (Loss) Before Tax		(301,145)	1,217,688
Provision for Taxation			
-- Current Tax		8,128	451,941
-- Deferred Tax charge / (credit)		(132,432)	(75,675)
-- Income tax of Earlier years		1,089,435	
Net Profit / (Loss) for the Year		(1,266,276)	841,422
Profit Brought Forward from Previous Year		2,345,344	1,503,922
Balance carried to Balance Sheet		1,079,068	2,345,344

Notes to Accounts

XV

Schedules referred to above form an integral part of the Profit and Loss Account

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 : 23rd May, 2011



For and on behalf of the Board
For **RISHIKESH APPARELS PRIVATE LIMITED**

Gautam Chakravarti
Director

Sumit Keshan
Director

RISHIKESH APPARELS PRIVATE LIMITED**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS
FOR THE PERIOD ENDED MARCH 31, 2011**

	31-03-2011	31-03-2010
SCHEDULE I - SHARE CAPITAL		
Authorized	200,000	200,000
20,000 (2010:20,000) Equity Shares of Rs. 10 each -		
Issued, Subscribed and Paid-up		
20,000 (2010:20,000) Equity Shares of Rs. 10 each fully paid up	200,000	200,000
	<u>200,000</u>	<u>200,000</u>
SCHEDULE II - RESERVES AND SURPLUS		
Capital Reserve (on amalgamation) as per last account	5,398	5,398
Securities Premium Account		
Balance as per last account	6,583,000	6,583,000
Profit and Loss Account		
	1,079,068	2,345,344
	<u>7,667,466</u>	<u>8,933,742</u>
SCHEDULE III - LOAN FUNDS		
Secured Loans	-	-
Unsecured Loans		
Inter corporate loan	14,500,000	-
	<u>14,500,000</u>	<u>-</u>
SCHEDULE V - INVESTMENTS		
A. Long-term Investments [at cost] [unquoted]		
In Government Securities [Non-trade]		
Indira Vikas Patra	400	400
	<u>400</u>	<u>400</u>
	<u>400</u>	<u>400</u>
SCHEDULE VI - CURRENT ASSETS, LOANS AND ADVANCES		
Sundry Debtors		
[Unsecured, considered good]		
Debts outstanding for a period exceeding six months	-	-
--Others debts	743,116	1,313
Due from Holding company	15,100,612	-
	<u>15,843,728</u>	<u>1,313</u>
Cash and Bank Balances		
Cash on hand	965,965	2,789,537
Bank Balances with Scheduled Banks:		
-- in Current Accounts	406,767	4,597,636
	<u>1,372,732</u>	<u>7,387,173</u>

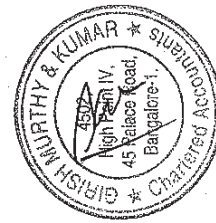


RISHIKESH APPARELS PRIVATE LIMITED

SCHEDULE -IV- FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block			
	As on 01.04.2010	Additions	Deletions	Total 31.03.2011	As on 01.04.2010	For the Year	Deletions	Total 31.03.2011	As on 31.03.2011	As on 01.04.2010
Building	4,450,274	-		4,450,274	1,793,649	265,662		2,059,311	2,390,963	2,656,625
Improvement on Lease Hold	793,143	-		793,143	256,499	268,323		524,822	268,321	536,644
Electrical Equipments	23,335,978	-		23,335,978	10,968,166	1,714,910		12,683,076	10,652,902	12,367,811
Office Equipments	136,704	-		136,704	83,147	12,902		96,049	40,656	53,558
Furniture & Fixtures	7,313,246	213,396		7,526,642	3,978,694	678,563		4,657,257	2,869,385	3,334,552
Plant & Machinery	24,810,844	1,170,933		25,981,777	11,655,613	1,887,151		13,542,764	12,439,013	13,155,231
Vehicles	43	-		43	35	2		37	6	8
	60,840,232	1,384,329	-	62,224,561	28,735,803	4,827,514	-	33,563,317	28,661,245	32,104,428

Previous Year **59,361,580** **1,478,652** **-** **60,840,232** **23,636,114** **5,099,690** **-** **28,735,804** **32,104,428** **35,725,466**



RISHIKESH APPARELS PRIVATE LIMITED**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS
FOR THE PERIOD ENDED MARCH 31, 2011**

	31-03-2011	31-03-2010
Loans and Advances		
[Unsecured, considered good]		
Advances recoverable in cash or kind or for value to be received		
-- for Supplies and Services	574,288	1,042,680
-- to Staff	869,407	988,299
--- others	-	50,000
Security & other deposits	24,285,918	24,285,918
Advance Tax (net of provision)	21,735,760	19,834,086
	47,465,373	46,200,983
	64,681,833	53,589,470

SCHEDULE VII - CURRENT LIABILITIES AND PROVISIONS**Current Liabilities****Sundry Creditors**

-- Dues to Micro and Small Enterprises
[Refer Note C-12 to Schedule XV]

-- Others	50,572,933	41,071,989
Due to Holding company	-	23,780,157
Due to Fellow Subsidiaries	28,603	-
Bank Overdraft	1,829,886	-
Other Liabilities	8,421,704	6,636,244
	60,853,126	71,488,390

Provisions

Gratuity	5,671,967	1,288,380
Leave Benefits	4,278,595	3,479,030
	9,950,562	4,767,410
	70,803,688	76,255,800

SCHEDULE VIII - CONTRACT RECEIPTS

Job Work Income	385,937,864	349,674,644
	385,937,864	349,674,644

SCHEDULE IX - OTHER INCOME

Miscellaneous Income	184,496	-
	184,496	-



RISHIKESH APPARELS PRIVATE LIMITED**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS
FOR THE PERIOD ENDED MARCH 31, 2011**

	31-03-2011	31-03-2010
SCHEDULE XI - OTHER MANUFACTURING AND OPERATING EXPENSES		
Consumption of Consumables, Stores and Spares	1,169,169	593,897
Job Work Charges	2,280,283	128,019
Power and Fuel	17,714,896	16,231,668
Repairs and Maintenance - Plant and Machinery	4,067,393	5,897,513
Other Manufacturing Expenses	11,006,097	7,968,115
	36,237,838	30,819,212
SCHEDULE XII - PERSONNEL COSTS		
Salaries, Wages and Bonus	254,857,978	253,521,092
Contribution to Provident Fund and other Funds	28,283,998	28,045,025
Gratuity expense	5,031,734	1,895,596
Welfare Expenses	6,016,721	7,632,323
	294,190,431	291,094,036
SCHEDULE XIII - SELLING AND ADMINISTRATIVE EXPENSES		
Rent	34,949,132	7,437,055
Repairs and Maintenance		
-- Buildings	5,809,424	2,312,008
--Others	4,947,403	4,939,886
Insurance	-	91,769
Rates and Taxes	278,842	176,818
Legal and Professional Charges	896,769	659,581
Printing and Stationery	176,556	202,591
Communication Costs	125,043	127,057
Travelling and Conveyance	516,668	449,138
Auditors' Remuneration [Refer Note C- 10 to Schedule XV]	52,944	52,944
Charity and Donation	-	5,000
Miscellaneous Expenses	3,380,372	4,971,950
	51,133,153	21,425,797
SCHEDULE XIV - FINANCE CHARGES		
Bank Charges	2,788	18,221
Interest on Others	31,781	-
	34,569	18,221



RISHIKESH APPARELS PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March 2011

Cash flow from Operating Activities	31.03.2011	31.03.2010
	Rs.	Rs.
Net profit before taxation & Extraordinary items	(301,145)	1,217,688
Adjustment for:		
Depreciation	4,827,514	5,099,690
Operating profit before working Capital changes	4,526,369	6,317,378
Adjustment for:		
(Increase)/Decrease in sundry debtor	(15,842,415)	48,686
(Increase)/Decrease in Advances	637,283	578,176
Increase/(Decrease) in current liabilities	(10,635,264)	6,924,808
Increase/(Decrease) in Provisions	5,183,152	(1,621,851)
Cash generated from operations	(16,130,875)	12,247,196
Taxes Paid:		
Current tax	(1,909,802)	(7,485,041)
Income tax of earlier years	(1,089,435)	-
Net Cash Flow fromm Operating Activities	A (19,130,112)	4,762,156
Cash flow from Investing Activities		
Purchase of fixed assets	(1,384,329)	(1,478,652)
Net Cash Flow from Investing Activities	B (1,384,329)	(1,478,652)
Cash flow from Financing Activities		
Borrowings - unsecured loans	14,500,000	-
Net Cash flow from Financing Activities	C 14,500,000	-
Net Increase / (Decrease) in Cash and Cash Equivalents	A + B + C (6,014,441)	3,283,504
Increase / (Decrease) in Cash And Cash Equivalents		
Cash and Cash Equivalents as at the commencement of the year (Opening Balance)	7,387,173	4,103,669
Cash and Cash Equivalents as at the end of the year (Closing Balance)	1,372,732	7,387,173

As per our report of even date
For GIRISH MURTHY & KUMAR
 Firm Regn. No: 000934S
 Chartered Accountants

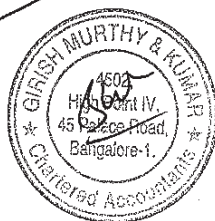
GIRISH RAO.B

Partner.

M.No. 85745

Place : Bangalore

Date : 23rd May, 2011



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

Gautam Chakravarti

Gautam Chakravarti

Director

Sumit Keshan

Sumit Keshan

Director

RISHIKESH APPARELS PRIVATE LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR
ENDED MARCH 31, 2011**

SCHEDULE XV - NOTES TO ACCOUNTS

A. Background

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.

B. Significant accounting policies

a) Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects in respects with the notified accounting standards under Companies (Accounting Standards) Rules, 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.

b) 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 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, actual results could differ from these estimates.

c) 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.

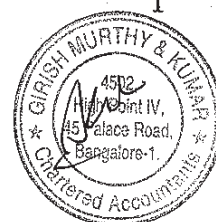
Export incentives are recognized on accrual basis in accordance with the applicable schemes formulated, by the Government of India.

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.

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.



d) 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.

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 (including software)	40.00%
Vehicles	25.89%

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. Process improvement costs capitalized as intangible assets are amortized over three years.

e) Borrowing Costs

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset. Other borrowing costs are charged to Profit and Loss Account.

f) Impairment of assets

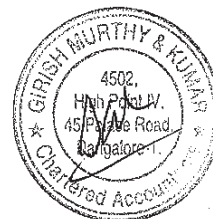
At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Profit and Loss Account 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.

g) 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.



h) 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.

i) Government Grants

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.

j) Investments

Investments that are readily realizable and intended to be held for not more than a year 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.

k) Retirement and Other Employee Benefits

Defined Contribution Plans:

Contributions to Provident Fund are made at pre-determined rates and charged to the Profit & Loss Account. The Company's liability is limited to the extent of contributions made.

Defined Benefit Plans:

Gratuity liability is accrued in the books based on actuarial valuation on projected unit credit method as at Balance Sheet date. Actuarial gains or losses are immediately taken to Profit and Loss Account and are not deferred.

Other Employee Benefits:

Compensated absences are provided for, on the basis of an actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gains or losses are immediately taken to Profit and Loss Account and are not deferred.



l) 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 balance sheet date. 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 balance sheet 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 balance sheet 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.

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 Minimum Alternative tax (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 profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet 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.

m) 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 Profit and Loss account on a straight-line basis over the lease term.

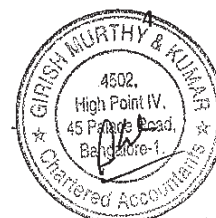
n) Provisions

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 balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

o) Segment Reporting Policies

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.



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.

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.

p) 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.

q) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

C. Notes to Account**1. Contingent liabilities**

(Amount in Rs.)		
Particulars	2011	2010
Claims against the Company not acknowledged as debts	552,633	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

2. 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)

	2011	2010
Current Service Cost	4,152,530	1,846,530
Interest cost on benefit obligation	225,255	204,970
Expected Return on Plan Assets	(148,174)	(119,884)
Actuarial gain/(loss)	803,698	(36,018)
Net benefit expense	5,033,310	1,895,598

Details of Provision for gratuity (in Balance Sheet)

(Amount in Rs)

	2011	2010
Defined benefit obligation	6,845,778	4,020,104
Fair value of plan asset	1,173,811	2,731,724
Plan liability	(5,671,967)	1,288,380

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

(Amount in Rs)

	2011	2010
Opening defined benefit obligation	4,020,104	3,134,506
Current Service Cost	4,152,530	1,846,530
Interest Cost	225,255	204,970
Benefits Paid	(2,408,826)	(1,144,755)
Actuarial (gain)/loss	856,715	(21,147)
Closing defined benefit obligation	6,845,778	4,020,104

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

(Amount in Rs)

	2011	2010
Opening fair value of plan asset	2,731,724	400,126
Expected return	148,174	119,884
Actuarial gain/(loss)	53,017	14,871
Contributions by employer	0	3,341,598
Benefits Paid	(1,759,104)	(1,144,755)
Contribution for Benefits settled directly by company	649,722	0
Benefits settled directly by company	(649,722)	0
Closing fair value of plan asset	1,173,811	2,731,724

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

Interest Rate	8%	8%
Discount Factor	8%	8%
Estimated Rate of return on Plan Assets	8%	8%
Attrition Rate	35%	35%
Rate of escalation in Salary per annum	5%	5%
Retirement Age	58	58

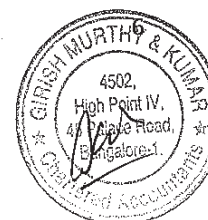
The Company expects to contribute Rs.5,675,000 to gratuity in 2011-12.

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

	2011	2010
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.



3. Segment information

a) Primary business segment

The Company is engaged in a single business segment of sale of garment, and hence, no additional disclosures are required, other than those already given in the financial statements.

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

Geographical Segment	Revenues	(Amount in Rs)
		Carrying amount of segment assets (Debtors)
In India	385,937,864 (349,674,644)	15,843,728 (1,313)
Outside India		
Total	385,937,864 (349,674,644)	15,843,728 (1,313)

Note:

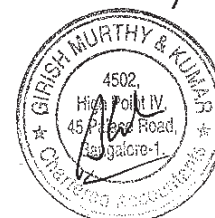
- Figures in brackets relate to previous year.
- All fixed assets are located in India,

4. Related party disclosures

5.

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
(iii)	Wholly Owned 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. Madanlal J Hinduja (resigned on 15.01.2011)
(ii)	Director	Mr. Rajendra J Hinduja (resigned on 31.03.2011)
(iii)	Director	Mr. Dinesh J Hinduja (resigned on 31.03.2011)
(iv)	Director	Mr. Gautam Chakravarti (appointed on 24.01.2011)
(v)	Director	Mr. Sumit Keshan (appointed on 31.03.2011)
c.	<i>Enterprises over which key management personnel and their relatives exercise significant influence with whom transactions have taken place during the year:</i>	
(i)	Private Limited Companies	Vag Exports Private Limited
(ii)	Partnership firms	Avis Industrial Estate Hinduja Trading Company



- 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)	A(a)	A©	
Income				
Job work charges	385,179,582 (349,674,644)			385,179,582 (349,674,644)
Expenses				
Rent expense	Nil	Nil	16,519,800 (1,586,680)	16,519,800 (1,586,680)
Interest on unsecured loan		31,781 (Nil)		31,781 (Nil)
Liability				
Unsecured loan received		14,500,000 (Nil)		14,500,000 (Nil)
Asset				
Rent Deposit			15,840,000 (15,840,000)	15,840,000 (15,840,000)
Balances outstanding as at March 31, 2011				
-- Credit balances	Nil (23,780,157)	14,528,603 (Nil)		14,528,603 (23,780,157)
-- Debit balances	15,100,612 (Nil)		15,840,000 (15,890,000)	30,940,612 (15,890,000)

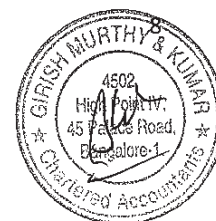
Disclosure for transactions that exceed 10% of total value of each class of transactions:

(Amount in Rs)

	2011	2010
Rent Expense		
Avis Industrial Estate	876,050	78,680
Hinduja Trading Company	15,643,750	1,508,000
Interest Paid		
SNS Clothing Private Limited	31,781	-
Sundry Debtors		
Vag Exports Private Limited	Nil	50,000
Unsecured Loan		
SNS Clothing Private Limited	14,500,000	-
Credit Balances		
SNS Clothing Private Limited	28,603	
Rent Deposit		
Avis Industrial Estate	840,000	840,000
Hinduja Trading Company	15,000,000	15,000,000

6. 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.



7. Earnings per share

(Amount in Rs)

Particulars	2011	2010
Net profit for the year as per profit and loss account before exceptional items	(1,266,276)	841,422
Net profit for the year as per profit and loss account after exceptional items	(1,266,276)	841,422
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	(63.31)	42.07
After exceptional items		

8. Deferred taxes – Components Assets / (Liability)

(Amount in Rs)

Particulars	As at March 31, 2010	Current year (charge)/credit	As at March 31, 2011
Difference between book and tax base of fixed assets	(304,755)	132,432	(172,323)
Retirement benefits allowed on payment basis accrued in books	0	0	0
Total	(304,755)	132,432	(172,323)

9. Remuneration to directors

(Amount in Rs)

Particulars	2011	2010
Salaries	Nil	Nil

10. Auditors' remuneration*

(Amount in Rs)

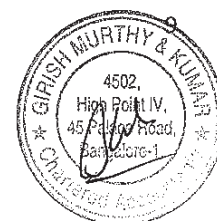
Particulars	2011	2010
Audit fees	36,000	36,000
Taxation matters	12,000	12,000
	48,000	48,000

* Excluding service tax

11. a) Licensed, installed capacities and production

Particulars	Unit	2011	2010
<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			
- Own production	Pcs		
- Through Job workers			

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



b) CIF value of imports

Current Year : Nil Previous Period : Nil

c) Expenditure in foreign currency on accrual basis

Current Year : Nil Previous Period : Nil

d) Imported and indigenous raw materials, stores and spare parts consumed

Particulars	2011		2010	
	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				

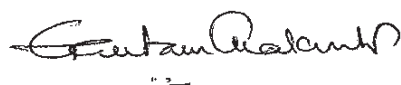
e) Earnings in foreign currency

Current Year : Nil Previous Period : Nil

12. 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.
13. Previous year's figures have been regrouped/rearranged/reclassified, wherever necessary to conform to the current year's presentation.

Signatures to schedules I to XV

For and on behalf of the Board



Gautam Chakravarti
Director




Sumit Keshan
Director

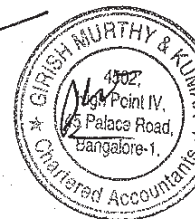
Bangalore:
Dated: May 23, 2011

As per our report of even date

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



Girish Rao.B
(Partner)
(Membership No.85745)



Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956

1. Registration Details

2	0	1	1
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Year

						N	I	L
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[illegible]

4. Performance of the Company (Amount in Rs. Thousands)

Turnover (Total income)										Total Expenditure									
				3	8	6	1	2	2					3	8	6	4	2	3
+ -		Profit/(Loss) Before Tax								+ -		Profit/(Loss) After Tax							
	✓						3	0	1		✓				1	2	6	6	

(Please tick Appropriate box + for profit, - for loss)

Earnings per Share (Rs)
(on profit after taxes)

		(6	3	.	3	1)
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Dividend Rate %

N	I	L
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5. Generic Names of Three Principal Products / Services of Company

(as per monetary terms)
Item Code No. (ITC Code)

Product Description

NOT APPLICABLE

For and on behalf of the Board



Gautam Chakravarti
Director



Sumit Keshan
Director

Bangalore: May 23, 2011