

SNS CLOTHING PRIVATE LIMITED**Balance Sheet as at 31 March 2015***All amounts in Indian Rupees, except stated otherwise*

	Notes	31 March 2015	31 March 2014
EQUITY AND LIABILITIES			
Shareholder's funds			
Share Capital	3	200,000	200,000
Reserves and Surplus	4	157,811,636	157,950,119
		158,011,636	158,150,119
Non- current liabilities			
Long-term Provisions	5	-	2,771,035
		-	2,771,035
Current Liabilities			
Trade payables	6	538,269	277,888
Other current liabilities	6	18,366,240	16,790,754
Short term provisions	5	6,175,047	2,480,295
		25,079,556	19,548,937
TOTAL		183,091,192	180,470,091
ASSETS			
Non-current assets			
Fixed assets	7		
Tangible assets		4,050,261	6,355,033
Intangible assets		-	-
Capital work-in-progress		-	-
		4,050,261	6,355,033
Non-current investments	8	2,000	2,000
Long-term loans and advances	9	10,940,679	17,007,028
		14,992,940	23,364,061
Current assets			
Inventories	10	40,603,927	17,372,061
Trade receivables	11	124,875,122	130,045,764
Cash and Cash equivalents	12	1,399,317	7,788,164
Short-term loans and advances	9	1,219,886	1,900,041
		168,098,252	157,106,030
TOTAL		183,091,192	180,470,091

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 : 20th May, 2015



For and on behalf of the Board
 For SNS CLOTHING PRIVATE LIMITED

Gautam Chakravarti

Gautam Chakravarti
 Director

Sumit Keshan

Sumit Keshan
 Director

SNS CLOTHING PRIVATE LIMITED**Statement of profit and loss for the year ended 31 March 2015***All amounts in Indian Rupees, except stated otherwise*

	Notes	31 March 2015	31 March 2014
Revenue from operations (Gross)	13	170,987,441	166,058,823
Other income	14	1,312,040	8,250
Total Revenue		172,299,481	166,067,073
Expenses			
Purchase of finished Goods		50,577,456	38,138,648
(Increase) / decrease in inventories	15	(23,231,866)	(3,390,083)
Employee benefits expense	16	109,769,327	96,834,340
Other expenses	17	32,193,547	33,527,170
Depreciation and amortisation expense	18	1,934,742	1,113,925
Finance costs	19	278,411	270,455
Total Expenses		171,521,617	166,494,455
Profit before tax		777,864	(427,382)
Tax expense:			
Current tax		546,317	-
Tax of earlier years (net)		-	(897,928)
		546,317	(897,928)
Profit for the period		231,547	470,546
Earnings per equity share - (Nominal value per share - Rs. 10) :			
Basic		11.58	23.53
Diluted		11.58	23.53

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

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Director

INS CLOTHING PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2015**

All amounts in Indian Rupees, except stated otherwise

3 Share CapitalAuthorised shares

20,000 (2014:20,000) Equity Shares of Rs. 10 each

31 March 2015 **31 March 2014**

200,000 200,000

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

20,000 (2014:20,000) Equity Shares of Rs. 10 each fully paid-up

200,000 200,000

200,000 **200,000****(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity shares	31 March 2015		31 March 2014	
	No.	Amount	No.	Amount
At the beginning of the period	20,000	200,000	20,000	200,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	20,000	200,000	20,000	200,000

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in ensuing Annual General meeting.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ ultimate holding Company and/ or their subsidiaries/ associates

	31 March 2015 Amount	31 March 2014 Amount
Holding Company : Gokaldas Exports Ltd.,	200,000	200,000

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

Equity shares	31 March 2015		31 March 2014	
	No.	shareholding %	No.	shareholding %
Equity shares of Rs.10 each fully paid Gokaldas Exports Ltd.,	20,000	100%	20,000	100%

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.



NS CLOTHING PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2015

	<u>31 March 2015</u>	<u>31 March 2014</u>
4 Reserves and Surplus		
Capital Reserves		
Balance as per last account	221,701	221,701
Securities Premium Reserve		
Balance as per last account	177,400,000	177,400,000
Surplus / (deficit) in the statement of profit and loss		
Balance as per last financial statements	(19,671,582)	(20,142,128)
Depreciation Reserve as per new Schedule II	(370,030)	-
Profit / (loss) for the year	231,547	470,546
Net surplus / (deficit) in the statement of profit and loss	(19,810,065)	(19,671,582)
	<u>157,811,636</u>	<u>157,950,119</u>

	Long Term		Short term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
5 Provisions				
Provision for employee benefits				
Provision for gratuity	-	2,771,035	3,484,848	510,428
Provision for leave benefits	-	-	2,690,199	1,969,867
	<u>-</u>	<u>2,771,035</u>	<u>6,175,047</u>	<u>2,480,295</u>

	<u>31 March 2015</u>	<u>31 March 2014</u>
6 Trade payables and Other Current Liabilities		
Trade Payables		
to Micro and Small Enterprises		
to Others	538,269	277,888
	<u>538,269</u>	<u>277,888</u>
Other current liabilities		
Employees benefit payable	13,530,568	11,364,704
Other expenses payable	1,604,921	3,196,649
Bank Overdraft	1,409,803	-
ESI payable	25,783	35,910
Provident fund payable	1,678,292	1,305,400
TDS payable	103,599	175,104
Professional tax payable	13,274	7,724
VAT & CST payable	-	53,446
Service tax payable	-	651,817
	<u>18,366,240</u>	<u>16,790,754</u>
	<u>18,904,509</u>	<u>17,068,642</u>

	<u>31 March 2015</u>	<u>31 March 2014</u>
8 Non-current investments		
Non Trade investments [valued at cost unless stated otherwise]		
Investment in Government Securities (unquoted)		
Indira Vikas Patra	2,000	2,000
	<u>2,000</u>	<u>2,000</u>



SNS CLOTHING PRIVATE LIMITED

Notes to accounts for the year ended March 31, 2015

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	Building	Improvement on Lease Hold	Electrical Equipments	Office Equipments	Furniture & Fixtures	Plant & Machinery	Computer	Total
Cost or valuation At 31 March 2013	4,694,178	210,865	674,196	2,011,424	13,729,378	509,572	182,922	22,012,535
Additions	-				450,000			450,000
	4,694,178	210,865	674,196	2,011,424	14,179,378	509,572	182,922	22,462,535
Disposals								-
At 31 March 2014	4,694,178	210,865	674,196	2,011,424	14,179,378	509,572	182,922	22,462,535
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
At 31 March 2015	4,694,178	210,865	674,196	2,011,424	14,179,378	509,572	182,922	22,462,535
Depreciation								
At 31 March 2013	2,784,660	16,281	223,035	1,433,365	10,117,084	238,271	180,881	14,993,577
Charge for the year	190,596	19,459	62,763	80,535	721,639	38,117	816	1,113,925
Disposals								-
At 31 March 2014	2,975,256	35,740	285,798	1,513,900	10,838,723	276,388	181,697	16,107,502
Charge for the year	197,188	18,646	137,399		1,522,113	59,396	-	1,934,742
Dep on Expired Asset				354,898	23,054		(7,922)	370,030
At 31 March 2015	3,172,444	54,386	423,197	1,868,798	12,383,890	335,784	173,775	18,412,274
Net Block								
At 31 March 2014	1,718,922	175,125	388,398	497,524	3,340,655	233,184	1,225	6,355,033
At 31 March 2015	1,521,734	156,479	250,999	142,626	1,795,488	173,788	9,147	4,050,261



NS CLOTHING PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2015

9 Loans and advances

(unsecured, considered good)

Security deposits

Advances recoverable in cash / kind

Advance Tax net of provisions

Prepaid expenses

Loans and advances to employees

Balances with customs, excise and other authorities

Non-current		Current	
31 March 2015	31 March 2014	31 March 2015	31 March 2014
9,102,228	12,150,228	-	280,000
-	-	669,207	1,236,873
1,838,451	4,699,550	-	-
-	157,250	292,755	246,350
-	-	122,800	136,818
-	-	135,124	-
10,940,679	17,007,028	1,219,886	1,900,041

10 Inventories

[Valued at lower of cost and net realisable value]

Finished goods

31 March 2015 **31 March 2014**

40,603,927 17,372,061

40,603,927 **17,372,061****11 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

Provision for bad and doubtful debts

Current

31 March 2015 **31 March 2014**

122,889,353 -

83,080 1,847,155

1,902,689 128,198,609

124,875,122 **130,045,764****124,875,122** **130,045,764****12 Cash and bank balances**Cash and cash equivalents

Balance with banks :

-- in Current accounts

Cash on hand

Current

31 March 2015 **31 March 2014**

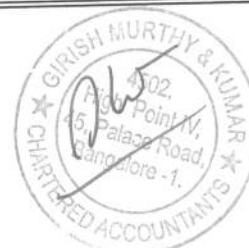
1,056,746 7,464,651

342,571 323,513

1,399,317 **7,788,164**

SNS CLOTHING PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2015***All amounts in Indian Rupees, except stated otherwise*

	<u>31 March 2015</u>	<u>31 March 2014</u>
13 Revenue from operations		
Sale of products		
Finished goods	53,247,330	46,109,978
-- Domestic		
Other operating revenue	117,740,111	119,948,845
Contract Receipts		
Revenue from operations	170,987,441	166,058,823
 <u>Details of Products Sold</u>		
Finished goods (Readymade garments) sold	53,247,330	46,109,978
	53,247,330	46,109,978
 14 Other Income		
Excess provision of earlier years written back	1,097,185	-
Other non-operating income	214,855	8,250
	1,312,040	8,250
 15 (Increase) / decrease in inventories	<u>31 March 2015</u>	<u>31 March 2014</u>
Inventories at the beginning of the year	17,372,061	13,981,978
Finished goods	-	-
Work-in-progress	17,372,061	13,981,978
Inventories at the end of the year	40,603,927	17,372,061
Finished goods	-	-
Work-in-progress	40,603,927	17,372,061
 <i>(Increase) / decrease in inventories</i>	(23,231,866)	(3,390,083)
 <u>Details of inventory</u>	40,603,927	17,372,061
Finished goods - Readymade garments	<u>31 March 2015</u>	<u>31 March 2014</u>
 16 Employee benefits expense		
Salaries, wages and bonus	97,948,130	86,147,000
Contribution to provident fund and other fund	10,170,045	8,362,265
Gratuity expense	827,773	1,696,072
Staff welfare expenses	823,379	629,003
	109,769,327	96,834,340



SNS CLOTHING PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2015****17 Other expenses**

Consumption of consumables, stores and spares	734,226	1,049,501
Power and fuel	4,453,054	4,729,937
Other manufacturing expenses	190,508	252,696
Job work charges paid	614,911	219,131
Security Expenses	3,173,233	2,927,278
Repairs and maintenance		79,343
- Plant and machinery	40,339	179,120
- Buildings	179,120	352,680
- Others	352,680	21,407,266
Rent	16,475,576	59,388
Insurance	59,388	111,638
Rates and taxes	111,638	812,497
Legal and professional charges	812,497	160
Printing and stationery	160	49,874
Communication costs	49,874	1,127,977
Travelling and conveyance	1,127,977	92,146
Auditors' Remuneration	92,146	3,726,220
Other Miscellaneous expenses	3,726,220	32,193,547
	32,193,547	33,527,170

Payment to auditor

As Auditor	92,146	86,528
Audit fees		
	92,146	86,528

18 Depreciation and amortisation expense

Depreciation on tangible assets

1,934,742	1,113,925
1,934,742	1,113,925

19 Finance costsBank charges
Interest on others

278,274	270,455
137	-
278,411	270,455



SNS CLOTHING PRIVATE LIMITED**Cash-flow statement for the year ended 31 March 2015***All amounts in Indian Rupees, except stated otherwise*

PARTICULARS	2015	2014
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax from continuing operations	777,864	(427,382)
Loss before tax	777,864	(427,382)
Non-cash adjustment to reconcile profit before tax to net cash flow		
Depreciation/amortization on continuing operations	1,934,742	1,113,925
Interest expense	137	-
Interest earned	(213,729)	(8,250)
Operating Profit before working capital changes	2,499,015	678,293
Movements in Working Capital :		
(Increase)/Decrease in inventories	(23,231,866)	(3,390,083)
(Increase)/Decrease in trade receivables	5,170,642	8,922,839
(Increase)/Decrease in non current loans and advances	3,205,250	(157,250)
(Increase)/Decrease in current loans and advances	680,155	367,147
Increase/(Decrease) in trade payables	260,381	(476,111)
Increase/(Decrease) in other current liabilities	1,575,486	(1,019,405)
Increase/(Decrease) in long term provisions	(2,771,035)	1,210,973
Increase/(Decrease) in short term provisions	3,694,752	1,180,723
Cash Generated from /(used in) Operations	(8,917,220)	7,333,627
Direct taxes paid (net of refunds)	2,314,782	(1,812,620)
Net Cash Flow from Operating Activities	(6,602,438)	5,521,007
Net Cash Flow from/(used in) Operating Activities	(6,602,438)	5,521,007
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	213,729	8,250
Purchase of Fixed Assets	-	(450,000)
Proceeds from Sale of Fixed Assets	-	-
Net Cash Flow from / (used in) Investing Activities	213,729	(441,750)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	(137)	-
Net Cash Flow from / (used in) Financing Activities	(137)	-
D. Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(6,388,847)	5,062,757
E. Opening Balance of Cash & Cash Equivalents	7,788,164	2,725,407
F. Closing Balance of Cash & Cash Equivalents	1,399,317	7,788,164
Components of Cash and Cash Equivalents		
Cash on hand	342,571	323,513
Bank Balances with Scheduled Banks:		
-- in Current Accounts	1,056,746	7,464,651
	1,399,317	7,788,164
	1,399,317	7,788,164

As per our report of even date
For GIRISH MURTHY & KUMAR

Firm Regn. No: 000934S

Chartered Accountants

Girish RAO.B
GIRISH RAO.B
Partner

M.No. 85745



For and on behalf of the Board
For SNS CLOTHING PRIVATE LIMITED

Gautam Chakravarti
Gautam Chakravarti
Director

Sumit Keshan
Sumit Keshan
Director

Place : Bangalore

Date : 20th May, 2015

SNS CLOTHING PRIVATE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

1. Corporate Information:

SNS Clothing Private Limited (herein after referred to as "the Company") was incorporated on 9th August 2004. The Company took over all the assets and liabilities of The Central Warehouse and Wearwel as a going concern on 1st October 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). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. 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 with residual value at 5%, which is equal to the corresponding rates prescribed under schedule II of the Companies Act, 2013.

	<u>useful life estimated by the management (years)</u>
Buildings	30
Plant & Machinery	15
Electrical Equipments	10
Office Equipments	5
Furniture & Fixtures	10
Computers	6
Vehicles	8
Computer Software (Intangibles)	3

Leasehold improvements are depreciated over the primary lease period or useful life, whichever is lower which ranges between 5 to 10 years

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.

k) Taxation

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax asset is recognised only to the extent that it has timing differences the reversal of which will result in sufficient income or there is other convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realised.

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

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised.

Minimum Alternative Tax ('MAT') credit is recognised, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

l) Accounting for leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

m) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.



n) Segment Reporting Policies

(i) Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

(ii) Basis of allocation:

Assets, liabilities, income, and expenditure are allocated to each segment according to the relative contribution of each segment to the total amount. Unallocated items include general corporate items, which are not allocated to any segment.

(iii) Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

o) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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

p) Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the controls of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

q) Cash and Cash equivalents

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



Notes to Account

20. Contingent liabilities

(Amount in Rs.)

Particulars	2015	2014
Claims against the Company not acknowledged as debts	Nil	Nil
Guarantees given by banks	Nil	Nil
Relatng to labour disputes	Nil	Nil
Outstanding letters of credit	Nil	Nil
Guarantees given to banks	Nil	Nil
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	Nil	Nil

The Company dose not have any further pending litigations which would impact its financial position.

21. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Net employee benefit expense (in Profit and Loss Account)

(Amount in Rs)

	2015	2014
Current Service Cost	1,083,430	1,540,763
Interest cost on benefit obligation	335,952	220,822
Expected Return on Plan Assets	(53,614)	(55,203)
Actuarial gain/(loss)	(537,994)	(10,310)
Net benefit expense	827,773	1,696,072

Details of Provision for gratuity (in Balance Sheet)

(Amount in Rs)

	2015	2014
Defined benefit obligation	4,240,082	4,018,082
Fair value of plan asset	755,234	736,619
Plan liability	(3,484,848)	(3,281,463)

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

(Amount in Rs)

	2015	2014
Opening defined benefit obligation – Current	510,428	317,045
Opening defined benefit obligation – Non current	3,507,654	2,250,103
Opening defined benefit obligation - Total	4,018,082	2,567,148
Current Service Cost	1,083,430	1,540,763
Interest Cost	335,952	220,822
Benefits Paid	(668,805)	(291,716)
Actuarial (gain)/loss	(528,577)	(18,935)
Closing defined benefit obligation – Current	4,240,082	510,428
Closing defined benefit obligation – Non current	-	3,507,654
Closing defined benefit obligation	4,240,082	4,018,082



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

(Amount in Rs)

	2015	2014
Opening fair value of plan asset	736,619	690,041
Expected return	53,614	55,203
Actuarial gain/(loss)	9,418	(8,625)
Benefits Payout	(668,805)	(291,716)
Employer Contribution	624,388	291,716
Closing fair value of plan asset	755,234	736,619

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

Interest Rate	7.95%	9.12%
Discount Factor	7.95%	9.12%
Estimated Rate of return on Plan Assets	8.00%	8.00%
Attrition Rate	40.00%	40.00%
Rate of escalation in Salary per annum	12.00%	20.00%
Retirement Age	60	60

The Company expects to contribute Rs.34.75 Lakhs to gratuity in 2015-16.

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

	2015	2014
Investments with insurer %	100	100

Notes:

- The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

22. Segment information

a) Primary business segment

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

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

(Amount in Rs)

Geographical Segment	Revenues	Carrying amount of segment assets (Debtors)
In India	170,987,441 (166,058,823)	124,875,122 (130,045,764)
Outside India		
Total	170,987,441 (166,058,823)	124,875,122 (130,045,764)

Note:

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



23. Related party disclosures**A. Names of related parties and description of relationship:**

Ref	Description of Relationship	Names of related parties
a.	<i>Parties where control exists:</i>	
(i)	Immediate Holding Company	Gokaldas Exports Limited
(ii)	Fellow Subsidiaries	Deejay Trading Private Limited
		Glamourwear Apparels Private Limited
		Madhin Trading Private Limited
		Magenta Trading Private Limited
		Rafter Trading Private Limited
		Rajdin Apparels Private Limited
		Reflexion Trading Private Limited
		Rishikesh Apparels Private Limited
		Robot Systems Private Limited
		Seven Hills Clothing Private Limited
		All Colour Garments 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)(i)	A(a)(ii)		
Job work charges	113,603,190 (118,512,190)			113,603,190 (118,512,190)
Garments Purchased	50,577,456 (38,138,648)			50,577,456 (38,138,648)
Balances outstanding as at March 31, 2015				
-- Credit balances	Nil (Nil)			Nil (Nil)
-- Debit balances	124,792,042 (128,198,609)			124,792,042 (128,198,609)

Figures in brackets relate to previous year.

24. Leasing Arrangements:

The Company's leasing arrangements in respect of its office, factory and residential premises are in the nature of operating leases. These leasing arrangements are usually cancellable at the option of the lessee any time.



25. Earnings per share

(Amount in Rs)

Particulars	2015	2014
Net profit for the year as per profit and loss account before exceptional items	231,547	470,546
Net profit for the year as per profit and loss account after exceptional items	231,547	470,546
Weighted average number of equity shares (Nos.)	20,000	20,000
Nominal value per share	10	10
Earnings per share – Basic and diluted	11.58	23.53

26. Deferred taxes – Components asset / (liability)

(Amount in Rs)

Particulars	As at March 31, 2014	Current year (charge)/credit	As at March 31, 2015
Difference between book and tax base of fixed assets	-	-	-
Retirement benefits allowed on payment basis accrued in books	-	-	-
C Relating to Loss carried forward	-	-	-
Total	-	-	-

27. Remuneration to directors

(Amount in Rs)

Particulars	2015	2014
Salaries	Nil	Nil

28. CIF value of imports

Current Year : Nil Previous Period : Nil

29. Expenditure in foreign currency on accrual basis

Current Year : Nil Previous Period : Nil

30. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



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

Particulars	2015		2014	
	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				

32. Earnings in foreign currency

Current Year : Nil Previous Period : Nil

33. Sale by class of goods

Products	Unit	2014-2015		2013-2014	
		Quantity	Amount	Quantity	Amount
Readymade garments	Pcs	137,840	53,247,330	141,349	46,109,978
Total		137,840	53,247,330	141,349	46,109,978

34. Stock of Finished Goods

Products	Unit	2014-2015		2013-2014	
		Quantity	Amount	Quantity	Amount
Readymade garments	Pcs	165,033	40,603,927	97,303	17,372,061
Total		165,033	40,603,927	97,303	17,372,061

35. Raw materials consumed

Products	Unit	2014-2015 Amount	2013-2014 Amount
Consumables		734,226	1,049,501

36. Depreciation on tangible fixed assets

Pursuant to the requirements of Schedule II of the Companies Act, 2013 ("the Act"), management has reassessed and changed, wherever necessary the useful lives to compute depreciation. Accordingly, the carrying amount as at April 1, 2014 is being depreciated over the revised remaining useful life of the asset. The carrying value of Rs.370,030 in case of assets with nil revised remaining useful life as at April 1, 2014, is reduced from the retained earnings as at such date. Further, had the Company continued with the previously assessed useful lives, charge for depreciation for the year would have been lower by Rs.984,521 with consequential impact in the profits for the year.



37. Earnings in foreign currency

Current Year : Nil Previous Period : Nil

38. 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.
39. Previous year's figures have been regrouped/rearranged/reclassified, wherever necessary to conform to the current year's presentation.

Signatures to schedules 1 to 39

For and on behalf of the Board

GautamChakravati
Director



SumitKeshan
Director

As per our report of even date

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



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



Bangalore:
Dated:20th May, 2015