

SNS CLOTHING PRIVATE LIMITED**Balance Sheet as at 31 March 2013***All amounts in Indian Rupees, except stated otherwise*

	Notes	31 March 2013	31 March 2012
<u>EQUITY AND LIABILITIES</u>			
Shareholder's funds			
Share Capital	3	2,00,000	2,00,000
Reserves and Surplus	4	15,74,79,573	15,70,61,033
		15,76,79,573	15,72,61,033
Non- current liabilities			
Long-term Provisions	5	15,60,062	21,42,898
		15,60,062	21,42,898
Current Liabilities			
Trade payables	6	7,53,999	7,76,617
Other current liabilities	6	1,78,10,159	83,97,295
Short term provisions	5	12,99,572	4,45,882
		1,98,63,730	96,19,794
TOTAL		17,91,03,365	16,90,23,725
<u>ASSETS</u>			
Non-current assets			
Fixed assets	7		
Tangible assets		70,18,959	76,78,815
Intangible assets		-	-
Capital work-in-progress		-	-
		70,18,959	76,78,815
Non-current investments	8	2,000	2,000
Long-term loans and advances	9	1,41,39,230	66,40,228
Other non-current assets		-	-
		2,11,60,189	1,43,21,043
Current assets			
Inventories	10	1,39,81,978	59,90,654
Trade receivables	11	13,89,68,603	13,98,35,167
Cash and Cash equivalents	12	27,25,407	59,09,720
Short-term loans and advances	9	22,67,188	14,91,633
Other current assets	13	-	14,75,508
		15,79,43,176	15,47,02,682
TOTAL		17,91,03,365	16,90,23,725

Summary of significant accounting policies 2

The accompanying notes are integral part of the financial statements.

As per our report of even date

For GIRISH MURTHY & KUMAR

Firm Regn. No: 000934S

Chartered Accountants

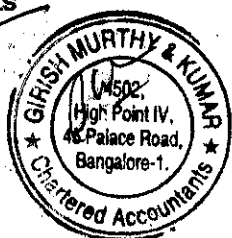
GIRISH RAO.B

Partner,

M.No. 85745

Place : Bangalore

Date : 15th May, 2013



For and on behalf of the Board

For SNS CLOTHING PRIVATE LIMITED

Gautam Chakravarti

Director

Sumit Keshan

Director

SNS CLOTHING PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2013**

All amounts in Indian Rupees, except stated otherwise

3 Share CapitalAuthorised 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	20,000	2,00,000	20,000	2,00,000

b) Terms/ rights attached to equity shares

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

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

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

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

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

Equity shares	31 March 2013		31 March 2012	
	No.	shareholding %	No.	shareholding %
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.

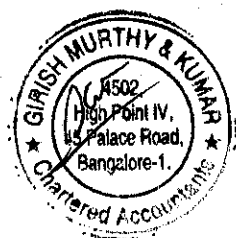


4 Reserves and Surplus	31 March 2013	31 March 2012
Capital Reserves		
Balance as per last account	2,21,701	2,21,701
Securities Premium Reserve		
Balance as per last account	17,74,00,000	17,74,00,000
Surplus / (deficit) in the statement of profit and loss		
Balance as per last financial statements	(2,05,60,668)	(2,08,61,373)
Profit / (loss) for the year	4,18,540	3,00,705
Net surplus / (deficit) in the statement of profit and loss	(2,01,42,128)	(2,05,60,668)
	15,74,79,573	15,70,61,033

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	15,60,062	13,60,735	3,17,045	2,73,564
Provision for leave benefits	-	7,82,163	9,82,527	1,72,318
	15,60,062	21,42,898	12,99,572	4,45,882

6 Trade payables and Other Current Liabilities	31 March 2013	31 March 2012
Trade Payables		
to Micro and Small Enterprises		
to Others	7,53,999	7,76,617
	7,53,999	7,76,617
Other current liabilities		
Employees benefit payable	1,15,47,467	36,80,684
Other expenses payable	33,81,229	21,41,999
Bank Overdraft	12,13,848	18,83,482
ESI payable	18,590	21,100
Provident fund payable	14,66,171	4,30,589
TDS payable	1,52,841	1,39,421
Professional tax payable	10,100	6,550
VAT & CST payable	19,913	93,470
	1,78,10,159	83,97,295
	1,85,64,158	91,73,912

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	2,000	2,000
	2,000	2,000



9 Loans and advances

(unsecured, considered good)

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Security deposits	1,21,50,228	66,40,228	2,80,000	2,80,000
Subsidiaries	-	-	3	3
Advances recoverable in cash / kind	-	-	14,89,487	6,69,203
Advance Tax net of provisions	19,89,002	-	-	4,23,569
Prepaid expenses	-	-	3,78,528	76,858
Loans and advances to employees	-	-	1,19,170	42,000
	1,41,39,230	66,40,228	22,67,188	14,91,633

10 Inventories

[Valued at lower of cost and net realisable value]

Packing materials

Finished goods

	31 March 2013	31 March 2012
Packing materials	-	9,76,745
Finished goods	1,39,81,978	50,13,909
	1,39,81,978	59,90,654

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

	Current	
	31 March 2013	31 March 2012
- Outstanding for a period exceeding six months from the date they are due for payment	-	-
- Other receivables	14,44,662	1,01,933
Due from Holding Company	13,75,23,941	13,97,33,234
	13,89,68,603	13,98,35,167

12 Cash and bank balancesCash and cash equivalents

Balance with banks :

-- in Current accounts

Cash on hand

	Current	
	31 March 2013	31 March 2012
Balance with banks : -- in Current accounts	26,23,008	56,16,936
Cash on hand	1,02,399	2,92,784
	27,25,407	59,09,720

13 Other current assets

(unsecured, considered good)

Interest receivable from fellow subsidiaries

	Current	
	31 March 2013	31 March 2012
Interest receivable from fellow subsidiaries	-	14,75,508
	-	14,75,508



SNS CLOTHING PRIVATE LIMITED

Notes to accounts for the year ended March 31, 2013

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	Building	Improvement on Lease Hold	Electrical Equipments	Office Equipments	Furniture & Fixtures	Plant & Machinery	Computer	Vehicles	Total
Cost or valuation									
At 31 March 2011	47,75,666	7,08,409	7,79,420	20,11,424	1,25,27,449	25,92,658	1,82,922	337	2,35,78,285
Additions	-	16,932	1,27,500	-	1,03,740	16,301	-	-	2,64,473
Disposals	47,75,666	7,25,341	9,06,920	20,11,424	1,26,31,189	26,08,959	1,82,922	337	2,38,42,758
	81,488	6,67,076	3,48,274	-	-	81,947	-	337	11,79,122
At 31 March 2012	46,94,178	58,265	5,58,646	20,11,424	1,26,31,189	25,27,012	1,82,922	-	2,26,63,636
Additions	-	1,52,600	1,15,550	-	10,98,189	-	-	-	13,66,339
Disposals	46,94,178	2,10,865	6,74,196	20,11,424	1,37,29,378	25,27,012	1,82,922	-	2,40,29,975
	-	-	-	-	-	20,17,440	-	-	20,17,440
At 31 March 2013	46,94,178	2,10,865	6,74,196	20,11,424	1,37,29,378	5,09,572	1,82,922	-	2,20,12,535
Depreciation									
At 31 March 2011	23,73,903	2,25,360	2,27,592	12,30,245	85,68,959	11,83,039	1,77,254	204	1,39,86,556
Charge for the year	2,39,907	1,55,521	80,720	1,09,573	8,20,095	1,95,110	2,267	35	16,03,228
Disposals	40,923	3,75,498	1,42,581	-	-	45,722	-	239	6,04,963
At 31 March 2012	25,72,887	5,383	1,65,731	13,39,818	93,89,054	13,32,427	1,79,521	(0)	1,49,84,821
Charge for the year	2,11,773	10,898	57,304	93,547	7,28,030	1,20,694	1,360	-	12,23,606
Disposals	-	-	-	-	-	12,14,850	-	-	12,14,850
At 31 March 2013	27,84,660	16,281	2,23,035	14,33,365	1,01,17,084	2,38,271	1,80,881	(0)	1,49,93,577
Net Block									
At 31 March 2012	21,21,291	52,882	3,92,915	6,71,606	32,42,135	11,94,585	3,401	0	76,78,815
At 31 March 2013	19,09,518	1,94,584	4,51,161	5,78,059	36,12,294	2,71,301	2,041	0	70,18,959



SNS CLOTHING 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)	14	12,96,20,834	11,17,75,886
Other income	15	4,11,661	72,38,737
Total Revenue		13,00,32,495	11,90,14,623
Expenses			
Purchase of finished Goods		4,07,44,767	2,53,21,569
Cost of materials consumed			
(Increase) / decrease in inventories	16	(89,68,069)	39,03,173
Employee benefits expense	17	6,84,85,254	6,22,95,460
Other expenses	18	2,74,96,617	2,39,08,234
Depreciation and amortisation expense	19	12,23,606	16,03,228
Finance costs	20	5,34,180	4,82,002
Total Expenses		12,95,16,356	11,75,13,666
Profit before tax		5,16,139	15,00,958
Tax expense:			
Current tax		1,49,739	3,38,147
Tax of earlier years (net)		(52,140)	8,62,106
		97,599	12,00,253
Profit for the period		4,18,540	3,00,705
Earnings per equity share - (Nominal value per share - Rs. 10) :			
Basic		20.93	15.04
Diluted		20.93	15.04
Summary of significant accounting policies	2		
The accompanying notes are integral part of the financial statements.			

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

Firm Regn. No: 000934S

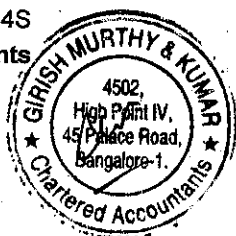
Chartered Accountants**GIRISH RAO.B**

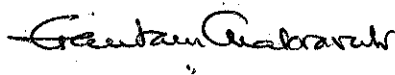
Partner.

M.No. 85745

Place : Bangalore

Date : 15th May, 2013

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


Gautam Chakravarti **Sumit Keshan**
Director Director

SNS CLOTHING 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>
14 Revenue from operations		
Sale of products		
Finished goods	4,90,07,919	4,00,12,106
-- Domestic	4,90,07,919	4,00,12,106
Other operating revenue		
Contract Receipts	8,06,12,915	7,17,63,780
Revenue from operations	12,96,20,834	11,17,75,886
 <u>Details of Products Sold</u>		
Finished goods (Readymade garments) sold		
Manufactured	4,90,07,919	4,00,12,106
	4,90,07,919	4,00,12,106
 15 Other Income		
Net gain on sale of fixed assets	3,83,910	-
Other non-operating income	27,751	72,38,737
	4,11,661	72,38,737
 16 (Increase) / decrease in inventories	<u>31 March 2013</u>	<u>31 March 2012</u>
Inventories at the beginning of the year		
Finished goods	50,13,909	89,17,082
Work-in-progress	-	-
	50,13,909	89,17,082
Inventories at the end of the year		
Finished goods	1,39,81,978	50,13,909
Work-in-progress		
	1,39,81,978	50,13,909
 <i>(Increase) / decrease in inventories</i>	(89,68,069)	39,03,173
 <u>Details of inventory</u>	<u>31 March 2013</u>	<u>31 March 2012</u>
Finished goods - Readymade garments	1,39,81,978	50,13,909
 17 Employee benefits expense		
Salaries, wages and bonus	6,17,12,197	5,49,95,172
Contribution to provident fund and other fund	55,77,723	54,27,679
Gratuity expense	8,93,229	17,21,999
Staff welfare expenses	3,02,105	1,50,610
	6,84,85,254	6,22,95,460



18 Other expenses

Consumption of consumables, stores and spares	21,81,109	16,11,013
Power and fuel	29,82,488	29,27,268
Other manufacturing expenses	1,92,156	1,53,549
Job work charges paid	77,078	-
Security Expenses	20,20,847	14,74,131
Repairs and maintenance		
- Plant and machinery	1,90,724	1,59,445
- Buildings	1,88,415	1,88,522
- Others	10,88,265	3,69,852
Rent	1,63,52,629	1,37,10,604
Insurance	-	4,819
Rates and taxes	1,59,406	1,02,187
Legal and professional charges	4,87,163	2,34,796
Printing and stationery	45,057	76,526
Communication costs	1,00,751	1,33,145
Travelling and conveyance	10,23,150	6,57,701
Payment to auditors	86,528	86,517
Bad debts written off	-	1,31,754
Other Miscellaneous expenses	3,20,852	18,86,405
	2,74,96,617	2,39,08,234

Payment to auditor

As Auditor

Audit fees

86,528 86,517

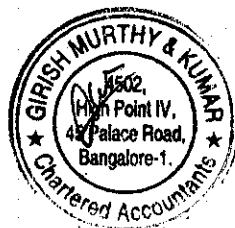
86,528 86,517

19 Depreciation and amortisation expense

Depreciation on tangible assets	12,23,606	16,03,228
	12,23,606	16,03,228

20 Finance costs

Bank charges	5,34,180	4,82,002
	5,34,180	4,82,002



SNS CLOTHING PRIVATE LIMITED

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

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 Wearhouse 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) and complies in all material respects with the notified accounting standards under Companies (Accounting Standards) Rules (as amended), 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2.1 Summary of Significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring material adjustment to the carrying amounts of assets and liabilities in future periods.

b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the customer.

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

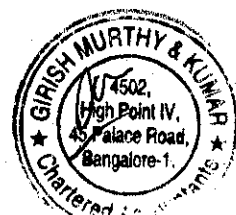
Revenues from job work contract are recognized as and when services are rendered.

Dividend income on investments is accounted when the right to receive the dividend is established as at reporting date.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Insurance / other claims are recognized on acceptance basis.

c) Fixed assets and depreciation/ amortization (tangible and intangible)

Fixed assets are stated at cost of acquisition/construction less accumulated depreciation and impairment losses if any, net of grants received, where applicable and subsequent improvements thereto including taxes, duties, freight, and other incidental expenses related to acquisition/construction. Any trade discounts and rebates are deducted in arriving at the purchase price.



Depreciation is provided using the written down value method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher.

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

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

Intangible assets comprising of Know-how (Process improvement costs) are amortized over 36 months.

d) Borrowing Costs

Borrowing costs includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs attributable to acquisition and construction of qualifying assets that necessarily takes substantial period of time to get ready for its intended use are capitalized as a part of the cost of such asset. All other borrowing costs are expensed in the period they occur.

e) Impairment of tangible and intangible assets

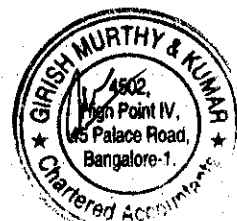
At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit and loss to the extent the carrying amount exceeds the recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f) Inventories

Raw materials, packing materials, stores, spares, and consumables are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished goods and work in progress are valued at lower of cost and net realisable value after considering provision for obsolescence and other anticipated loss, wherever considered necessary. Finished goods and work in progress includes cost of conversion and other production overheads. Cost is determined on a weighted average basis. Cost of finished goods includes excise duty.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



g) Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

h) Government Grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is netted off with the relevant expense. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

i) Investments

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged / credited to statement of profit and loss.

j) Retirement and Other Employee Benefits

(i) Defined Contribution Plans:

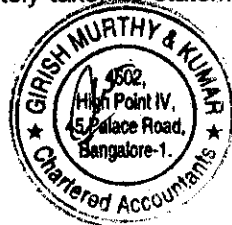
Contributions to provident fund are made at pre-determined rates and charged to the statement of profit and loss for the year when contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

(ii) Defined Benefit Plans:

Gratuity liability is accrued in the books based on actuarial valuation on projected unit credit method as at reporting date. Actuarial gains or losses are immediately taken to statement of profit and loss and are not deferred.

(iii) Compensated absences:

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the basis of an actuarial valuation using the projected unit credit method at the year end. Actuarial gains or losses are immediately taken to statement of profit and loss



and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

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

k) Taxation

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

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

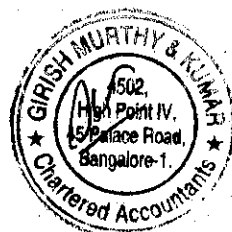
At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets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

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

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

l) Accounting for leases

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



m) Provisions

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

n) Segment Reporting Policies

(i) Identification of segments:

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

(ii) Basis of allocation:

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

(iii) Segment Policies:

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

o) Earnings Per Share

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

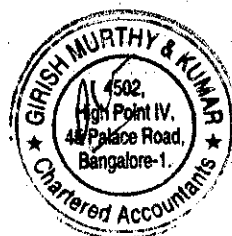
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Contingent Liability

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

q) Cash and Cash equivalents

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



Notes to Account

21. Contingent liabilities

(Amount in Rs.)

Particulars	2013	2012
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

22. Gratuity

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

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

Net employee benefit expense (in Profit and Loss Account)

(Amount in Rs)

	2013	2012
Current Service Cost	814,028	1,067,523
Interest cost on benefit obligation	168,467	118,022
Expected Return on Plan Assets	(58,635)	(75,318)
Actuarial gain/(loss)	(30,631)	611,772
Net benefit expense	893,229	1,721,999

Details of Provision for gratuity (in Balance Sheet)

(Amount in Rs)

	2013	2012
Defined benefit obligation	2,567,148	2,469,995
Fair value of plan asset	690,041	835,696
Plan liability	(1,877,107)	(1,634,299)

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

(Amount in Rs)

	2013	2012
Opening defined benefit obligation – Current	273,564	183,475
Opening defined benefit obligation – Non current	2,196,431	2,091,342
Opening defined benefit obligation - Total	2,469,995	2,274,817
Current Service Cost	814,028	1,067,523
Interest Cost	168,467	118,022
Benefits Paid	(855,933)	(1,599,077)
Actuarial (gain)/loss	(29,409)	608,710
Closing defined benefit obligation – Current	317,045	273,564
Closing defined benefit obligation – Non current	2,250,103	2,196,431
Closing defined benefit obligation	2,567,148	2,469,995



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

(Amount in Rs)

	2013	2012
Opening fair value of plan asset	835,696	1,119,499
Expected return	58,635	75,318
Actuarial gain/(loss)	1,222	(3,062)
Contributions by employer	0	0
Benefits Paid	(205,512)	(356,059)
Contribution for Benefits settled directly by company	650,421	1,243,018
Benefits settled directly by company	(650,421)	(1,243,018)
Closing fair value of plan asset	690,041	835,696

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

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

The Company expects to contribute Rs. 1,880,000 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.

23. 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):

(Amount in Rs)

Geographical Segment	Revenues	Carrying amount of segment assets (Debtors)
In India	129,620,834 (111,775,886)	138,968,603 (139,835,167)
Outside India		
Total	129,620,834 (111,775,886)	138,968,603 (139,835,167)

Note:

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



24. 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	80,612,915 (71,763,780)			80,612,915 (71,763,780)
Expenses re-imbursement	Nil (3,144,338)			Nil (3,144,338)
Garments Purchased	36,933,478 (25,321,569)			36,933,478 (25,321,569)
Interest Earned		Nil (6,762,739)		Nil (6,762,739)
Balances outstanding as at March 31, 2012				
-- Credit balances	Nil (Nil)			Nil (Nil)
-- Debit balances	137,523,941 (139,733,234)	(1,475,508)		137,523,941 (141,208,742)

Figures in brackets relate to previous year.



Disclosure for transactions that exceed 10% of total value of each class of transactions:
(Amount in Rs)

	2013	2012
Interest Earned from Fellow Subsidiaries		
Seven Hills Clothing Private Limited	-	1,541,507
Magenta Trading Private Limited	-	944,794
Reflexion Trading Private Limited	-	1,292,877
Rajdin Apparels Private Limited	-	1,541,506
Rishikesh Apparels Private Limited	-	1,442,055
Debit Balance of Fellow Subsidiaries		
Seven Hills Clothing Private Limited	-	336,329
Magenta Trading Private Limited	-	206,137
Reflexion Trading Private Limited	-	282,083
Rajdin Apparels Private Limited	-	336,329
Rishikesh Apparels Private Limited	-	314,630

25. 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.

26. Earnings per share

(Amount in Rs)

Particulars	2013	2012
Net profit for the year as per profit and loss account before exceptional items	418,540	300,705
Net profit for the year as per profit and loss account after exceptional items	418,540	300,705
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	20.93	15.04
After exceptional items		

27. Deferred taxes – Components asset / (liability)

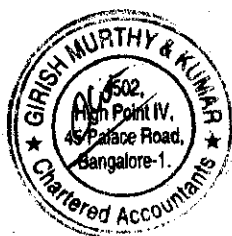
(Amount in Rs)

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			
C Relating to Loss carried forward	-		
Total	-		

28. Remuneration to directors

(Amount in Rs)

Particulars	2013	2012
Salaries	Nil	Nil



29. Loans to associates

(Amount in Rs.)

Name of the Company	2013		2012	
	Maximum balance outstanding during the year	Closing Balance	Maximum balance outstanding during the year	Closing Balance
Companies under the same management				
Magenta Trading Private Limited		-	9,500,000	-
Rishkesh Apparels Private Limited		-	14,500,000	-
Rajdin Apparels Private Limited		-	15,500,000	-
Reflexion Trading Private Limited		-	13,000,000	-
Seven Hills Clothing Private Limited		-	15,500,000	-
Total		-	68,000,000	-

30. CIF value of imports

Current Year : Nil Previous Period : Nil

31. Expenditure in foreign currency on accrual basis

Current Year : Nil Previous Period : Nil

32. 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				

33. Earnings in foreign currency

Current Year : Nil Previous Period : Nil

34. Sale by class of goods

Products	Unit	2012-2013		2011-2012	
		Quantity	Amount	Quantity	Amount
Readymade garments	Pcs	142,295	49,007,919	133,940	40,012,106
Total		142,295	49,007,919	133,940	40,012,106



35. Stock of Finished Goods

Products	Unit	2012-2013		2011-2012	
		Quantity	Amount	Quantity	Amount
Readymade garments	Pcs	52,669	13,981,978	24,410	50,13,909
Total		52,669	13,981,978	24,410	50,13,909

36. Raw materials consumed

Products	Unit	2012-2013 Amount	2011-2012 Amount
Consumables		21,81,109	16,11,013

37. Earnings in foreign currency

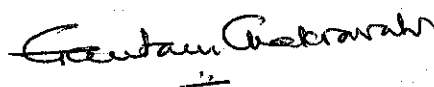
Current Year : Nil Previous Period : Nil

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.

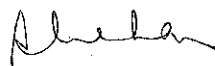
39. Previous year's figures have been regrouped/rearranged/reclassified, wherever necessary to conform to the current year's presentation.

Signatures to schedules 1 to 39

For and on behalf of the Board



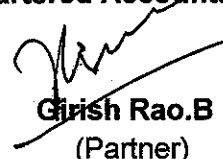
Gautam Chakravati
Director



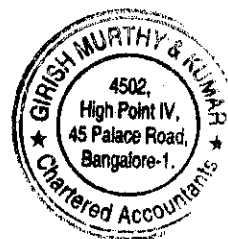
Sumit Keshan
Director

Bangalore:
Dated: May 15, 2013

As per our report of even date
For Girish Murthy & Kumar
Firm Regn. No. 000934S
Chartered Accountants


Girish Rao.B
(Partner)

(Membership No.85745)



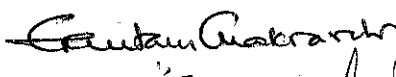
SNS CLOTHING PRIVATE LIMITED

Cash-flow statement for the year ended 31 March 2013

All amounts in Indian Rupees, except stated otherwise

PARTICULARS	2013	2012
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax from continuing operations	5,16,139	15,00,958
Loss before tax	5,16,139	15,00,958
Non-cash adjustment to reconcile profit before tax to net cash flow		
Depreciation/amortization on continuing operations	12,23,606	16,03,228
(Profit)/Loss on sale of assets (net)	(3,83,910)	
Assets Written off	-	5,22,709
Interest earned	1,200	68,27,914
Operating Profit before working capital changes	13,57,035	1,04,54,809
Movements in Working Capital :		
(Increase)/Decrease in inventories	(79,91,324)	37,75,655
(Increase)/Decrease in trade receivables	8,66,564	(7,15,48,978)
(Increase)/Decrease in other current assets	14,75,508	(13,41,369)
(Increase)/Decrease in non current loans and advances	(55,10,000)	3,50,000
(Increase)/Decrease in current loans and advances	(11,99,123)	6,99,80,985
Increase/(Decrease) in trade payables	(22,618)	(1,84,326)
Increase/(Decrease) in other current liabilities	94,12,863	(15,71,287)
Increase/(Decrease) in long term provisions	(5,82,836)	5,26,052
Increase/(Decrease) in short term provisions	8,53,690	1,89,916
Cash Generated from /(used in) Operations	(13,40,241)	1,06,31,457
Direct taxes paid (net of refunds)	(16,63,032)	(3,10,080)
Net Cash Flow from Operating Activities	(30,03,273)	1,03,21,378
Net Cash Flow from/(used in) Operating Activities	(30,03,273)	1,03,21,378
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	(1,200)	(68,27,914)
Purchase of Fixed Assets	(13,66,339)	(2,64,473)
Proceeds from Sale of Fixed Assets	11,86,500	51,452
Net Cash Flow from / (used in) Investing Activities	(1,81,039)	(70,40,935)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Net Cash Flow from / (used in) Financing Activities	-	-
D. Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(31,84,313)	32,80,442
E. Opening Balance of Cash & Cash Equivalents	59,09,720	26,29,278
F. Closing Balance of Cash & Cash Equivalents	27,25,407	59,09,720
Components of Cash and Cash Equivalents		
Cash on hand	1,02,399	2,92,784
Bank Balances with Scheduled Banks:		
-- in Current Accounts	26,23,008	56,16,936
	27,25,407	59,09,720
	27,25,407	59,09,720

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



Gautam Chakravarti

Director



Sumit Keshan

Director

Place : Bangalore

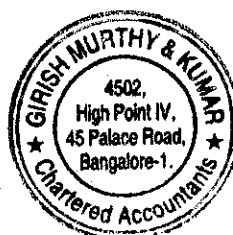
Date : 15th May, 2013

As per our report of even date

For GIRISH MURTHY & KUMAR

Firm Regn. No: 000934S

Chartered Accountants





GIRISH RAO.B

Partner

M.No. 85745