

SEVEN HILLS CLOTHING PRIVATE LIMITED**Balance Sheet as at 31 March 2014***All amounts in Indian Rupees, except stated otherwise*


	Notes	31 March 2014	31 March 2013
<u>EQUITY AND LIABILITIES</u>			
Shareholder's funds			
Share Capital	3	200,000	200,000
Reserves and Surplus	4	32,168,180	31,479,985
		32,368,180	31,679,985
Non- current liabilities			
Long-term Provisions	5	14,032,627	12,994,640
		14,032,627	12,994,640
Current Liabilities			
Trade payables	6	1,022,506	3,773,742
Other current liabilities	6	80,274,892	85,441,706
Short term provisions	5	13,522,902	9,576,166
		94,820,300	98,791,614
TOTAL		141,221,107	143,466,239
<u>ASSETS</u>			
Non-current assets			
Fixed assets	7		
Tangible assets		28,950,788	35,687,329
Intangible assets		-	-
		28,950,788	35,687,329
Non-current investments	8	200	200
Long-term loans and advances	9	70,049,621	69,556,679
Trade receivables	11	-	2,123,736
		99,000,609	107,367,944
Current assets			
Inventories	10	-	-
Trade receivables	11	31,994,212	31,269,424
Cash and Cash equivalents	12	9,117,280	3,388,847
Short-term loans and advances	9	1,109,006	1,440,024
		42,220,498	36,098,295
TOTAL		141,221,107	143,466,239
Summary of significant accounting policies	2		
The accompanying notes are integral part of the financial statements.			

Vide our report of even date,

For Satish & Ravi Associates

Firm Regn. No.007214S

Chartered Accountants,



(SATISH MAKHIYA)

Partner

M No. 204258

Place : Bangalore

Date : 8th May, 2014



For and on behalf of the Board
For Seven Hills Clothing Private Limited



Gautam Chakravarti
Director



Sumit Keshan
Director

SEVEN HILLS CLOTHING PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2014***All amounts in Indian Rupees, except stated otherwise***3 Share Capital****31 March 2014 31 March 2013**Authorised shares

20,000 (2013:20,000) Equity Shares of Rs. 10 each

200,000

200,000

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

20,000 (2013:20,000) 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 2014		31 March 2013	
	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 2014 Amount	31 March 2013 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 2014		31 March 2013	
	No.	shareholding %	No.	shareholding %
Equity shares of Rs.10 each fully paid Gokaldas Exports Ltd.,	20,000	100.00%	20,000	100.00%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2014

4 Reserves and Surplus	31 March 2014	31 March 2013
Securities Premium Reserve		
Balance as per last account	30,590,000	30,590,000
Surplus / (deficit) in the statement of profit and loss		
Balance as per last financial statements	889,985	707,095
Profit / (loss) for the year	688,195	182,890
Net surplus / (deficit) in the statement of profit and loss	1,578,180	889,985
Total Reserves and Surplus	32,168,180	31,479,985

5 Provisions

	Long Term		Short term	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Provision for employee benefits				
Provision for gratuity	14,032,627	12,994,640	3,018,574	1,968,172
Provision for leave benefits	-	-	10,504,328	7,607,994
	14,032,627	12,994,640	13,522,902	9,576,166

6 Trade payables and Other Current Liabilities

	31 March 2014	31 March 2013
Trade Payables		
to Micro and Small Enterprises	-	-
to Others	1,022,506	3,773,742
	1,022,506	3,773,742
Other current liabilities		
Employees benefit payable	62,445,290	66,066,932
Other expenses payable	8,212,143	8,270,181
Book Overdraft	225,640	422,490
ESI payable	2,154,352	2,569,321
Provident fund payable	6,221,200	6,352,155
TDS payable	866,504	700,349
Professional tax payable	139,888	134,700
Service tax payable	-	915,703
VAT & CST payable	9,875	9,875
	80,274,892	85,441,706
	81,297,398	89,215,448

8 Non-current investments

Non Trade investments [valued at cost unless stated otherwise]	31 March 2014	31 March 2013
Investment in Government Securities (unquoted)		
National Savings Certificate	200	200
	200	200

Aggregate amount of unquoted investments

200

SEVEN HILLS CLOTHING PRIVATE

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH, 31, 2014

7 Tangible assets

	Building	Improvement on lease hold rights	Electrical Equipments	Office Equipments	Furniture & Fixtures	Factory Equipments	Plant & Machinery	Computers	Vehicle	Total
At 31 March 2012	18,239,891	18,769,659	31,078,214	1,725,855	21,993,118	6,503,175	18,648,765	84,494	121,373	117,164,544
Additions		227,855	13,000		672,484					913,339
Disposals							11,832,790			11,832,790
At 31 March 2013	18,239,891	18,997,514	31,091,214	1,725,855	22,665,602	6,503,175	6,815,975	84,494	121,373	106,245,093
Additions	-	131,675	-	-	20,610	-	-	-	-	152,285
Disposals							-			-
At 31 March 2014	18,239,891	19,129,189	31,091,214	1,725,855	22,686,212	6,503,175	6,815,975	84,494	121,373	106,397,378
At 31 March 2012	13,177,990	8,450,789	16,907,172	928,432	14,649,111	3,582,519	10,982,181	81,429	109,367	68,868,990
Charge for the year	508,340	4,262,495	1,972,274	110,853	1,336,943	540,518	674,266	1,227	3,108	9,410,024
Disposals							7,721,250			7,721,250
At 31 March 2013	13,686,330	12,713,284	18,879,446	1,039,285	15,986,054	4,123,037	3,935,197	82,656	112,475	70,557,764
Charge for the year	457,506	2,672,756	1,698,862	279,762	1,229,607	281,002	266,291	736	2,304	6,888,826
Disposals							-			-
At 31 March 2014	14,143,836	15,386,040	20,578,308	1,319,047	17,215,661	4,404,039	4,201,488	83,392	114,779	77,446,590
Net Block										
At 31 March 2013	4,553,561	6,284,230	12,211,768	686,570	6,679,548	2,380,138	2,880,778	1,838	8,898	35,687,329
At 31 March 2014	4,096,055	3,743,149	10,512,906	406,808	5,470,551	2,099,136	2,614,487	1,102	6,594	28,950,788

SEVEN HILLS CLOTHING PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2014****9 Loans and advances**

(unsecured, considered good)

Security deposits

Others

Fellow subsidiaries

Advances recoverable in cash / kind

Advance Tax

Prepaid expenses

Loans and advances to employees

	Non-current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Security deposits				
Others	35,186,235	29,222,172	-	-
Fellow subsidiaries	-	-	-	343,060
Advances recoverable in cash / kind	-	-	211,608	114,327
Advance Tax	34,863,386	40,334,507	-	-
Prepaid expenses	-	-	206,740	460,482
Loans and advances to employees	-	-	690,658	522,155
	70,049,621	69,556,679	1,109,006	1,440,024

10 Inventories**31 March 2014** **31 March 2013**

	-	-
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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

	Non-current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
- Outstanding for a period exceeding six months from the date they are due for payment	-	2,123,736	-	-
- Other receivables	-	-	6,042,415	-
Due from Holding Company	-	-	25,951,797	31,269,424
	-	2,123,736	31,994,212	31,269,424

12 Cash and bank balancesCash and cash equivalents

Balance with banks :

-- in Current accounts

Cash on hand

	Current	
	31 March 2014	31 March 2013
Balance with banks : -- in Current accounts	9,053,116	3,189,448
Cash on hand	64,164	199,399
	9,117,280	3,388,847

SEVEN HILLS CLOTHING PRIVATE LIMITED**Statement of profit and loss for the year ended 31 March 2014***All amounts in Indian Rupees, except stated otherwise*

	Notes	31 March 2014	31 March 2013
Revenue from operations (Gross)	13	688,072,746	670,187,842
Other income	14	1,199,232	10,373,514
Total Revenue		689,271,978	680,561,356
Expenses			
(Increase) / decrease in inventories	15	-	3,763,530
Employee benefits expense	16	580,000,704	565,916,671
Other expenses	17	96,863,971	98,648,645
Depreciation and amortisation expense	18	6,888,826	9,410,024
Finance costs	19	36,659	46,897
Total Expenses		683,790,160	677,785,767
Profit before tax		5,481,818	2,775,589
Tax expense:			
Current tax		2,167,786	1,440,309
Tax of earlier years (net)		2,625,837	1,152,390
		4,793,623	2,592,699
Profit for the period		688,195	182,890
Earnings per equity share - (Nominal value per share - Rs. 10) :			
Basic		34.41	9.14
Diluted		34.41	9.14

Summary of significant accounting policies 2

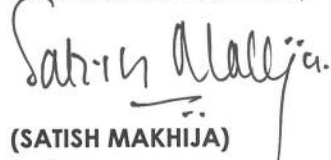
The accompanying notes are integral part of the financial statements.

Vide our report of even date,

For Satish & Ravi Associates

Firm Regn. No.007214S

Chartered Accountants,



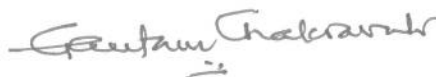
(SATISH MAKHIJA)

Partner

M No. 204258

Place : Bangalore

Date : 8th May, 2014

For and on behalf of the Board
For Seven Hills Clothing Private LimitedGautam Chakravarti
DirectorSumit Keshan
Director

SEVEN HILLS CLOTHING PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2014***All amounts in Indian Rupees, except stated otherwise*

	31 March 2014	31 March 2013
13 Revenue from operations		
Job work income	688,072,746	670,187,842
	688,072,746	670,187,842
14 Other Income		
Net gain on sale of fixed assets	-	231,560
Other non-operating income	1,199,232	10,141,954
	1,199,232	10,373,514
15 (Increase) / decrease in inventories		
Inventories at the beginning of the year		
Work-in-progress	-	3,763,530
	-	3,763,530
Inventories at the end of the year		
Work-in-progress	-	-
	-	-
	-	3,763,530
16 Employee benefits expense		
Salaries, wages and bonus	492,798,973	478,892,913
Contribution to provident fund and other fund	59,000,334	56,280,517
Gratuity expense	5,744,147	6,800,089
Staff welfare expenses	22,457,250	23,943,152
	580,000,704	565,916,671
17 Other expenses		
Power and fuel	20,978,567	20,612,506
Job work charges	2,288,546	7,176,180
Other manufacturing expenses	77,707	126,042
Repairs and maintenance		
- Plant and machinery	518,527	1,311,901
- Buildings	1,074,439	552,980
- Others	931,253	2,770,737
Rent	56,791,497	51,804,497
Insurance	24,840	30,552
Rates and taxes	518,808	530,066
Legal and professional charges	3,192,632	3,166,647
Printing and stationery	37,605	54,096
Communication costs	144,055	120,906
Travelling and conveyance	1,544,270	1,689,125
Payment to auditors	82,000	82,000
Other Miscellaneous expenses	8,659,225	8,620,410
	96,863,971	98,648,645
<u>Payment to auditor</u>		
As Auditor		
Audit fees	82,000	82,000
	82,000	82,000
18 Depreciation and amortisation expense		
Depreciation on tangible assets	6,888,826	9,410,024
	6,888,826	9,410,024
19 Finance costs		
Bank charges	36,659	46,897
	36,659	46,897

Notes to Account

20. Contingent liabilities

(Amount in Rs.)

Particulars	2014	2013
Claims against the Company not acknowledged as debts	2,167,394	266,031
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

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)

	2014	2013
Current Service Cost	3,061,044	6,340,512
Interest cost on benefit obligation	1,427,473	1,023,711
Expected Return on Plan Assets	(201,374)	(277,184)
Actuarial gain/(loss)	1,457,004	(286,950)
Net benefit expense	5,744,146	6,800,089

Details of Provision for gratuity (in Balance Sheet)

(Amount in Rs)

	2014	2013
Defined benefit obligation	19,097,500	17,993,247
Fair value of plan asset	2,046,299	3,030,435
Liability recognized in the balance sheet	(17,051,200)	(14,962,812)

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

(Amount in Rs)

	2014	2013
Opening defined benefit obligation – Current	1,968,172	172,962
Opening defined benefit obligation	16,025,075	13,721,682
Current Service Cost	3,061,044	6,340,512
Interest Cost	1,427,473	1,023,711
Benefits Paid	(4,682,268)	(2,972,044)
Actuarial (gain)/loss	1,298,004	(293,576)
Closing defined benefit obligation	19,097,500	17,993,247
Closing defined benefit obligation – Current	3,018,574	1,968,172
Closing defined benefit obligation – Non current	16,078,926	16,025,075

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

(Amount in Rs)

	2014	2013
Opening fair value of plan asset	3,030,435	4,169,720
Expected return	201,374	277,184
Actuarial gain/(loss)	(159,000)	(6,626)
Contributions (less risk premium, service tax)	-	-
Benefits Paid	(1,026,510)	(1,409,843)
Contribution for Benefits settled directly by company	3,665,758	1,562,201
Benefits settled directly by company	(3,655,758)	(1,562,201)
Closing fair value of plan asset	2,046,299	3,030,435

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

Interest Rate	9.12%	8.25%
Discount Factor	9.12%	8.25%
Estimated Rate of return on Plan Assets	8.00%	8.00%
Attrition Rate	40.00%	40.00%
Rate of escalation in Salary per annum	20.00%	5.00%
Retirement Age	60	60

The Company expects to contribute Rs.19,100,000 to gratuity fund in 2014-15.

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

	2014	2013
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	688,072,746 (670,187,842)	31,994,212 (31,269,424)
Outside India		
Total	688,072,746 (670,187,842)	31,994,212 (31,269,424)

Note:

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

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 All Colour Garments Private Limited SNS Clothing Private Limited Vignesh Apparels Private Limited
b.	<i>Key management personnel:</i>	
(i)	Director	Mr. GautamChakravarti
(ii)	Director	Mr. SumitKeshan

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)

Figures in brackets relate to previous year.

Nature of transactions	Holding Company	Fellow Subsidiaries	Others	Total
	A(a)	A(a)	A(c)	
Income				
Job work charges	668,494,745 (663,456,690)			668,494,745 (663,456,690)
Balances outstanding as at March 31, 2014				
-- Credit balances	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
-- Debit balances	25,951,797 (31,269,424)	Nil (343,060)	Nil (Nil)	25,951,797 (31,612,484)

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

(Amount in Rs)

	2014	2013
Debit Balances in Fellow Subsidiaries		
Reflexion Trading Private Limited	-	70,000
Madhin Trading Private Limited	-	22,060
Rishikesh Apparels Private Limited	-	251,000

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	2014	2013
Net profit for the year as per profit and loss account before exceptional items	688,195	182,891
Net profit for the year as per profit and loss account after exceptional items	688,195	182,891
Weighted average number of equity shares (Nos.)	20,000	20,000
Nominal value per share	10	10
Earnings per share – Basic and diluted	34.41	9.14
Before exceptional items		
After exceptional items		

26. Deferred taxes – Components Assets / (Liability)

(Amount in Rs)

Particulars	As at March 31, 2013	Current year charge/(credit)	As at March 31, 2014
Difference between book and tax base of fixed assets	-	-	-
Retirement benefits allowed on payment basis accrued in books			
Total	-	-	-

27. Remuneration to directors

(Amount in Rs)

Particulars	2014	2013
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. Imported and indigenous raw materials, stores and spare parts consumed

Particulars	2014		2013	
	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				

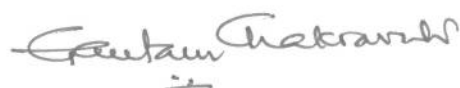
31. Earnings in foreign currency

Current Year : Nil Previous Period : Nil

32. 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.
33. Previous year's figures have been regrouped/rearranged/reclassified, wherever necessary to conform to the current year's presentation.

Signatures to schedules 1 to 33

For and on behalf of the Board



GautamChakravarti
Director

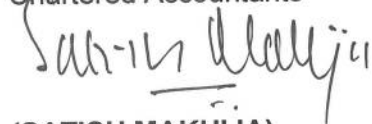


SumitKeshan
Director

For Satish& Ravi Associates

Firm Regn. No.007214S

Chartered Accountants



(SATISH MAKHIYA)

(Partner)

M.N.204258



Place: Bangalore
Dated: May 8, 2014

SEVEN HILLS CLOTHING PRIVATE LIMITED

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

PARTICULARS	2014	2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax from continuing operations	5,481,818	2,775,589
Profit before tax	5,481,818	2,775,589
Non-cash adjustment to reconcile profit before tax to net cash flow		
Depreciation/amortization on continuing operations	6,888,826	9,410,024
(Profit)/Loss on sale of assets (net)	-	(231,560)
Interest earned	-	(77,458)
Operating Profit before working capital changes	12,370,644	11,876,595
Movements in Working Capital :		
(Increase)/Decrease in inventories	-	3,763,530
(Increase)/Decrease in trade receivables	(724,788)	(23,257,602)
(Increase)/Decrease in other non current assets	2,123,736	(2,123,736)
(Increase)/Decrease in non current loans and advances	(5,964,063)	263,500
(Increase)/Decrease in current loans and advances	331,018	(239,285)
Increase/(Decrease) in trade payables	(2,751,236)	179,435
Increase/(Decrease) in other current liabilities	(5,166,814)	8,515,449
Increase/(Decrease) in long term provisions	1,037,987	(4,489,888)
Increase/(Decrease) in short term provisions	3,946,736	8,979,876
Cash Generated from / (used in) Operations	5,203,220	3,467,874
Direct taxes paid (net of refunds)	677,498	(13,627,349)
Net Cash Flow from Operating Activities	5,880,718	(10,159,475)
Net Cash Flow from / (used in) Operating Activities after Extraordinary item	5,880,718	(10,159,475)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	-	77,458
Purchase of Fixed Assets	(152,285)	(913,339)
Proceeds from Sale of Fixed Assets	-	4,343,100
Net Cash Flow from / (used in) Investing Activities	(152,285)	3,507,219
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)	5,728,433	(6,652,256)
E. Opening Balance of Cash & Cash Equivalents	3,388,847	10,041,103
F. Closing Balance of Cash & Cash Equivalents	9,117,280	3,388,847
Components of Cash and Cash Equivalents		
Cash on hand	64,164	199,399
Bank Balances with Scheduled Banks:		
-- in Current Accounts	9,053,116	3,189,448
	9,117,280	3,388,847
	9,117,280	3,388,847

For Satish & Ravi Associates

Firm Regn. No.007214S

Chartered Accountants,

Satish Makhiya
(SATISH MAKHIYA)

Partner

M No. 204258

Place : Bangalore

Date : 8th May, 2014



For and on behalf of the Board
For Seven Hills Clothing Private Limited

Gautam Chakravarti
Gautam Chakravarti
Director

Sumit Keshan
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