

INDEPENDENT AUDITOR'S REPORT

To the Members of Seven Hills Clothing Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Seven Hills Clothing Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers

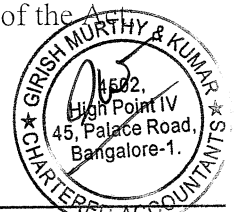
internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its losses including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act.



**GIRISH
MURTHY & KUMAR**
Chartered Accountants

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - The disclosure for holding and dealings of Specified Bank Notes is not applicable for the year ended March 31, 2018 and accordingly not reported by us.

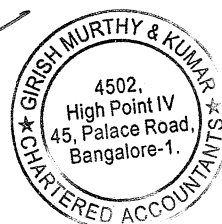
PLACE: BANGALORE

DATE: May 22, 2018

FOR GIRISH MURTHY & KUMAR
Chartered Accountants


Girish Rao B
Partner.

Membership No: 085745
FRN No.000934S



Annexure 1 referred to in clause 1 of paragraph on Report on Other Legal and Regulatory Requirements of our report of even date

Re: Seven Hills Clothing Private Limited

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c). Since there is no immovable properties held by the company, this clause is not applicable
- II. (a) The Company has neither purchased nor sold any raw material or finished goods during the year. Further the Company is not holding any stock of inventory at the year end. Hence the physical verification of inventories and maintenance of inventory records are not applicable to the Company.
- b) The Company has not maintained the records for inventory, as the Company has not purchased nor sold any raw material or finished goods during the year. Further the Company is not holding any stock of inventory at the year end.
- III. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to the companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act,2013.
- IV. In our opinion and according to the information and explanation given to us the company has not granted any loan, made any investments, gave any guarantee or provided security in connection with a loan to any other body corporate or person in contravention of section 185 and 186 of the Companies Act,2013.
- V. According to the information and explanation given to us the company has not accepted deposits from the public during the year. Accordingly clause 3 (V) of the order is not applicable.
- VI. According to the information and explanation given to us the Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act, 2013 for the activities carried out by the Company, and hence Clause 3 (VI) of the order is not applicable.
- VII. a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing

undisputed statutory dues including Provident Fund, employees' state insurance Income-Tax, Sales tax, GST, Service Tax, Value added Tax, Cess and any other statutory dues with the appropriate authorities. We are informed by the company that the Excise, Customs and Wealth Tax are not applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

b. According to the information and explanations given to us, no disputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, value added tax, cess and other material statutory dues were outstanding, at the year end, except in the cases as follows.

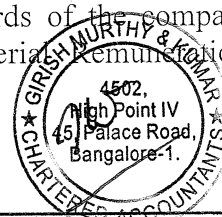
Name of Statute	Nature of dues	Demand Amount (Rs.)	Amount paid	Period to which the amount relates	Forum where dispute is pending
The employees Provident Funds and Misc Provision Act , 1952	Interest and penal damages on PF dues	16,97,982	-	April 2005-2008	Employees provident Fund Tribunal

VIII. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that, the company has not taken any loan from a financial institution or bank or Government or are there any dues to debenture holders. Accordingly reporting requirement under this clause is not applicable.

IX. The company did not raise any money by way of initial public offer or further public offer (Including debt instrument) or has taken term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.

X. During the course of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of fraud by the company or on the company by its officers or employees of the company during the year.

XI. According to the information and explanation given to us and the records of the company examined by us the Company has not paid or provided any managerial remuneration. Accordingly, paragraph 3 (xi) of the order is not applicable.



**GIRISH
MURTHY & KUMAR**
Chartered Accountants

XII. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the order is not applicable.

XIII. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that all the transaction with the related parties are in compliance with section 177 and 188 of Companies Act.2013 and the details of the transactions have been disclosed in the Financial Statements as per applicable accounting Standards.

XIV. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that the Company has not made any preferential allotment or private placement of shares or fully or partly debentures during the year under review.

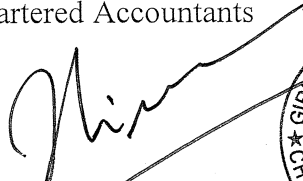
XV. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that that the Company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the order is not applicable.

XVI. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that that the Company is not required to be Registered under Section 45-IA of the Reserve Bank of India.

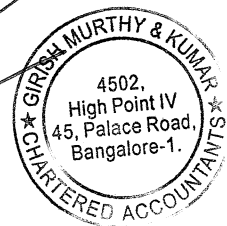
PLACE: BANGALORE

DATE: May 22, 2018

FOR GIRISH MURTHY & KUMAR
Chartered Accountants


Girish Rao B
Partner.

Membership No: 085745
FRN No.000934S



Annexure 2 to Auditors' Report of even date

Report on the Internal Controls on Financial Controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ("the Act")

Re: Seven Hills Clothing Private Limited

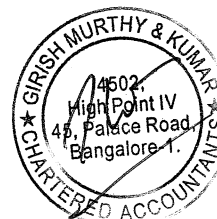
We have audited the internal financial controls over financial reporting of Seven Hills Clothing Private Limited (Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

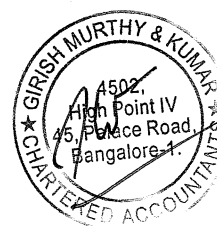
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



**GIRISH
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Chartered Accountants

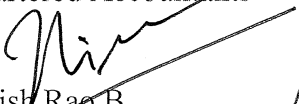
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

PLACE: BANGALORE

DATE: May 22, 2018

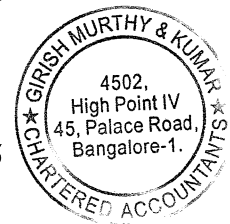
FOR GIRISH MURTHY & KUMAR
Chartered Accountants


Girish Rao B

Partner.

Membership No: 085745

FRN No.000934S

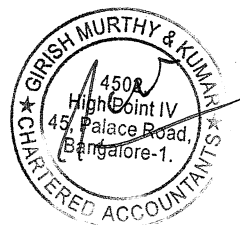


SEVEN HILLS CLOTHING PRIVATE LIMITED

Standalone Balance Sheet as at March 31, 2018

All amounts in Indian Rupees, except stated otherwise

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non- current assets				
Property, plant and equipment	3	3,856,538	4,910,092	7,583,476
Financial assets				
Investments	4	-	-	200
Loans	5	20,405,265	20,406,265	24,898,183
Non current tax assets (net)	6	27,302,712	17,685,308	11,623,087
Other non current assets	7	6,188,432	6,188,432	-
Total non-current assets		57,752,947	49,190,097	44,104,946
Current assets				
Financial assets				
Trade receivables	8	2,977,134	102,267,163	129,791,212
Cash and cash equivalents	9	742,738	2,053,592	6,443,512
Other financials assets	10	1,127,753	917,320	1,234,702
Other current assets	7	8,976,072	792,118	158,933
Total current assets		13,823,697	106,030,193	137,628,359
Total assets		71,576,644	155,220,290	181,733,305



SEVEN HILLS CLOTHING PRIVATE LIMITED

Standalone Balance Sheet as at March 31, 2018

All amounts in Indian Rupees, except stated otherwise

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	11	200,000	200,000	200,000
Other equity	12	33,122,664	33,055,772	32,785,833
Total equity		33,322,664	33,255,772	32,985,833
LIABILITIES				
Current liabilities				
Financial liabilities				
Trade payables	13	6,675,948	10,728,951	19,161,984
Other current financial liabilities	14	30,284,067	66,602,762	61,056,087
Other current liabilities	15	990,203	10,308,887	23,391,314
Short term provisions	16	303,762	34,323,918	45,138,087
Total current liabilities		38,253,980	121,964,518	148,747,472
Total liabilities		38,253,980	121,964,518	148,747,472
Total equity and liabilities		71,576,644	155,220,290	181,733,305

Summary of significant accounting policies.

2.1

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For GIRISH MURTHY & KUMAR

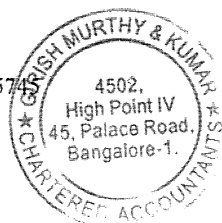
ICAI firm Registration Number : 000934S

Chartered Accountants

per **Girish Rao B**

Partner

Membership No.: F-8574



Place: Bengaluru

Date: May 22, 2018

For and on behalf of the Board of Directors of

SEVEN HILLS CLOTHING PRIVATE LIMITED

Director

RAMYA K
DIN: 07214084

Director

SATHYAMURTHY A
DIN: 07425034



Place: Bengaluru

Date: May 22, 2018

Place: Bengaluru

Date: May 22, 2018

SEVEN HILLS CLOTHING PRIVATE LIMITED
Standalone Statement of Profit and Loss for the year ended March 31, 2018
All amounts in Indian Rupees, except stated otherwise

	Notes	March 31, 2018	March 31, 2017
I Income			
Revenue from operations	17	235,484,755	653,614,960
Other income	18	-	6,930,157
Total income		235,484,755	660,545,117
II Expenses			
Employee benefits expense	19	154,682,898	530,555,000
Finance costs	20	61,303	71,721
Depreciation expenses	21	1,053,554	2,673,384
Other expenses	22	84,643,812	125,030,762
Total expenses		240,441,567	658,330,867
III Profit/(Loss) before tax for the period (I-II)		(4,956,812)	2,214,250
IV Tax expenses			
Current tax		91,247	341,200
Adjustment of tax relating to earlier years		320,321	1,436,171
		411,568	1,777,371
V Profit/(Loss) after tax for the period (III-IV)		(5,368,380)	436,879
VI Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plan		5,435,272	(166,940)
Income tax effect		-	-
Items that will be reclassified to profit or loss in subsequent periods		-	-
Total other comprehensive income/ (loss) for the year, net of tax		5,435,272	(166,940)
VII Total comprehensive income for the period attributable to equity holders (V+VI)		66,892	269,939
VIII Earnings per equity share [nominal value of Rs. 10 (March 31, 2017- Rs. 10)]	24		
Basic and diluted		(268.42)	21.84
Weighted average number of shares - Basic and diluted		20,000	20,000

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For GIRISH MURTHY & KUMAR

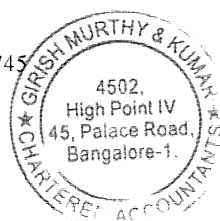
ICAI firm Registration Number : 000934S

Chartered Accountants

per Girish Rao B

Partner

Membership No.: F-85745



Place: Bengaluru

Date: May 22, 2018

For and on behalf of the Board of Directors of
SEVEN HILLS CLOTHING PRIVATE LIMITED

Director
 RAMYA K
 DIN: 07214084

Director
 SATHYAMURTHY A
 DIN: 07425034



Place: Bengaluru

Date: May 22, 2018

Place: Bengaluru

Date: May 22, 2018

SEVEN HILLS CLOTHING PRIVATE LIMITED

Standalone statement of changes in equity for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

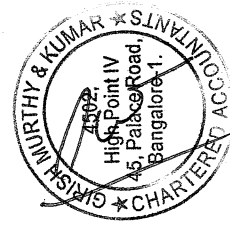
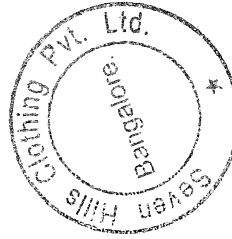
a. Equity share capital

	No of Shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
At April 1, 2016	20,000	200,000
At March 31, 2017	20,000	200,000
At April 1, 2017	20,000	200,000
At March 31, 2018	20,000	200,000

b. Other equity

For the year ended March 31, 2018

	Reserves and Surplus		Total
	Securities premium reserve	Retained earnings	
As at April 1, 2017	30,590,000	2,465,772	33,055,772
Profit / (loss) for the year	-	(5,368,380)	(5,368,380)
Other comprehensive income	-	5,435,272	5,435,272
Total comprehensive income	-	66,892	66,892
At March 31, 2018	30,590,000	2,532,664	33,122,664



SEVEN HILLS CLOTHING PRIVATE LIMITED

Standalone statement of changes in equity for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

For the year ended March 31, 2017

	Reserves and Surplus		Total
	Securities premium reserve	Retained earnings	
As at April 1, 2016	30,590,000	2,195,833	32,785,833
Profit / (loss) for the period	-	436,879	436,879
Other comprehensive income	-	(166,940)	(166,940)
Total comprehensive income	-	269,939	269,939
At March 31, 2017	30,590,000	2,465,772	33,055,772

Refer note 2.1 for summary of significant accounting policies.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For GIRISH MURTHY & KUMAR

ICAI firm Registration Number : 000934S

Chartered Accountants

per Girish Rao B

Partner

Membership No.: F-85745

Place: Bengaluru
Date: May 22, 2018



For and on behalf of the Board of Directors of
SEVEN HILLS CLOTHING PRIVATE LIMITED

Director

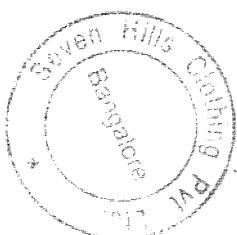
RAMYA K
DIN:07214084

Director

SATHYAMURTHY A
DIN:07425034

Place: Bengaluru
Date: May 22, 2018

Place: Bengaluru
Date: May 22, 2018



SEVEN HILLS CLOTHING PRIVATE LIMITED
Standalone cash flow statement for the year ended March 31, 2018
All amounts in Indian Rupees, except stated otherwise

	Notes	March 31, 2018	March 31, 2017
Cash flow from operating activities			
Profit before tax		(4,956,812)	2,214,250
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation expenses		1,053,554	2,673,384
Re-measurement gains/ (losses) on defined benefit plan		5,435,272	(166,940)
Interest income on income tax refund		-	(356,120)
<i>Working capital adjustments:</i>			
(Increase)/ decrease in trade receivables		99,290,029	27,524,049
(Increase)/ decrease in other financial and non-financial assets		(8,393,387)	(2,012,317)
Increase/ (decrease) in trade payables		(4,053,003)	(8,433,033)
Increase/ (decrease) in provisions		(34,020,156)	(10,814,169)
Increase/ (decrease) in other financial and non-financial liabilities		(45,637,379)	(7,535,752)
		8,718,118	3,093,352
Income tax paid (net of refund)		(10,028,972)	(7,483,472)
Net cash flows from/ (used in) operating activities (A)		(1,310,854)	(4,390,120)
Cash flow from investing activities		-	200
Net cash flows from/ (used in) investing activities (B)		-	200
Cash flow from financing activities		-	-
Net cash flows from/ (used in) financing activities (C)		-	-
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(1,310,854)	(4,389,920)
Cash and cash equivalents at the beginning of the year	9	2,053,592	6,443,512
Cash and cash equivalents at the end of the year		742,738	2,053,592

Components of cash and cash equivalents

Balances with banks			
On current accounts		663,238	1,746,976
Cash on hand		79,500	306,616
Total cash and cash equivalents	9	742,738	2,053,592

Summary of significant accounting policies

2.1

As per our report of even date

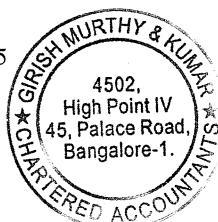
For GIRISH MURTHY & KUMAR

ICAI firm Registration Number : 000934S

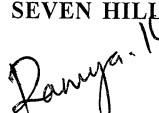
Chartered Accountants

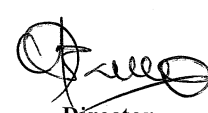
 per Girish Rao B
Partner

Membership No.: F-85745


 Place: Bengaluru
Date: May 22, 2018

 For and on behalf of the Board of Directors of
SEVEN HILLS CLOTHING PRIVATE LIMITED


 Director
RAMYA K
 DIN:0721408


 Director
SATHYAMURTHY A
 DIN:07425034


 Place: Bengaluru
Date: May 22, 2018

 Place: Bengaluru
Date: May 22, 2018

SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

1 Corporate information

Seven hills Clothing Private Limited ('the Company') was incorporated on June 18, 2004. The Company took over all the assets and liabilities of M/s Euro Clothing Company and Triangle Apparels as a going concern on July 1, 2004. The Company became a subsidiary of Gokaldas Exports Limited (formerly known as Gokaldas India Private Limited) on December 1, 2004.

The Board of directors of the Company at its meetings held on September 16, 2016 and January 30, 2017 had approved the amalgamation/merger of the Company with Gokaldas Exports Limited ('the holding Company'), subject to necessary approvals. The appointed date of the amalgamation is April 1, 2016. The scheme of amalgamation has been filed with the Hon'ble National Company Law Tribunal on February 23, 2017.

2 Basis of preparation of standalone financial statements and significant accounting policies

a. Basis of preparation of standalone financial statements

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as 'Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016, as amended with effect from April 1, 2017. The standalone financial statements of the Company, have been prepared and presented in accordance with Ind AS. Previous period / year numbers in the standalone financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of the standalone financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2016 ('Previous Indian GAAP') to Ind AS of Shareholders' equity as at March 31, 2017 and April 1, 2016 and total comprehensive income for the year ended March 31, 2018.

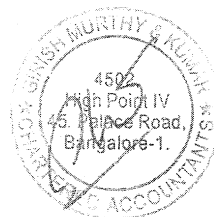
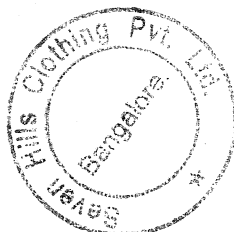
These standalone financial statements have been prepared in accordance with Ind AS 34 Interim Financial Reporting as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013. The standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

b. Functional and presentation currency

The functional and presentation currency of the Company is Indian Rupee (Rs.) which is the currency of the primary economic environment in which the Company operates. All amounts have been rounded-off to the nearest rupees, unless otherwise indicated.

c. Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses for the period reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

Key source of estimation of uncertainty at the date of standalone financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment and valuation of deferred tax assets, share based payments and provisions and contingent liabilities.

d. Standards issued but not yet effective

The standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IND AS 115 - Revenue from Contracts with Customers:

In March 2018, the Ministry of Corporate Affairs has notified Ind AS 115 (Revenue from Contracts with Customers) which would be applicable for accounting periods beginning on or after April 1, 2018. This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Company is in the process of evaluating the requirements of the said standard and its impact on its financial statements.

2.1 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

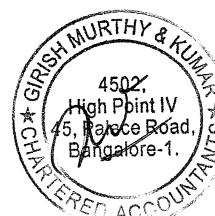
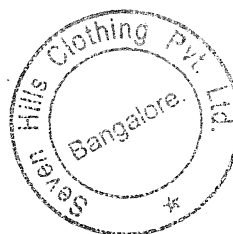
The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

b. Fair value measurement of financial instruments

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- > In the principal market for the asset or liability, or
- > In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

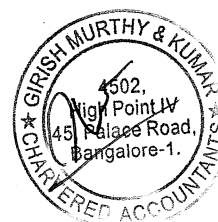
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

c. Foreign currencies

In preparing the standalone financial statements, transactions in the currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, sales tax/ value added tax (VAT)/ goods and service tax is not received by the Company on its own account. Rather, it is tax collected on value added to the goods by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts.

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, which is generally when shareholders approve the dividend.

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the statement of profit and loss.

Insurance / other claims are recognized on acceptance basis.

e. Government grants

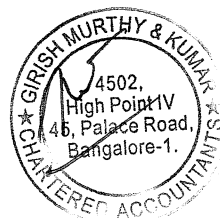
The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as income in the statement of profit and loss upon fulfilment of the conditions attached to the grant received. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Export incentives are recognized on accrual basis in accordance with the applicable schemes formulated, by the Government of India and where there is reasonable assurance that the enterprise will comply with the conditions attached to them.

f. Taxes

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

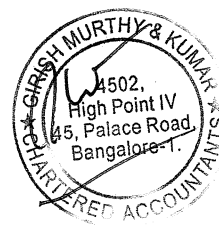
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

g. Property, plant and equipment (PPE) and Intangible assets and Depreciation / amortization

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at March 31, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on April 1, 2016.



SEVEN HILLS CLOTHING PRIVATE LIMITED**Notes to the standalone financial statements for the year ended March 31, 2018***All amounts in Indian Rupees, except stated otherwise*

Capital work in progress, property, plant and equipment is stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are de-recognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component / part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

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.

Category of asset	Buildings	Plant and machinery	Electrical equipments	Office equipments	Furniture & Fixtures	Computers	Vehicles
Estimated useful life (in years)	30	15	10	5	10	3	8

Leasehold improvements are capitalized at cost and amortized over the lesser of their expected useful life or the non-cancellable term of the lease, whichever is less.

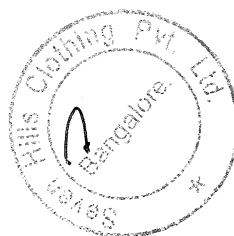
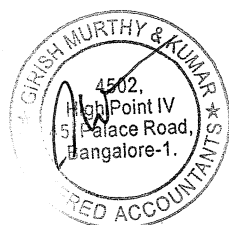
An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

h. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

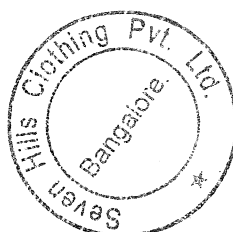
A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, at the present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- a. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

j. Investments

Investment in subsidiaries is carried at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, the investment is written down immediately to its recoverable amount and the difference is charged to profit or loss.

On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

All equity investments in scope of Ind AS 109 are measured at fair value. The Company may take an irrevocable election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of amounts from OCI to Statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

k. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packing materials, stores, spares and consumables: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. 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.

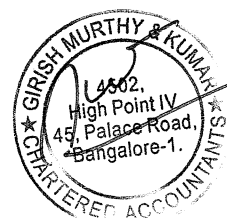
Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis. These are valued at lower of cost and net realisable value after considering provision for obsolescence and other anticipated loss, wherever considered necessary.

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

l. Provisions and contingent liability

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

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 standalone financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

m. Retirement and other employee benefits

Retirement benefit in the form of provident fund, pension fund and superannuation fund are defined contribution scheme. The Company has no obligation, other than the contribution payable. The Company recognises contribution payable to provident fund, pension fund and superannuation fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is a defined benefit obligation which is funded through policy taken from Life Insurance Corporation of India('LIC') and liability (net of fair value of investment in LIC) is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each balance sheet date. Every employee who has completed 4 years 240 days or more of the service gets a gratuity on departure at 15 days' salary (last drawn salary) of each completed year of service. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

The Company presents the leave as a current liability in the standalone balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

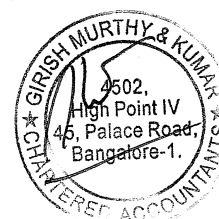
The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the standalone balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- a. The date of the plan amendment or curtailment, and
- b. The date that the Company recognises related restructuring costs



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b. Net interest expense or income

n. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to subsidiaries, associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by subsidiaries, associates and joint ventures are measured at cost less impairment.

Investment in preference shares/ debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares/ debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

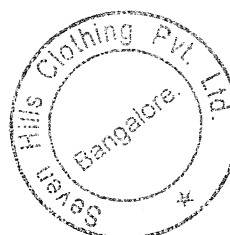
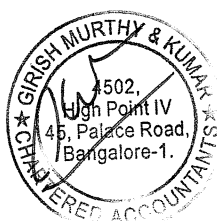
Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

The company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Impairment loss on investments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

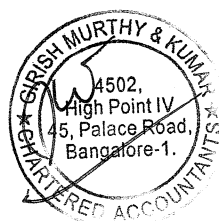
If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

i. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

ii. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Off-setting of financial instruments

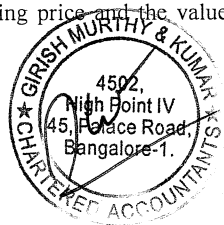
Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o. Impairment of non-financial assets

As at the end of each accounting year, the company reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary, associate and joint venture companies to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

p. Earnings per share

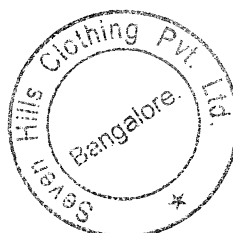
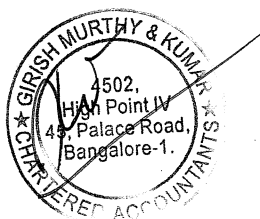
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are 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 such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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. Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

q. Cash and Cash equivalent

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

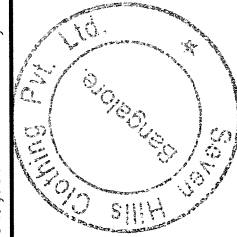
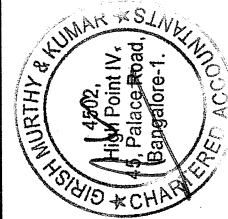
3 Property, plant and equipment

	Buildings	Leaschold improvements	Plant & Machinery	Electrical equipments	Office equipments	Furniture & Fixtures	Computers	Vehicle	Factory Equipments	Total
Deemed Cost										
At April 1, 2016	442,820	21,240	2,044,404	2,319,081	114,891	1,649,731	4,224	6,068	981,017	7,583,476
At March 31, 2017	442,820	21,240	2,044,404	2,319,081	114,891	1,649,731	4,224	6,068	981,017	7,583,476
At March 31, 2018	442,820	21,240	2,044,404	2,319,081	114,891	1,649,731	4,224	6,068	981,017	7,583,476
Depreciation										
At April 1, 2016	-	-	-	-	-	-	-	-	-	-
Charge for the year	115,473	-	198,256	1,227,503	15,054	747,163	-	-	369,935	2,673,384
At March 31, 2017	115,473	-	198,256	1,227,503	15,054	747,163	-	-	369,935	2,673,384
Charge for the year	105,796	-	100,059	322,392	-	267,657	-	-	257,650	1,053,554
At March 31, 2018	221,269	-	298,315	1,549,895	15,054	1,014,820	-	-	627,585	3,726,938
Net Book value										
At March 31, 2018	221,551	21,240	1,746,089	769,186	99,837	634,911	4,224	6,068	353,432	3,856,538
At March 31, 2017	327,347	21,240	1,846,148	1,091,578	99,837	902,568	4,224	6,068	611,082	4,910,092
At April 1, 2016	442,820	21,240	2,044,404	2,319,081	114,891	1,649,731	4,224	6,068	981,017	7,583,476

Note:

a) For property, plant and equipment existing as on the date of transition to Ind AS, i.e., 1 April 2016, the Company has used previous GAAP carrying value as deemed cost. Information regarding gross block of assets, accumulated depreciation is as follows:

	Buildings	Leaschold improvements	Plant & Machinery	Electrical equipments	Office equipments	Furniture & Fixtures	Computers	Vehicle	Factory Equipments	Total
Cost	12,909,811	4,692,798	6,815,975	23,123,033	1,725,855	19,089,456	84,494	121,373	6,503,175	75,065,970
Accumulated depreciation	12,466,991	4,671,558	4,771,571	20,803,952	1,610,964	17,439,725	80,270	115,305	5,522,158	67,482,494
Net book value as per previous GAAP	442,820	21,240	2,044,404	2,319,081	114,891	1,649,731	4,224	6,068	981,017	7,583,476
Deemed cost	442,820	21,240	2,044,404	2,319,081	114,891	1,649,731	4,224	6,068	981,017	7,583,476



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

*All amounts in Indian Rupees, except stated otherwise***4 Non-current investments**

	March 31, 2018	March 31, 2017	April 1, 2016
Investments in government securities (unquoted)			
National savings certificate	-	-	200
	-	-	200

5 Non current Loans

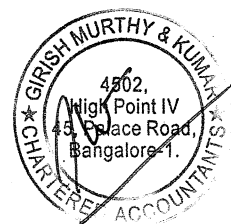
	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, considered good			
Security and other deposits	20,405,265	20,406,265	24,898,183
	20,405,265	20,406,265	24,898,183

6 Non current tax assets (net)

	March 31, 2018	March 31, 2017	April 1, 2016
Advance tax	27,302,712	17,685,308	11,623,087
	27,302,712	17,685,308	11,623,087

7 Other current / non-current assets

	March 31, 2018	March 31, 2017	April 1, 2016
Non current			
Unsecured, considered good			
Capital advances	6,188,432	6,188,432	-
	6,188,432	6,188,432	-
Current			
Unsecured, considered good			
Prepaid expenses	-	359,667	-
Balances with statutory / government authorities	-	-	-
Other receivables	8,752,773	-	-
Advance to suppliers	223,299	432,451	158,933
	8,976,072	792,118	158,933



SEVEN HILLS CLOTHING PRIVATE LIMITED**Notes to the standalone financial statements for the year ended March 31, 2018***All amounts in Indian Rupees, except stated otherwise***8 Trade receivables**

	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Trade receivables			
Unsecured, considered good	2,977,134	102,267,163	129,791,212
Unsecured, considered doubtful	-	-	-
	2,977,134	102,267,163	129,791,212
Less : Allowances for doubtful trade receivables	-	-	-
	2,977,134	102,267,163	129,791,212
	2,977,134	102,267,163	129,791,212

Note:

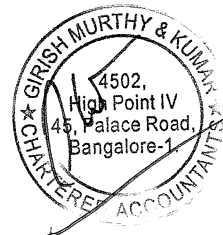
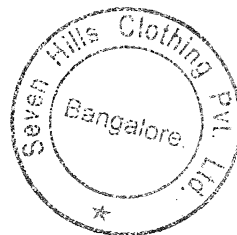
- a. Trade receivables are non-interest bearing and are generally on terms of 60 days.
- b. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

9 Cash and cash equivalent

	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Balances with banks			
On current accounts	663,238	1,746,976	6,248,650
Cash on hand	79,500	306,616	194,862
	742,738	2,053,592	6,443,512

10 Other financial assets

	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, considered good			
Current			
Advances to employees	1,127,753	917,320	1,208,954
Dues from fellow subsidiaries	-	-	25,748
	1,127,753	917,320	1,234,702



SEVEN HILLS CLOTHING PRIVATE LIMITED**Notes to the standalone financial statements for the year ended March 31, 2018***All amounts in Indian Rupees, except stated otherwise***11 Share Capital**

	Number of shares	Amount
Authorised share capital		
At April 1, 2016	20,000	200,000
At March 31, 2017	20,000	200,000
At March 31, 2018	20,000	200,000
Issued equity capital		
Equity shares of Rs 10 each issued, subscribed and fully paid		
At April 1, 2016	20,000	200,000
At March 31, 2017	20,000	200,000
At March 31, 2018	20,000	200,000

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 shareholders 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.

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

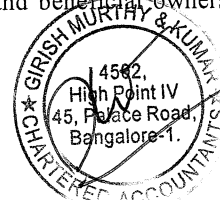
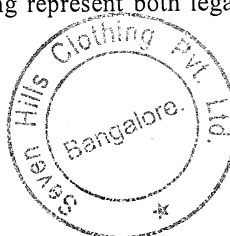
Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	March 31, 2018	March 31, 2017	April 1, 2016
Gokaldas Exports Limited, Holding company	200,000	200,000	200,000
[20,000 (31 March 2017 : 20,000; 1 April 2016 : 20,000) equity shares]			

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

	March 31, 2018	March 31, 2017	April 1, 2016
Gokaldas Exports Limited, Holding company			
Number of shares	20,000	20,000	20,000
% holding in the class	100%	100%	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.



SEVEN HILLS CLOTHING PRIVATE LIMITED
Notes to the standalone financial statements for the year ended March 31, 2018
All amounts in Indian Rupees, except stated otherwise
12 Other equity

		March 31, 2018	March 31, 2017	April 1, 2016
(a) Reserves and Surplus				
Securities premium reserve				
Balance as per last financial statements	(A)	30,590,000	30,590,000	30,590,000
Retained earnings				
Balance at the beginning of the year		2,465,772	2,195,833	1,782,165
Profit / (Loss) for the year		(5,368,380)	436,879	5,703,999
Add: Remeasurement of post employment benefits obligations, net of deferred tax		5,435,272	(166,940)	(5,290,331)
Balance at the end of the year	(B)	2,532,664	2,465,772	2,195,833
Total other equity	(A+B)	33,122,664	33,055,772	32,785,833

13 Financial liabilities - Trade payables

		March 31, 2018	March 31, 2017	April 1, 2016
Current				
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		6,675,948	10,728,951	19,161,984
		6,675,948	10,728,951	19,161,984

14 Other current financial liabilities

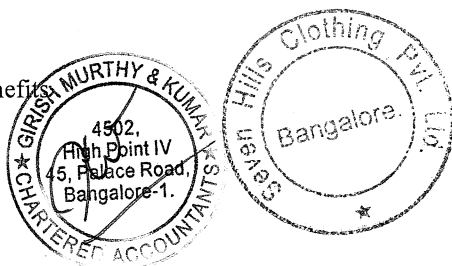
		March 31, 2018	March 31, 2017	April 1, 2016
Due to fellow subsidiaries		-	-	-
Due to holding company		28,051,436	-	-
Other payables		11,000	-	-
Employee related payables		2,221,631	66,602,762	61,056,087
		30,284,067	66,602,762	61,056,087

15 Other current liabilities

		March 31, 2018	March 31, 2017	April 1, 2016
Advance from customers		-	-	12,496,378
Statutory liabilities		990,203	10,308,887	10,894,936
		990,203	10,308,887	23,391,314

16 Short term provisions

		March 31, 2018	March 31, 2017	April 1, 2016
Provision for employee benefits				
Current				
Gratuity		-	16,499,178	20,618,551
Leave benefits		303,762	17,824,740	24,519,536
		303,762	34,323,918	45,138,087



SEVEN HILLS CLOTHING PRIVATE LIMITED**Notes to the standalone financial statements for the year ended March 31, 2018***All amounts in Indian Rupees, except stated otherwise***17 Revenue from operations**

	March 31, 2018	March 31, 2017
Other operating revenues		
Job work income	171,134,755	653,614,960
Income from renting facilities	64,350,000	-
	235,484,755	653,614,960

18 Other income

	March 31, 2018	March 31, 2017
Interest income on:		
Income tax refunds	-	356,120
Others	-	131,060
Other non-operating income		
Excess provision of earlier years written back	-	164,972
Others	-	6,278,005
	-	6,930,157

19 Employee benefits expense

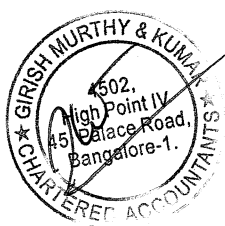
	March 31, 2018	March 31, 2017
Salaries and wages	129,315,626	454,794,016
Contribution to provident and other funds	19,713,076	63,185,943
Gratuity expense (net)	5,435,272	11,729,739
Staff welfare expense	218,924	845,302
	154,682,898	530,555,000

20 Finance costs

	March 31, 2018	March 31, 2017
Bank charges	61,303	71,721
	61,303	71,721

21 Depreciation expense

	March 31, 2018	March 31, 2017
Depreciation of property, plant and equipment	1,053,554	2,673,384
	1,053,554	2,673,384

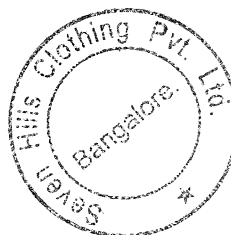
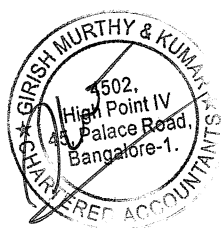


SEVEN HILLS CLOTHING PRIVATE LIMITED**Notes to the standalone financial statements for the year ended March 31, 2018***All amounts in Indian Rupees, except stated otherwise***22 Other expenses**

	March 31, 2018	March 31, 2017
Power and fuel	4,516,862	15,852,239
Job work charges	4,782,055	14,985,552
Other manufacturing expenses	54,635	141,290
Rent	69,239,433	78,093,137
Rates and taxes	262,378	120,342
Repairs and maintenance		
Plant and machinery	159,636	366,631
Buildings	494,316	855,918
Others	77,803	405,466
Legal and professional fees	1,359,672	1,169,343
Printing and stationery	34,501	56,755
Communication costs	120	3,800
Travelling and conveyance	573,196	1,853,132
Auditors remuneration (refer detail below)	103,689	103,689
Miscellaneous expenses	2,985,516	11,023,468
	84,643,812	125,030,762

Payment to auditors (exclusive of GST)

	March 31, 2018	March 31, 2017
Audit fees	103,689	103,689
	103,689	103,689



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

*All amounts in Indian Rupees, except stated otherwise***23 Income tax**

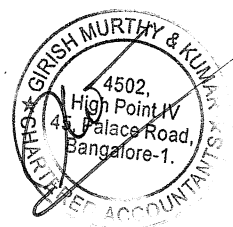
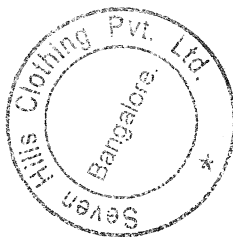
The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

Income tax expenses in the statement of profit and loss consist of the following:

	March 31, 2018	March 31, 2017
(a) Profit or loss section		
Current income tax charge	91,247	341,200
Adjustment of tax relating to earlier years	320,321	1,436,171
Income tax expense reported in the statement of profit or loss	411,568	1,777,371
(B) OCI section		
Deferred tax related to items recognised in OCI		
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Income tax charged to OCI	-	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2018:

	March 31, 2018	March 31, 2017
Accounting profit before taxes	(4,956,812)	2,214,250
Applicable tax rates in India	34.608%	34.608%
Computed tax charge (a)	(1,715,453)	766,308
Tax effect on exempted / taxable income (b)	1,806,700	(425,108)
Current income tax charge (a+b)	91,247	341,200



SEVEN HILLS CLOTHING PRIVATE LIMITED**Notes to the standalone financial statements for the year ended March 31, 2018***All amounts in Indian Rupees, except stated otherwise***24 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit / loss for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2018	March 31, 2017
Face value of equity shares (Rs. per share)	10	10
Profit/ (loss) after tax attributable to equity holders of the Company	(5,368,380)	436,879
Weighted average number of equity shares used for computing EPS (basic and diluted)	20,000	20,000
EPS - basic and diluted (Rs.)	(268.42)	21.84

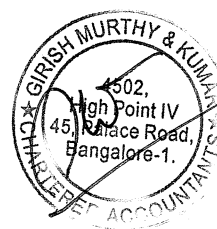
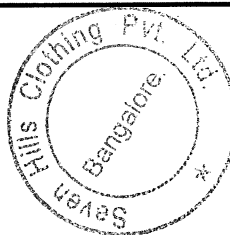
25 Segment information*a) Primary business segment*

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):

	Segment revenue		
	March 31, 2018	March 31, 2017	April 1, 2016
India	235,484,755	653,614,960	717,380,832
Rest of world	-	-	-
Total	235,484,755	653,614,960	717,380,832

Note: All fixed assets are located in India



SEVEN HILLS CLOTHING PRIVATE LIMITED**Notes to the standalone financial statements for the year ended March 31, 2018***All amounts in Indian Rupees, except stated otherwise***26 Commitments and contingencies****I. Leases****Operating lease: Company as lessee**

The Company has entered into operating lease arrangements in respect of its office, factory and residential premises. These leasing arrangements, which are usually cancellable at the option of the lessee any time.

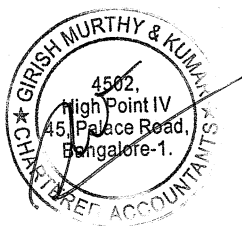
II. Contingencies

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Claims against the Company not acknowledged as debts	1,697,982	1,697,982	1,697,982

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

III. Commitments**Capital commitments**

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-	-



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

27 Significant accounting estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimate and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which an estimate is revised and future periods affected.

Significant judgements and the estimates relating to the carrying values of assets and liabilities include impairment of investments in subsidiaries, joint ventures and associates, provision for employee benefits and others provisions, recoverability of deferred tax assets, commitments and contingencies and fair value measurements of investments.

i. Estimates and assumptions

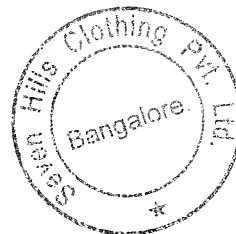
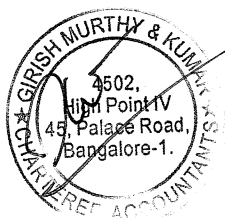
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

b. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

c. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

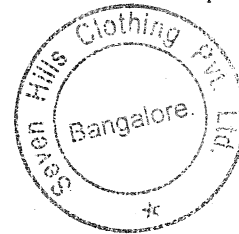
In respect of financial guarantees provided by the Company to third parties, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

d. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.



SEVEN HILLS CLOTHING PRIVATE LIMITED
Notes to the standalone financial statements for the year ended March 31, 2018
All amounts in Indian Rupees, except stated otherwise
28 (A) Gratuity and other post-employment benefit plans
Gratuity plan

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972 ('the act'). Under the act, every employee who has completed four years and 240 days or more of service gets a gratuity on retirement or termination at 15 days salary (last drawn salary) for each completed years of service. The level of benefits provided depends on the member's length of service and salary at termination / retirement age. 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 statement of profit or loss and the funded status and amounts recognised in the standalone balance sheet for gratuity benefit.

(a) Net benefit expenses (recognized in the standalone statement of profit and loss)

	March 31, 2018	March 31, 2017
Current service cost	238,543	5,074,895
Net interest cost on defined benefit obligations / (assets)	632,552	1,032,020
Transfer to other unit fund	4,564,177	5,622,824
Net benefit expenses	5,435,272	11,729,739

(b) Remeasurement (gains)/loss recognized in other comprehensive income:

	March 31, 2018	March 31, 2017
Actuarial (gain)/loss on obligations arising from changes in experience adjustments	(4,947,794)	549,406
Actuarial (gain)/loss on obligations arising from changes in financial assumptions	(10,154)	(587,952)
Actuarial (gain)/loss arising during the year	(4,957,948)	(38,546)
Return on plan assets (greater)/less than discount rate	(477,324)	205,486
Actuarial (gain)/loss recognised in OCI	(5,435,272)	166,940

(c) Net defined benefit asset / (liability)

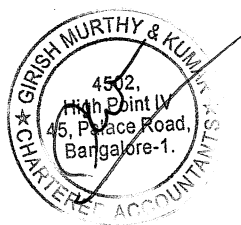
	March 31, 2018	March 31, 2017	April 01, 2016
Defined benefit obligation	1,101,047	31,731,140	32,962,831
Fair value of plan assets	9,853,820	15,231,962	12,344,280
Plan (liability)/asset	8,752,773	(16,499,178)	(20,618,551)

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

	March 31, 2018	March 31, 2017
Opening defined benefit obligation	31,731,140	32,962,831
Current service cost	238,543	5,074,895
Interest cost on the defined benefit obligation	1,446,330	2,075,824
Benefits paid	(18,614,845)	(8,343,864)
Acquisition adjustment	(8,742,173)	-
Actuarial (gain)/loss on obligations arising from changes in experience adjustments	(4,947,794)	549,406
Actuarial (gain)/loss on obligations arising from changes in financial assumptions	(10,154)	(587,952)
Closing defined benefit obligation	1,101,047	31,731,140

(e) Changes in the fair value of plan assets are as follows:

	March 31, 2018	March 31, 2017
Opening fair value of plan assets	15,231,962	12,344,280
Interest income on plan assets	813,778	1,043,804
Contributions by employer	11,945,600	16,016,052
Benefits paid	(18,614,845)	(8,343,864)
Transfer to other unit fund	-	(5,622,824)
Actuarial gain/(loss)	477,325	(205,486)
Closing fair value of plan assets	9,853,820	15,231,962
Return on plan assets (lesser)/greater than discount rate	1,291,102	838,319



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

(f) The following pay-outs are expected in future years:

	March 31, 2018
April 1, 2018 to March 31, 2019	389,833
April 1, 2019 to March 31, 2020	235,984
April 1, 2020 to March 31, 2021	142,828
April 1, 2021 to March 31, 2022	86,429
April 1, 2022 to March 31, 2023	52,289
April 1, 2023 to March 31, 2028	74,515
Beyond April 1, 2028	119,170
Total expected payments	1,101,048

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2017: 10 years).

(g) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2018	March 31, 2017	April 01, 2016
Investments with insurer	100%	100%	100%

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

	March 31, 2018	March 31, 2017	April 01, 2016
	%	%	%
Discount rate (in %)	6.84%	6.45%	7.21%
Salary escalation (in %)	8.00%	8.00%	10.00%
Employee turnover	40.00%	40.00%	40.00%
Estimated rate of return on plan assets	6.84%	6.45%	8.00%
Mortality rate	Refer note 4 below	Refer note 4 below	Refer note 4 below

Notes:

- Plan assets are fully represented by balance with an insurance company.
- The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
- The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- As per Indian Assured Lives Mortality (2006-08) (modified) ultimate.

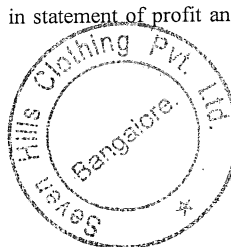
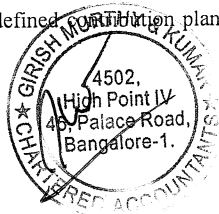
(h) A quantitative sensitivity analysis for significant assumption is as shown below:

	March 31, 2018	March 31, 2017
Discount rate		
Impact of defined benefit obligation due to 1% increase in discount rate	(25,177)	(804,226)
Impact of defined benefit obligation due to 1% decrease in discount rate	26,441	846,438
Salary escalation rate		
Impact of defined benefit obligation due to 1% increase in discount rate	18,172	602,138
Impact of defined benefit obligation due to 1% decrease in discount rate	(28,039)	(584,308)
Attrition rate		
Impact of defined benefit obligation due to 1% increase in discount rate	(4,928)	(282,423)
Impact of defined benefit obligation due to 1% decrease in discount rate	5,093	289,191

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

(B) India Provident fund plan

The Company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is disclosed in statement of profit and loss.



SEVEN HILLS CLOTHING PRIVATE LIMITED
Notes to the standalone financial statements for the year ended March 31, 2018
All amounts in Indian Rupees, except stated otherwise
29 Related party transactions
a. Names of related parties and description of relationships:

Immediate Holding Company	Gokaldas Exports Limited
Fellow Subsidiaries	All Colour Garments Private Limited Deejay Trading Private Limited Glamourwear Apparels Private Limited Madhin Trading Private Limited Magenta Trading Private Limited Rafter Trading Private Limited Reflexion Trading Private Limited Rishikesh Apparels Private Limited Rajdin Apparels Private Limited SNS Clothing Private Limited Vignesh Apparels Private Limited
Key management personnel	
Director:	Sathyamurthy A Ramya K S Poorana Seenivasan K V Raghavendra Prasad

b. Transactions with related parties

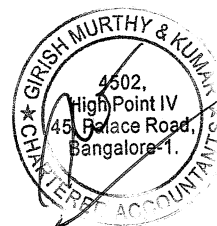
Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017 : Rs. Nil; April 1, 2016 : Rs. Nil).

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	March 31, 2018	March 31, 2017	April 1, 2016
Other operating revenues			
Job work income			
Gokaldas Exports Limited	171,134,755	624,766,340	712,193,140
	171,134,755	624,766,340	712,193,140
Other operating revenues			
Income from renting facilities			
Gokaldas Exports Limited	64,350,000	-	-
	64,350,000	-	-

The following table provides the closing balances of related parties as at the end of relevant financial year:

	March 31, 2018	March 31, 2017	April 1, 2016
Trade receivables			
Gokaldas Exports Limited	-	99,736,142	120,766,036
	-	99,736,142	120,766,036
Other current financial liabilities			
Gokaldas Exports Limited	28,051,436	-	-
	28,051,436	-	-



SEVEN HILLS CLOTHING PRIVATE LIMITED**Notes to the standalone financial statements for the year ended March 31, 2018***All amounts in Indian Rupees, except stated otherwise***30 Disclosures on Financial instruments**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset and financial liability are disclosed in the accounting policies to the financial statements.

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016 .

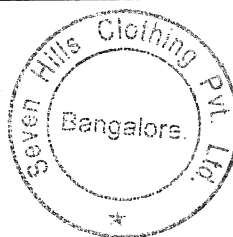
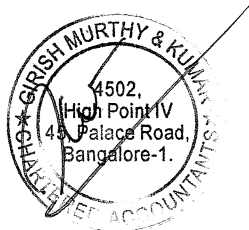
The carrying value of financial instruments by categories is as follows:

As at March 31, 2018

	Amortised cost
Financial assets	
(i) Investments	-
(ii) Loans	20,405,265
(iii) Trade receivables	2,977,134
(iv) Cash and cash equivalents	742,738
(v) Bank balances other than cash and cash equivalent	-
(vi) Other financials assets	1,127,753
	25,252,890
Financial liabilities	
(ii) Trade payables	6,675,948
(iii) Other financial liabilities	30,284,067
	36,960,015

As at March 31, 2017

	Amortised cost
Financial assets	
(i) Investments	-
(ii) Loans	20,406,265
(iii) Trade receivables	102,267,163
(iv) Cash and cash equivalents	2,053,592
(v) Bank balances other than cash and cash equivalent	-
(vi) Other financials asset	917,320
	125,644,340
Financial liabilities	
(ii) Trade payables	10,728,951
(iii) Other financial liabilities	66,602,762
	77,331,713



SEVEN HILLS CLOTHING PRIVATE LIMITED**Notes to the standalone financial statements for the year ended March 31, 2018***All amounts in Indian Rupees, except stated otherwise***As at April 1, 2016**

	Amortised cost
Financial assets	
(i) Investments	200
(ii) Loans	24,898,183
(iii) Trade receivables	129,791,212
(iv) Cash and cash equivalents	6,443,512
(v) Bank balances other than cash and cash equivalent	-
(vi) Other financials asset	1,234,702
	162,367,809
Financial liabilities	
(ii) Trade payables	19,161,984
(iii) Other financial liabilities	61,056,087
	80,218,071

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

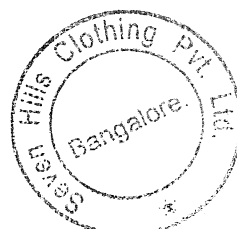
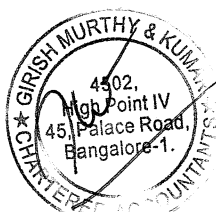
(iv) There have been no transfers between Level 1, Level 2 and Level 3 during the period ended March 31, 2018, March 31, 2017 and April 1, 2016.

(c) Financial risk management objectives and policies

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy

(i) Market risk - Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

(ii) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and financing activities.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, investments, cash and cash equivalents and financial guarantees provided by the Company.

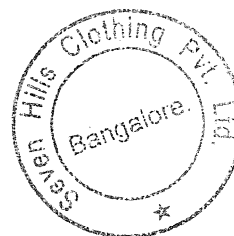
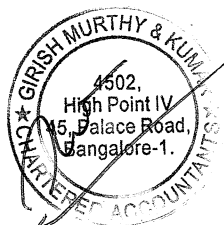
The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 25,252,890, Rs. 125,644,340, Rs. 162,367,809 as at March 31, 2018, March 31, 2017 and April 1, 2016 respectively, being the total carrying value of Investments, Loans, trade receivables, Cash and cash equivalents, Bank balances.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security.

With respect to Trade receivables, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.



SEVEN HILLS CLOTHING PRIVATE LIMITED**Notes to the standalone financial statements for the year ended March 31, 2018***All amounts in Indian Rupees, except stated otherwise***Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit, which carry no or low market risk.

The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank borrowings, sale of assets and strategic partnership with investors, etc. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

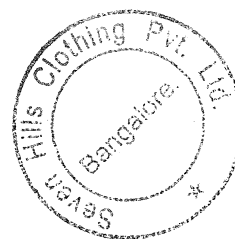
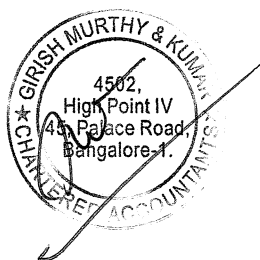
The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period.

Particulars	On demand	0 to 1 year	1 to 5 years	> 5 years	Total
March 31, 2018					
Trade payables	-	6,675,948	-	-	6,675,948
Other financial liabilities	-	30,284,067	-	-	30,284,067
	-	36,960,015	-	-	36,960,015
March 31, 2017					
Trade payables	-	10,728,951	-	-	10,728,951
Other financial liabilities	-	66,602,762	-	-	66,602,762
	-	77,331,713	-	-	77,331,713
April 01, 2016					
Trade payables	-	19,161,984	-	-	19,161,984
Other financial liabilities	-	61,056,087	-	-	61,056,087
	-	80,218,071	-	-	80,218,071

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.



SEVEN HILLS CLOTHING PRIVATE LIMITED**Notes to the standalone financial statements for the year ended March 31, 2018***All amounts in Indian Rupees, except stated otherwise***31 Capital management**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and sale of certain assets, long term and short term bank borrowings and strategic partnership with investors.

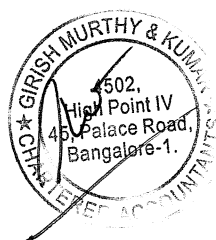
For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings	-	-	-
Total debt	-	-	-
Capital components			
Equity share capital	200,000	200,000	200,000
Other equity	33,122,664	33,055,772	32,785,833
Total capital	33,322,664	33,255,772	32,985,833
Capital and borrowings	33,322,664	33,255,772	32,985,833
Gearing ratio	0%	0%	0%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no material breaches in the financial covenants of any interest-bearing loans and borrowing for all the periods presented.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.



SEVEN HILLS CLOTHING PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2018

All amounts in Indian Rupees, except stated otherwise

32 First-time adoption of Ind AS

The standalone audited financial statements for the year ended March 31, 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 ("Previous Indian GAAP").

Accordingly, the Company has prepared these financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Previous Indian GAAP financial statements, including the balance sheets as at March 31, 2017 and April 1, 2016 and the statement of profit and loss for the period ended March 31, 2017.

I. Exemptions availed on first time adoption of Ind AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following material exemptions:

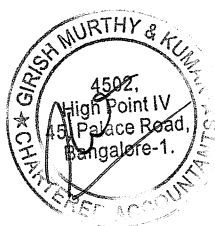
- a) The Company has elected to avail exemption under Ind AS 101 to use Previous Indian GAAP carrying value as deemed cost at the date of transition for all items of Property, plant and equipment ('PPE') as per the statement of financial position prepared in accordance with Previous Indian GAAP.
- b) Ind AS 103 has not been applied to prior acquisitions, which are considered businesses under Ind AS that occurred before 1 April 2016.

d) Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Previous Indian GAAP except for the items where application of Previous Indian GAAP did not require similar estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS, as of March 31, 2017 and March 31, 2018.

e) De-recognition of financial assets and liabilities

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.



SEVEN HILLS CLOTHING PRIVATE LIMITED**Notes to the standalone financial statements for the year ended March 31, 2018***All amounts in Indian Rupees, except stated otherwise***f) Classification and measurement of Financial assets**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

II. Reconciliation of equity between Previous Indian GAAP and Ind AS.

	Notes	March 31, 2017	April 1, 2016
Equity under Previous Indian GAAP			
Adjustments		33,255,772	32,985,833
Equity as per Ind AS		33,255,772	32,985,833

III. Total comprehensive income reconciliation for the year ended March 31, 2017

	March 31, 2017
Profit / (loss) for the period after tax as per Previous Indian GAAP	
Adjustments	269,939
Remeasurement of post employment benefit obligation, net of tax	166,940
Profit / (loss) after tax as per Ind AS	436,879
Other comprehensive income / (expenses), net of tax	(166,940)
Total comprehensive income/(loss) for the period under Ind AS	269,939

Notes to reconciliations between Previous Indian GAAP and Ind AS

In accordance with Ind AS 19, "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in other comprehensive income as compared to the statement of profit and loss under the Previous Indian GAAP.

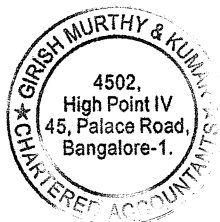
Under Previous Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Previous Indian GAAP profit or loss to Ind AS profit or loss. Further, Previous Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

- 33 The comparatives given in the standalone financial statements have been complied after making necessary Ind AS adjustments to the respective audited financial statements under previous GAAP to give a true and fair view in accordance with Ind AS.

As per our report of even date

For **GIRISH MURTHY & KUMAR**
ICAI firm Registration Number : 000934S
Chartered Accountants

per **Girish Rao B**
Partner
Membership No.: F-85745



Place: Bengaluru
Date: May 22, 2018

For and on behalf of the Board of Directors of
SEVEN HILLS CLOTHING PRIVATE LIMITED

Ramya K
Director
DIN: 07214084

Place: Bengaluru
Date: May 22, 2018

Sathyamurthy A
Director
DIN: 07425034

Place: Bengaluru
Date: May 22, 2018

