



BOARD OF DIRECTORS

Nitin S. Kasliwal	-	Chairman & Managing Director
Jyoti N. Kasliwal	-	Non-Executive Director
Vijay Kalantri	-	Non-Executive Director <i>with effect from 13th February, 2012</i>
Susheel Kak	-	Nominee - India Debt Management Private Limited <i>with effect from 15th September, 2011</i>
Denys Firth	-	Nominee - India Debt Management Private Limited
Alexander Shaik	-	Alternate to Mr. Denys Firth
Dara D. Avari	-	Non-Executive Director
Dr. A. C. Shah (Late)	-	Non-Executive Director <i>expired on 16th January, 2012</i>
Anish Modi	-	Nominee - India Debt Management Private Limited <i>upto 15th September, 2011</i>

SR. VP LEGAL & COMPANY SECRETARY

Pulak Banerjee

AUDITORS

M/s. Haribhakti & Co., Chartered Accountants

M/s. Malpani & Associates, Chartered Accountants

REGISTRAR & TRANSFER AGENT

Datamatics Financial Services Limited

Plot No. B-5, Part B Crosslane,

MIDC Marol, Andheri (E), Mumbai - 400 093

Website: <http://dfssl.com>

REGISTERED OFFICE

B-2, 5th Floor, Marathon NextGen,
Off G. K. Marg, Lower Parel,
Mumbai – 400 013

BANKERS

Bank of India

IDBI Bank Limited

Union Bank of India

Central Bank of India

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NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the members of BRANDHOUSE RETAILS LIMITED will be held on Thursday, 27th September, 2012 at 1:00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai – 400 020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2012 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Denys Firth, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Nitin S. Kasliwal, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. Susheel Kak, who was appointed as a Director of the Company by the Board of Directors pursuant to Section 262 of the Companies Act, 1956 in the casual vacancy caused by the resignation of Mr. Anish Modi, and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice from a member proposing his candidature for the office of Director under section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) the consent of the members of the Company be and is hereby accorded to continue payment of remuneration of ₹ 17,00,000/- per annum to Ms. Anjani N. Kasliwal, daughter of Mr. Nitin S. Kasliwal, Chairman & Managing Director and Mrs. Jyoti N. Kasliwal, Director (inclusive of all usual allowances and benefits applicable as per the policy of the Company) with effect from 1st January, 2013 and to her holding and continuing to hold an office of profit as Vice-President of the Company at the said remuneration.

AND RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary for giving effect to this resolution."

By Order of the Board
For Brandhouse Retails Limited
Pulak Banerjee
Sr. VP Legal & Company Secretary

Place: Mumbai
Date: 14th August, 2012

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting ("the Meeting") is entitled to appoint a proxy to attend and vote on a poll in his place and the proxy need not be a member of the Company. The duly executed instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 (forty-eight) hours before the commencement of the Meeting.
2. **The relative Explanatory Statement under Section 173 of the Companies Act, 1956 in respect of the special business under items 5 and 6 of the notice is annexed hereto.**
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Resolution of the Board of Directors authorising such representative to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their Attendance Slips alongwith copy of the Annual Report to the Meeting.
5. Members who hold shares in dematerialised form are requested to write their DP and Client ID and those who hold shares in physical form are requested to write their Folio Numbers in the attendance slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. In terms of Section 255 and 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Denys Firth, Nominee Director of India Debt Management Private Limited and Mr. Nitin S Kasliwal, Chairman & Managing Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Mr. Susheel Kak, who was appointed as Director by the Board is also eligible for appointment at the ensuing Annual General Meeting. Brief details of these Directors including their directorships in other companies and memberships/chairmanships of the Board Committees are provided hereunder as Annexure to this Notice.
8. The Register of Members and Transfer Books of the Company shall remain closed from Saturday, 22nd September, 2012 to Thursday, 27th September, 2012 (both days inclusive) for the purpose of the Meeting.
9. Members holding shares in physical form in multiple folios with identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrar and Transfer Agents, M/s. Datamatics Financial Services Limited, for consolidation into a single folio.
10. Members who hold shares in dematerialised form are requested to inform to their Depository Participants and those who hold shares in physical form are requested to inform the Company's Registrar and Transfer Agents, M/s. Datamatics Financial Services Limited immediately of the details of their e-mail addresses and changes to the same, if any.
11. Non-Resident Indian Members are requested to inform the Company's Registrar and Transfer Agents, M/s. Datamatics Financial Services Limited, immediately of:
 - a) Change in their Residential status on return to India for permanent settlement.
 - b) Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Consequent upon the resignation of Mr. Anish Modi on 15th September, 2011 upon withdrawal of his nomination as Director, by India Debt Management Private Limited (IDM), and upon receipt of Letter dated 15th September, 2011 of IDM nominating Mr. Susheel Kak to be the nominee on the Board of the Company, the Board of Directors, at its meeting held on 12th November, 2011, appointed Mr. Kak as Nominee Director of IDM to fill the vacancy caused by the resignation of Mr. Anish Modi.

Pursuant to the provisions of Section 262 of the Companies Act, 1956 ("the Act") Mr. Susheel Kak will hold office of Director upto the date of the ensuing Annual General Meeting i.e. the date upto which Mr. Anish Modi, in whose place Mr. Kak has been appointed, would have held office of Director if he had not resigned. The Company has received a notice from a member in writing alongwith deposit of ₹ 500/- proposing the candidature of Mr. Susheel Kak for the office of Director of the Company under the provisions of Section 257 of the Act. Mr. Kak is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act.

Mr. Susheel Kak has a Bachelors degree in Arts and Law. He has vast experience and expertise in the field of banking & finance. Presently, Mr. Kak is Managing Director of IDM. Mr. Kak, when appointed as Director, shall be liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

The said resolution at item no. 5 is recommended for approval by the members.

None of the Directors of the Company except Mr. Kak is, in anyway, concerned or interested in the said resolution.

Item No. 6

Ms. Anjani N. Kasliwal, daughter of Mr. Nitin S. Kasliwal, Chairman & Managing Director and Mrs. Jyoti N. Kasliwal, Director of the Company, is at present holding office of profit as Vice-President of the Company at a remuneration of ₹ 17,00,000/- per annum (inclusive of all usual allowances and benefits applicable as per the policy of the Company). The remuneration of ₹ 17,00,000/- per annum currently paid to Ms. Anjani N. Kasliwal and her holding office of profit in compliance with Section 314(1B) of the Companies Act, 1956 is as per and in accordance with the approval granted by the Ministry of Corporate Affairs, Government of India vide letter No. SRN No. A76769058/4/2011 - CL. VII dated 18th April, 2011. The approval granted by the Ministry of Corporate Affairs allowed Ms. Kasliwal to be paid a total remuneration of ₹ 17,00,000 per annum (Rupees Seventeen lacs only) for a period of three years with effect from 01/01/2010 to 31/12/2012.

Ms. Anjani N. Kasliwal holds a degree in Mass Media from University of Mumbai and has relevant experience and expertise in the field of Luxury Retail for over 5 years. Keeping in view the overall salary structure in the retail sector and having regard to the nature of duties performed by Ms. Kasliwal, the Board of Directors of the Company upon the recommendation of the Committee formed pursuant to the Director's Relative (Office or Place of Profit) Rules, 2011, considered it desirable to continue the remuneration payable to Ms. Kasliwal (inclusive of the usual allowances and benefits applicable as per the policy of the Company) at ₹ 17,00,000/- per annum beyond 1st January, 2013. The remuneration continued to be paid as above is in line with the provisions of the Companies Act, 1956 read with Director's Relative (Office or Place of Profit) Rules, 2011 which superseded the erstwhile Director's Relatives (Office or Place of Profit) Rules, 2003 with effect from 2nd May, 2011.

Letter No. SRN No. A76769058/4/2011 - CL. VII dated 18th April, 2011 of the Ministry of Corporate Affairs, Government of India as referred above is available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day of the Company.

Your Directors recommend the said Special Resolution for approval of the shareholders.

None of the Directors, except Mr. Nitin S. Kasliwal, Chairman & Managing Director, as father and Mrs. Jyoti N. Kasliwal, Director, as mother, is interested in the said resolution.

By Order of the Board
For Brandhouse Retails Limited
Pulak Banerjee
Sr. VP Legal & Company Secretary

Place: Mumbai
Date: 14th August, 2012

Annexure to the Notice convening Eighth Annual General Meeting

Details of the Directors seeking appointment/re-appointment at the Eighth Annual General Meeting (In pursuance to Clause 49 (IV)(G)(i) of the Listing Agreement)

Director	Mr. Denys Firth	Mr. Nitin S. Kasliwal	Mr. Susheel Kak
Date of Birth	26 th May, 1951	22 nd November, 1960	15 th February, 1954
Nationality	British	Indian	Indian
Date of appointment on the Board	14 th September, 2007	7 th April, 2005	15 th September, 2011 (Original Director Mr.Anish Modi was appointed with effect from 14 th September, 2007)
Qualification	Bachelors Degree in Arts and Physics (Oxon)	Graduate in Science and Master of Business Administration from European Business School, Switzerland	B.A, LL.B.
Directorships in other Public Limited Companies	S. Kumars Nationwide Limited Saurashtra Cement Limited	S. Kumars Nationwide Limited Reid & Taylor (India) Limited S. Kumar Enterprises (Synfabs) Limited	S. Kumars Nationwide Limited Saurashtra Cement Limited
Committees of the other public companies in which Director is a Member (Committees include Audit & Share Transfer/Investors Grievances Committees only)	Nil	Nil	Audit Committee: - S. Kumars Nationwide Limited (Member) Audit Committee: - Saurashtra Cement Limited (Member)
Shares held in the Company as on 31st March, 2012	Nil	296,490	Nil

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Eighth Annual Report and Audited Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS

		(₹ In Lacs)
Particulars	2011-12	2010-11
Sales & Other Income	78,357	73,773
Expenditure towards sale including cost of sales	72,865	67,796
Profit before Depreciation Interest and Taxation (PBDIT)	5,492	5,977
Interest & Bank Charges	2,977	2,816
Provision for Current Tax	702	690
Cash Profit for the Year	1,813	2,471
Depreciation/Amortisation	974	988
Income Tax for earlier years	147	(444)
Provision for Deferred Tax (Asset)	(159)	(86)
Profit After Taxation (PAT)	851	2,013
PAT brought forward from last year	Nil	Nil
Transferred to Debenture Redemption Reserve	236	2,013
PAT carried forward to next year	615	Nil

YEAR IN RETROSPECT

The Sales & Other Income for the year was ₹ 78,357 Lacs recording an increase of 6.21% over the previous year. Operating Profit for the year was ₹ 1,813 lacs against ₹ 2,471 lacs in the previous year. Lower margins in a challenging market affected the profits. This was on account of the fact that 'End of Season Sale' (where merchandise is offered at a discount) had to be made for extended period.

DIVIDEND

Your Directors do not recommend payment of dividend on equity capital for the year ended 31st March, 2012 in order to conserve resources for future development and growth.

OPERATING RESULTS AND BUSINESS

Market conditions, in line with the general trend were not very favourable during the year, especially for apparel. To ensure higher earnings, the company has focused on improving the key operational matrix which include better working capital rotation, higher per square foot sales, improving store ambience with a new look and overall focusing on consumer experience.

All the improvements undertaken in the last year revolved around the Customer and to better his/her experience at the store. With focus on retention and to increase the frequency of loyal customers, new merchandise is added on monthly basis. Newer categories with youth appeal were launched at stores supported by online marketing. All the stores are being refurbished with international standards aimed at delivering better experience to customers. The ground reality is that demand has not shrunk, but the Company has faced pressure on margins because of higher costs that cannot be passed on to the customer. The Company is responding by trying to become leaner and more efficient.

A portfolio comprising brands that cater to various demographic and psychographic profiles would act as an ideal impetus for creating presence in different geographies across India. Your Company's strategy of retailing brands with high awareness quotient and market pull would continue to augment growth and profits.

Brandhouse Oviessse Limited - Joint Venture with Oviessse, S.p.A. Italy

During the year under review, your Company's subsidiary, Brandhouse Oviessse Limited (BOL) extended its business operations by adding new stores in Amritsar, Surat and Aurangabad, to offer affordable Italian fast fashion for men, women and children under the brand "OVS" in the Indian market for branded readymade garments.

During the year, the Company invested in 1,61,73,989 equity shares of ₹ 10/- each of BOL. At present, your Company's equity participation in BOL is ₹ 2,898.10 Lacs for 2,89,81,030 equity shares of ₹ 10/- each representing 62.5% of BOL's total paid-up capital of ₹ 4,636.96 Lacs. The remaining 37.5% of the paid-up share capital of BOL is held by Oviessse S.p.A. Italy.

Revenue From Operations of BOL for the year was ₹ 1,636.19 Lacs and Losses for the year was at ₹ 2,788.38 Lacs. The OVS brand is relatively new to the Indian market and therefore is yet to establish itself in the Indian context. Expenditure on expansion of activities and capex have affected the margins so far.

The brand's high fashion offering is getting increasing acceptance from the Indian youth. The expansion of the brand, fine-tuning of the merchandising strategy post customer data analysis and increased percentage of goods sourced from India will ensure that BOL shall soon attain the break even mark and move towards profitability in the near future.

DIRECTORS

Dr. A. C. Shah, Director and Chairman of the Audit Committee, passed away on 16th January, 2012 after a brief illness. The Directors have placed on record their appreciation for the guidance and support given by Dr. Shah during his tenure as the Board member.

Mr. Vijay Kalantri was appointed by the Board with effect from 13th February, 2012 pursuant to section 262 of the Companies Act, 1956, in the casual vacancy caused by the death of Dr. A.C. Shah.

During the year, Mr. Anish Modi resigned as Director upon withdrawal of nomination by India Debt Management Private Limited with effect from 15th September, 2011. For the vacancy so caused Mr. Susheel Kak, nominated by IDM was appointed by the Board. The Company has received the requisite notice from a member pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Susheel Kak for the office of Director.

In accordance with the provisions of the Companies Act, 1956 and Article 130 of the Articles of Association of the company, Mr. Denys Firth and Mr. Nitin. S. Kasliwal retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956.

1. that in the preparation of the Annual accounts for the year ended on 31st March, 2012 the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of profit of the company for the year.
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and preventing and detecting fraud and other irregularities; and
4. that the Directors have prepared the annual accounts for the year ended on 31st March, 2012 on a going concern basis.

DEPOSITS

Fixed deposits received from shareholders and public stood at NIL as on 31st March, 2012 (previous year ₹ NIL). The company does not have any fixed deposit scheme.

PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. However as per the provisions of Section 219(1) (iv) of the Companies Act, 1956 the Reports and Accounts are being sent to the shareholders of the Company excluding the statement of employees under Section 217(2A) of the Companies Act. Any shareholder interested in obtaining a copy of the said statement may write to the Secretary at the Registered Office of the company.

CORPORATE GOVERNANCE

As required under clause 49 of the Listing Agreement with the Stock Exchanges, the Report on Corporate Governance together with the Certificate from the Practicing Company Secretary regarding compliance of the provisions of the Corporate Governance forms part of this Directors' Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis forming part of this Directors' Report is attached.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOW

Your company has no activity relating to Conservation of Energy and Technology absorption as stipulated in the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

During the year under review, the expenditure of your company in foreign exchange was ₹ 39.47 Lacs (Previous year ₹ 129.59 Lacs) and there was no earning in foreign exchange (Previous year NIL).

CONSOLIDATION OF ACCOUNTS

As required by Accounting Standards AS-21 and AS-23 issued by the Institute of Chartered Accountants of India (ICAI), the Audited Consolidated Financial Statements reflecting the consolidation of the Accounts of your Company with its subsidiary are annexed to this Annual Report.

AUDITORS

M/s. Haribhakti & Co., Chartered Accountants and M/s. Malpani & Associates, Chartered Accountants, the joint Statutory Auditors of the company hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. M/s. Haribhakti & Co. and M/s Malpani & Associates, the joint Statutory Auditors have furnished the required certificates under section 224(1B) of the Companies Act, 1956 regarding their eligibility for re-appointment as Statutory Auditors of the Company.

In respect of the observations made by the Auditors, please refer to notes to Financial Statements, Note 29 in respect of Standalone Financial Statements and Note 34 in respect of Consolidated Financial Statements which are self-explanatory and hence in the opinion of the Directors, do not require any further explanation.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to the shareholders of the Company, Banks, Financial Institutions, valued Customers, suppliers and Business Associates for their support and confidence in the Company. Your Directors gratefully appreciate the co-operation and assistance extended by various Government Agencies and place on record their appreciation for unstinted co-operation and assistance extended to your Company by its employees at all levels.

On Behalf of the Board

Nitin S. Kasliwal

Chairman & Managing Director

Place : Mumbai

Date: 30th May, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

The year 2011-12 was marked by the continuing global volatility. The world economy continues to face challenges on the road to a sustained recovery. The growth prospects for 2012-13 remain uncertain, with growth petering out in the euro area and moderating in the emerging markets, while a better-than-expected recovery is shaping up in the U.S.

After a rebound in growth in 2010-11, the Indian economy slowed down to 6.5% in fiscal 2011-12 – lowest annual growth in the last 9 years. The Indian economy faced significant domestic challenges of persistent and high inflation, tight monetary conditions, low investment and delays in policy making.

Despite the prevailing economic uncertainties, the year 2012-13 holds prospects of gradual build-up in the growth momentum of the Indian economy. In the long-term, India continues to offer considerable opportunities aided by its favourable demographic profile, which ensures a large consumer market. The Indian economy has been immensely benefited by the Textile sector's contribution to the growth of manufacturing sector through continued innovation and modernization. Indian Textiles and Clothing Industry is one of the mainstays of the national economy. The profile of the Indian consumer is changing because of rapid urbanization, changing preferences due to rises in income and a young workforce.

INDIAN RETAIL SECTOR

The organised retail segment in India is expected to witness higher growth going forward. It is estimated that the young population is likely to constitute 53% of the total population in 2020 and 46.5% of the population in 2050, much higher than countries like the US, the UK, Germany, China etc. India's demographic scenario will turn to be more favourable going forward due to the dominant young population, which will most certainly drive retail sales growth, especially in the organised retail segment, and will boost the segment that is already on a high growth trajectory. India's retail growth was largely driven by increasing disposable incomes, favourable demographics, changing lifestyles, growth of the middle class segment and a high potential for penetration into urban and rural markets.

Organized retailing has become more popular in big cities in India and most of the metropolitan cities and other big cities are flooded by modern organized retail stores. Other Urban areas have also witnessed entry of such organized retail outlets. Purchasing power of Indian urban consumer is growing and branded merchandise in categories like Apparels, Cosmetics, Shoes, Watches, Beverages, Food and even Jewellery are slowly becoming lifestyle products that are widely accepted by the urban Indian consumer.

OPPORTUNITIES, GROWTH, THREATS AND CHALLENGES

India's booming economy is a major source of opportunity. It is the third largest in the world in terms of purchasing power parity. India is the second fastest growing major economy in the world. The proportionate increase in spending with earnings is another source of opportunity.

With the Indian economy now expected to grow at a reasonable rate and with average salary hikes of about 15%, manufacturers and retailers of consumer goods and services can expect a major boost in consumption. There are increasing instances of Double Incomes in most families coupled with the rise in spending power. There is increasing use of plastic money for categories relating to Apparel, Consumer Durable Goods, Food and Grocery etc. Increased urbanization has led to higher customer density areas thus enabling retailers to use lesser number of stores to target the same number of customers. Aggregation of demand that occurs due to urbanization helps a retailer in reaping the economies of scale.

India is being seen as a potential goldmine. It has been ranked second in Global Retail Development Index of 30 developing countries drawn up by A.T.Kearney. Many foreign investors are also showing keen interest to enter into the Indian market. If FDI in retail sector sees the light of the day it will see many changes in the coming years. Demand for readymade and western outfits is growing at 40-45% annually. Critical success factors are to deliver affordable and accessible fashion, provide value added services to sustain consumers. Indian Retail Market has grown at CAGR of 10% in the past six years. Food segment contributes largest part of total value of retail market, followed by fashion, leisure & entertainment and fashion accessories.

Although the Organized Retail market does offer a vast untapped potential, it should also be recognized that it is not that easy to operate in Retail market because of several problems. Retailers need to address the challenges to become successful on long term. The sector in India is still at a developmental stage, characterized by a very small number of players trying to create a new paradigm. To become a flourishing industry, the Indian retail sector has to attract leading Indian and foreign players to make substantial investments. Technology is one of the major challenges faced by organized retailers for efficient management. Shortage of skilled workforce prevails in the retail sector. Understanding customers in terms of customer behaviour and loyalty is a difficult job. Retailers need to implement effective customer relation management and loyalty program.

Supply chain is an integral part of any retail organization. Delivering the right goods to the right place at the right time is main task of Supply chain. Retail majors are under serious pressure to improve their supply chain systems and reach the levels of quality and service desired by customers. The lack of proper infrastructure and distribution channels in the country results in inefficient processes. Organized retail outlets use very large volumes of electricity for a variety of applications from lighting, air conditioning, escalators, cold storing, billing systems, lifts etc. As a result of insufficient and inefficient power supply, a huge amount of private investment goes into ensuring power backups. This makes it very difficult for organized retail to grow.

The retailers in India are paying very high cost for real estate. This increases the maintenance cost and reduces profit margins. Competition from unorganized sector is another challenge facing the organized retail industry in India. As more and more organized retail outlets are dotting the Indian topography, competition is no more restricted between organized and unorganized retailing. It is now quite evident between organized retailers as well.

COMPANY'S RETAIL BUSINESS

Reid & Taylor

Reid & Taylor (R&T) is Company's brand offering in the premium suiting and garment segment. R&T has approximately 24% of the market share for worsted suiting and fabrics and is rated amongst the top two brands for premium clothing.

Stephens Brothers

The brand has been discontinued since December, 2011 as Reid & Taylor (India) Limited which had an arrangement with Austin Reed did not see fit to renew the Agreement.

Belmonte

Belmonte is Company's brand offering in the mid premium segment that offers fabrics as well as garments retailed by the Company through a pan-India network. Belmonte offers fabric, suiting and ready-to-wear clothing and is a brand ideal for consumers who are both fashion and value conscious.

Carmichael House

Carmichael House is the brand that offers premium and mid-premium home textiles by S. Kumars Nationwide Limited. The objective of the brand is to provide home makers an array of choices in the home linen category. It offers a complete range of high quality home textiles including bed linen, towels, duvet covers and upholstery.

Dunhill

Dunhill is the offering by the Company in the men's luxury brand segment which is synonymous with the 'pursuit of male indulgence and innovation'. Dunhill (the brand), alongwith the Company has decided to discontinue its Indian Operations after an in-depth study and analysis of the current luxury market scenario in India. Accordingly the Master Franchise Arrangement between the Company with Dunhill will be discontinued from August this year.

Oviesse Joint Venture

Brandhouse Oviesse Limited (BOL), incorporated as Company's Joint Venture with Oviesse S.p.A. Italy under a Joint Venture Agreement, for setting up of the brand "OVS", Italy's number one fashion brand under single brand retail, has extended its operations during the year by opening new stores at Amritsar, Surat and Aurangabad. BOL currently has nine operational stores. BOL offers quality fashionable apparel for men, women and kids at affordable prices under the brand "OVS". The strong product and price mix adopted by BOL would enable BOL to cater to wide range of masses with tremendous potential in the growing Indian Market and changing consumer tastes, choice etc. The Joint Venture Company has planned local sourcing in a phased manner for superior margins, which would have significant reduction of additional outgo towards import duty etc. However, even with local sourcing, the designing & styling will continue to be totally Italian.

OUTLOOK

The Company is well positioned to consistently grow and improve earnings. The optimism is driven by a robust store network, strategic expansion of new stores, presence across socio-economic segments and rising consumer appetite.

Increasing consumer sentiment provides the Company with greater confidence on achieving enhanced sales on the back of an overall improvement in the demand scenario. There is strong growth in demand expected in the tier-2 and 3 cities. The Company's resilient position in all socio-economic segments of the branded apparel space in the domestic market has been a major growth driver for the Company. Also the continued focus of the Company on overall cost rationalization, better working capital rotation and enhanced same store sales have helped the Company deliver better results.

The Company is poised to take advantage of the continuing demand growth in the domestic retail segment on the back of a well-diversified set of brands and a planned expansion in store network.

RISKS & CONCERN

The Company considers good Corporate Governance as a pre-requisite for meeting the needs and aspirations of its shareholders and other stakeholders in the Company. As part of the Company's efforts to strengthen Corporate Governance, the Board of Directors have formulated Risk Management Policy, which puts in place a risk management structure with clear definition of roles and responsibilities, as well as a risk portfolio involving a continuous process of risk identification, risk assessment, control assessment and risk monitoring, review and communication. The Company aims to:

- Identify, assess and manage existing as well as new risks in a planned and coordinated manner
- Increase the effectiveness of its internal and external reporting structure.
- Develop and foster a "risk" culture within the organization that encourages all staff to identify risk and associated opportunities and respond to them with appropriate actions.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company is adhering to a system of internal controls for financial reporting of transactions and compliance with relevant laws and regulations commensurate with its size and nature of business. The Company also has a well-defined process for ongoing management reporting, and periodic review of businesses so as to ensure alignment with strategic objectives.

The internal audit function is carried out partly by internal resources and the balance activity is outsourced to Chartered Accountant firms. As part of the effort to evaluate the effectiveness of the internal control systems, the Internal Audit department reviews the control measures on a periodic basis and recommends improvements, wherever appropriate. The Internal Audit department is manned by qualified and experienced personnel and reports directly to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures. Based on their recommendations, the Company has implemented a number of control measures both in operational and accounting related areas, apart from security related measures.

FINANCIAL PERFORMANCE ANALYSIS

Revenues

In the Financial Year 2011-12 your Company's revenues grew 6.21% to ₹ 783.57 crore due to improved same store sales and better volumes achieved.

Expenditure

Total expenditure during the period under review, excluding interest & depreciation, increased by 7.48% to ₹ 728.65 crore from ₹ 677.95 crore last year. As a natural effect of the Company's enhanced scale of operations, total expenditure has also increased.

During the year under review the Company successfully negotiated vastly competitive occupancy rates for its stores. The focus of the Company's scouting team is forever on further reducing cost on this parameter with a vision to control fixed operating cost for the Company.

Interest Cost

Interest Cost for the financial year 2011-12 is slightly higher at ₹ 29.77 crore as compared to ₹ 28.16 crore in the previous year.

OPERATING PROFIT

Operating profit for the financial year 2011-12 is lower at ₹ 18.13 crore in comparison to ₹ 24.71 crore as margins were affected owing to higher discounts in prevailing market conditions.

CAUTIONARY STATEMENT

Statements made in this report in describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. Actual results could differ materially from those expressed in the statement or implied due to the influence of external and internal factors, which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Company's philosophy of corporate governance stems from its belief of transparency, integrity and accountability towards all stockholders. Corporate Governance helps to achieve excellence to enhance stakeholders' value by focusing on long-term stakeholder value creation without compromising on integrity, social obligation and regulatory compliances.

Company's continuous endeavour has been to achieve good governance, by way of a conscious and conscientious effort whereby ensuring the truth, transparency, accountability and responsibility in all its dealings with the stakeholders, consumers and the community at large.

The following report on the implementation of the Corporate Governance requirements under clause 49 of the Listing Agreement illustrates the efforts of the Company in having followed the Corporate Governance principles, both, in their letter and spirit.

COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

The Company's Report on Corporate Governance under clause 49 of the Listing Agreement is as under:

1. BOARD OF DIRECTORS

A. Composition of the Board:

As on 31st March, 2012, the Company's Board comprised of six Directors (excluding the alternate director), of which three are Independent Directors, one Non-Executive Promoter Director, one Executive Promoter Director and one Non-Executive Non-Independent Director. The composition of the Board given below is in conformity with clause 49 of the Listing Agreement.

Name of the Director	Designation	Promoter / Non-Promoter	Executive / Non-Executive	Independent / Non-Independent
Mr. Nitin S. Kasliwal	Chairman & Managing Director	Promoter	Executive	Non-Independent
Mrs. Jyoti N. Kasliwal	Director	Promoter	Non-Executive	Non-Independent
Mr. Vijay Kalantri*	Director	Non-Promoter	Non-Executive	Independent
Mr. Susheel Kak**	Nominee Director***	Non-Promoter	Non-Executive	Independent
Mr. Denys Firth	Nominee Director***	Non-Promoter	Non-Executive	Independent
Mr. Dara D. Avari	Director	Non-Promoter	Non-Executive	Non-Independent
Mr. Alexander Shaik	Alternate Director****	Non-Promoter	Non-Executive	Independent

*Appointed with effect from 13th February, 2012 as Director in place of Dr. A. C. Shah who passed away on 16th January, 2012.

**Appointed with effect from 15th September, 2011 as Director in place of Mr. Anish Modi who ceased to be a Director with effect from 15th September, 2011.

*** Nominee of India Debt Management Private Limited.

**** Alternate Director to Mr. Denys Firth.

B. Number of Board Meetings:

The Board of Directors met four (4) times during the year on 30th May, 2011, 10th August, 2011, 12th November, 2011 and 13th February, 2012. The maximum time gap between any two consecutive Board Meetings did not exceed four months.

Attendance of the Directors and details of their Directorships and membership of Committees in other Companies:

Name of Director	Board Meetings Attended	Attendance in Last AGM held on 28 th September, 2011	No. of Directorships in other Public Limited Companies*	No. of Committees#	
				Chairman	Member
Mr. Nitin S. Kasliwal	4	Yes	3	-	-
Mrs. Jyoti N. Kasliwal	2	No	1	-	-
Dr. A. C. Shah**	2	Yes	N.A.	N.A.	N.A.
Mr. Vijay Kalantri***	1	N.A.	13	1	5
Mr. Anish Modi****	2	No	N.A.	N.A.	N.A.
Mr. Susheel Kak*****	2	N.A.	2	-	2
Mr. Denys Firth	-	No	2	-	-
Mr. Dara D. Avari	4	Yes	2	-	2
Mr. Alexander Shaik*****	3	No	2	-	-

* Excludes Private Limited Companies, Foreign Companies and Section 25 Companies.

Committees include Audit Committee and Investors' Grievance Committee of the Board.

** Ceased to be Director with effect from 16th January, 2012.

*** Appointed as Director with effect from 13th February, 2012

**** Ceased to be Director with effect from 15th September, 2011

***** Appointed as Director with effect from 15th September, 2011

***** Alternate Director to Mr. Denys Firth.

All the Directors have made necessary disclosures about the committee positions they occupy in other Companies.

The Company has not entered into any materially significant transaction during the year under review with Promoters, Directors, Senior Management Personnel etc. other than transactions, if any, entered into in the normal course of Company's business.

The Company's Board of Directors play primary role in ensuring good governance and functioning of the Company. The Board's role, functions, responsibility and accountability are clearly defined. The relevant information barring a few as specified in Annexure 1A to Clause 49 of the Listing Agreement is regularly placed before the Board. Agenda and Notes on Agenda are circulated to the Directors in advance of each meeting of the Board of Directors. Where it is not practical to attach or send the relevant information as part of agenda papers, the same are tabled at the meeting and the presentations are made to the Board. The Members of the Board have complete freedom to express their opinion and the decisions are taken after detailed discussions. *The Board is still in the process of reviewing periodically the compliances of all laws, rules and regulations applicable to the Company.*

The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company. Apart from the above, additional Board Meetings are convened by giving appropriate notice to address the specific needs of the Company.

In accordance with the provisions of the Companies Act, 1956 and Article 130 of the Articles of Association of the Company, Mr. Denys Firth and Mr. Nitin S. Kasliwal retire by rotation and being eligible, offer themselves for re-appointment.

C. Code of Conduct:

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company which is posted on the Company's website. All the Board members and Senior Management Personnel have affirmed compliance with the said Code of Conduct.

D. Code on Insider Trading:

The Company has framed a Code on Prevention of Insider Trading in accordance with the code prescribed under SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code is applicable to all Directors, Senior Management and Designated Employees of the Company. By its terms, all Directors, Senior Management and Designated Employees are restricted from dealing in the shares of the Company during the restricted periods notified by the Company from time to time. In compliance with the provisions of the said Code, all Directors, Senior Management and Designated Employees of the Company have disclosed their dealings in the shares of the Company and obtained prior approval before dealing in shares, if any, in excess of the prescribed limits under the said Code. This includes disclosures regarding changes in their shareholdings during the financial year and position as at the end of the year.

2. AUDIT COMMITTEE

A. Composition of Audit Committee

The Company has an Audit Committee at the Board level, with the powers and the role that are in accordance with the Clause 49II (C) and (D) of the Listing Agreement and section 292A of the Companies Act, 1956, which acts as a link between the management, the Statutory and Internal Auditors and the Board of Directors and oversees the financial reporting process of the Company.

During the year under review, the Audit Committee of the Board of Directors of the Company was re-constituted twice i.e. on 12th November, 2011, for induction of Mr. Susheel Kak upon nomination as its member in place of Mr. Anish Modi who ceased to be a Director with effect from 15th September, 2011 and on 13th February, 2012 for induction of Mr. Vijay Kalantri upon nomination as its member in place of Dr. A. C. Shah who ceased to be a Director/Chairman of the Audit Committee with effect from 16th January, 2012.

At present, the Audit Committee of the Board of Directors of the Company comprises of three members of whom two are Independent. The members of the Audit Committee have knowledge on financial matters and have accounting or related financial management expertise. The Chairman of the Audit Committee is an Independent Director. The Statutory Auditors, Internal Auditors and head of the finance department of the Company are also invited to the Audit Committee Meetings.

The Sr. VP Legal & Company Secretary acts as the Secretary to the Audit Committee.

B. Meetings of Audit Committee

During the year under review, the Audit Committee met four (4) times on 30th May, 2011, 10th August, 2011, 12th November, 2011 and 13th February, 2012. The details of the composition and attendance by the Committee members are as follows:

Name of Director	Independent / Non-Independent	Designation	Meetings Attended during the year
Dr. A. C. Shah*	Independent	Chairman	2
Mr. Vijay Kalantri**	Independent	Chairman	1
Mr. Anish Modi***	Independent	Member	2
Mr. Susheel Kak****	Independent	Member	2
Mr. Dara D. Avari	Non-Independent	Member	4

* Ceased to be Director with effect from 16th January, 2012.

** Appointed as member/Chairman of Audit Committee with effect from 13th February, 2012

*** Ceased to be Director with effect from 15th September, 2011

**** Appointed as member of Audit Committee with effect from 12th November, 2011

As stipulated under clause 49 of the Listing Agreement, at each of the meetings of the Audit Committee, the requisite quorum of two members or one third of the members of the Audit Committee, whichever is greater, subject to a minimum of two independent members were present, *except for the Audit Committee Meeting held on 12th November, 2011 where only one independent member was present.*

The then Chairman of the Audit Committee was present at the Seventh Annual General Meeting of the Company held on 28th September, 2011.

C. Terms of Reference

The terms of reference of the Audit Committee are in accordance with all the items listed in Clause 49 II (D) and (E) of the Listing Agreement as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of Audit Fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of the Statutory and Internal Auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- Discussing and reviewing with the Internal Auditors any significant findings, its reporting to the Board and follow up thereon.

- i) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- j) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- k) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- l) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- m) Reviewing significant related party transactions.

3. REMUNERATION COMMITTEE

The Remuneration Committee deals with the matters specified in Clause 49 of the Listing Agreement and also reviews the overall compensation structure and policies of the Company. The Chairman of the Remuneration Committee is an Independent Director. Since there was no change in the composition and terms of appointment of the Executive Directors, no meeting of the Remuneration Committee was required to be held during the year under reporting.

During the year under review, the Remuneration Committee of the Board of Directors of the Company was re-constituted twice i.e. on 12th November, 2011 for induction of Mr. Susheel Kak upon nomination as its member in place of Mr. Anish Modi who ceased to be a Director with effect from 15th September, 2011 and on 13th February, 2012 for induction of Mr. Vijay Kalantri upon nomination as its member in place of Dr. A. C. Shah who ceased to be a Director/ Chairman of the Remuneration Committee with effect from 16th January, 2012.

The Constitution of the Remuneration Committee is as under:

Name of Director	Designation
Dr. A. C. Shah*	Chairman
Mr. Vijay Kalantri**	Member
Mr. Anish Modi***	Member
Mr. Susheel Kak****	Member
Mr. Dara D. Avari	Member

* Ceased to be Director with effect from 16th January, 2012.

** Appointed as member of Committee with effect from 13th February, 2012

*** Ceased to be Director with effect from 15th September, 2011

**** Appointed as member of Committee with effect from 12th November, 2011

Remuneration paid to the Directors:

- (A) The Non-Executive Directors of the Company do not draw any remuneration from the Company except sitting fees for the meetings of the Board of Directors, Audit Committee and Committee of Directors attended by them. Pursuant to a resolution passed by the Board of Directors at its meeting held on 27th January, 2011, the sitting fees payable to the Non-Executive Directors is ₹ 20,000/- for each meeting of the Board of Directors, Audit Committee and Committee of Directors attended by them after 27th January, 2011.

The details of sitting fees paid to the non-executive directors for the financial year 2011-12 are as under:

(In ₹)

Name of the Director	Sitting Fees for the Financial Year 2011-12		Total
	Board Meeting	Audit Committee	
Mr. Nitin S. Kasliwal	N.A.	N. A.	Nil
Mrs. Jyoti N. Kasliwal	40,000	N. A.	40,000
Dr. A. C. Shah*	40,000	40,000	80,000
Mr. Vijay Kalantri**	20,000	20,000	40,000
Mr. Anish Modi***	40,000	40,000	80,000
Mr. Susheel Kak****	40,000	40,000	80,000
Mr. Denys Firth	NIL	N. A.	NIL
Mr. Dara D. Avari	80,000	80,000	1,60,000
Mr. Alexander Shaik#	60,000	N.A.	60,000

Alternate Director to Mr. Denys Firth.

* ceased to be Director with effect from 16th January, 2012.

** Appointed as Director with effect from 13th February, 2012.

*** Ceased to be Director with effect from 15th September, 2011.

**** Appointed as Director with effect from 15th September, 2011.

(B) The details of remuneration paid to the executive directors for the financial year 2011-12 are as follows:

(In ₹)

Name / Designation	Tenure of Office during the Financial Year	Salary	Perquisites incl contribution to Provident Fund	Incentives etc.	Total
Mr. Nitin S. Kasliwal, Chairman & Managing Director *	1 st April, 2011 to 31 st March, 2012	Nil	Nil	Nil	Nil

* Appointed as Managing Director of the Company from 30th January, 2010 to 29th January, 2013 without any remuneration.

The Notice Period for the Managing Director is two months.

The Company does not have a scheme for grant of Stock Options.

(C) Shareholding of the Directors in the Company as on 31st March, 2012

Name of Director	As on 31 st March, 2012	
	Number of Shares	%
Mr. Nitin S. Kasliwal	296,490	0.55
Mrs. Jyoti N. Kasliwal	292,932	0.55
Mr. Vijay Kalantri	1,600	0.00
Mr. Susheel Kak	-	-
Mr. Denys Firth	-	-
Mr. Dara D. Avari	-	-
TOTAL	591,022	1.10

4. TRANSFER & SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Transfer & Shareholders'/Investors' Grievance Committee of the Board was constituted on 17th June, 2008 with the following terms of reference:

- Approving transfer(s), transmission(s) and transposition(s) of the shares held in physical form.
- Approving sub-division / consolidation of Share Certificates, subject to marketable lot size.
- Approving dematerialisation / rematerialisation requests.
- Redressing any other grievances / queries of the shareholders / investors not mentioned above which it may deem fit.
- Reviewing statutory compliances falling under shares related activities.

During the year under review, the Transfer & Shareholders'/Investors' Grievance Committee of the Board of Directors of the Company was re-constituted once i.e. on 13th February, 2012 for nominating Mr. Vijay Kalantri as its member in place of Dr. A. C. Shah who ceased to be a Director/Chairman of the Transfer & Shareholders'/Investors' Grievance Committee with effect from 16th January, 2012.

A total of 12 meetings of the Transfer & Shareholders'/Investors' Grievance Committee were held during the year under review. The composition of the Committee and the number of meetings attended by the members are as follows:

Name of Director	Designation	Meetings Attended
Dr. A. C. Shah*	Chairman	10
Mr. Vijay Kalantri**	Chairman	2
Mr. Dara D. Avari	Member	12

* Ceased to be Director with effect from 16th January, 2012.

** Appointed as member/Chairman of the Transfer & Shareholders'/Investors' Grievance Committee with effect from 13th February, 2012

Mr. Pulak Banerjee, the Sr. VP Legal & Company Secretary is the Compliance Officer of the Company.

A total of 7 complaints were received during the financial year under reporting. All these complaints have been resolved to the satisfaction of the complainants. No complaint was pending as on 31st March, 2012. No requests for transfers were pending for approval as on 31st March, 2012.

5. COMMITTEE OF DIRECTORS

A Committee of the Board of Directors of the Company was constituted at the meeting of the Board of Directors held on January 30th, 2010.

During the year under review, the Committee of Directors of the Board of Directors of the Company was re-constituted on 13th February, 2012 upon nomination of Mr. Vijay Kalantri as its member in place of Dr. A. C. Shah who ceased to be a Director/Chairman of the Committee of Directors with effect from 16th January, 2012. No meeting of Committee of Directors was held during 2011-12.

Composition of the Committee of Directors is given below:

Name of Director	Designation
Mr. Nitin S. Kasliwal	Chairman
Dr. A. C. Shah*	Member
Mr. Vijay Kalantri**	Member
Mr. Dara D. Avari	Member

* Ceased to be Director with effect from 16th January, 2012.

** Appointed as member of the Committee of Directors with effect from 13th February, 2012

6. GENERAL BODY MEETINGS

Annual General Meetings

The details of the last three Annual General Meetings held are as follows:

Year	AGM	Date and Time of AGM	Venue
2008-2009	5 th	24 th September, 2009 at 4:30 p.m.	Walchand Hirachand Hall, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai – 400020
2009-2010	6 th	28 th September, 2010 at 4:30 p.m.	Walchand Hirachand Hall, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai – 400020
2010-2011	7 th	28 th September, 2011 at 4:30 p.m.	Walchand Hirachand Hall, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai – 400020

Special Resolutions passed in the last three Annual General Meetings are as follows:

AGM	AGM Date	Special Resolutions passed for:
5 th	24 th September, 2009	Appointment of Mr. Kartikeya N. Kasliwal as General Manager (Retail Operations) pursuant to Section 314(1B) of the Companies Act, 1956 Keeping of the Statutory Registers, Documents and Papers at a place other than the Registered Office of the Company
6 th	28 th September, 2010	Appointment of Mr. Nitin S. Kasliwal as Managing Director, without any remuneration, for a period of three (3) years with effect from 30 th January, 2010 pursuant to Sections 269 and 316 of the Companies Act, 1956
7 th	28 th September, 2011	Nil

Extra Ordinary General Meetings

The details of the Extra-Ordinary General Meetings held during the last three financial years are as follows:

Year	Date and Time of EOGM	Venue
2008 – 09	on 7 th April, 2008 at 11:00 a.m.	“Avadh” Avadhesh Parisar, Shree Ram Mills Premises, G. K. Marg, Worli, Mumbai – 400 018
	on 26 th May, 2008 at 4:00 p.m.	“Avadh” Avadhesh Parisar, Shree Ram Mills Premises, G. K. Marg, Worli, Mumbai – 400 018
2009-10	Nil	N.A.
2010-11	Nil	N.A.

Special Resolutions passed in the Extra-Ordinary General Meetings held during the last three financial years are as follows:

EoGM Date	Special Resolutions passed for:
7 th April, 2008	Increase in Authorised Capital of the Company from Rupees Twenty Five crore to Rupees Sixty crore Alteration of Articles of Association of the Company to amend Article “Authorised Capital” to give effect to the increase of Authorised Capital Appointment of Ms. Anjani N. Kasliwal as General Manager (Luxury Brands) pursuant to Section 314(1) of the Companies Act, 1956 Increase in Foreign Institutional Investors Investment limit, subject to the approval of regulatory authorities, to 49% of the paid-up share capital of the Company
26 th May, 2008	Substitution of old Articles of Association by the new Articles of Association for complying with the listing requirements of the Stock Exchanges.

Postal Ballot

During the Financial Year under review, one Postal Ballot was conducted as per the following details:

Date of Notice	Brief details of the Resolutions passed	Type of Resolution	Result
13 th February, 2012	Resolution for making further investment(s) in securities of, making loan(s) and / or giving guarantee(s) / providing security for loan(s) / facilities extended to Brandhouse Oviesse Limited, subsidiary of the Company.	Special Resolution pursuant to section 372A of the Companies Act, 1956	The votes cast in favour of the Resolution were 99.96% as against 0.04% votes cast against the Resolution. The Resolution was accordingly passed by requisite majority.

Mr. P. N. Parikh of Parikh & Associates, Practising Company Secretaries at Mumbai as the Scrutinizer conducted the Postal Ballot processes in a fair and transparent manner.

None of the resolutions proposed for the ensuing Annual General Meeting is needed to be passed by postal ballot.

7. SUBSIDIARIES:

The Company has one subsidiary, namely Brandhouse Oviessie Limited, which is a Joint Venture Company of the Company and Oviessie S.p.A., Italy.

Details of Subsidiaries:

Name of the Subsidiary	Date of Incorporation	Shareholding as on 31st March, 2012
Brandhouse Oviessie Limited	29 th July, 2009	62.5%

Material Non-Listed Indian Subsidiary: The revised Clause 49 defines a 'Material Non-Listed Indian Subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year. Therefore, the Company does not have any Material Non-Listed Indian Subsidiary.

The Subsidiary commenced its operations during the Financial Year 2010-11. The minutes of the Board Meetings of the subsidiary *except the financial statements* are being placed from time to time before the meeting of the Board of Directors. The financial statements of the subsidiary are reviewed annually as part of the consolidated financial statements of the Company.

8. DISCLOSURES:

a) Disclosure regarding materially significant related party transaction

There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. As the transactions with related parties are disclosed separately under Notes to Accounts in this Annual Report, the same are not reviewed separately at the Audit Committee.

b) Details of Non-Compliance of statutory provisions of capital market

The Company has complied with all statutory provisions of regulatory authorities. No penalties or strictures have been imposed on the Company by any Stock Exchange or SEBI or any other statutory authority on any matter related to capital market during the last three years.

c) Compliance of Clause 49 of the Listing Agreement

The Company has generally complied with the mandatory requirements of Clause 49 of the Listing Agreement subject to statements as made herein. Certification by CEO and CFO about the true & fairness of the accounts and financial statements of the Company for the year ended 31st March, 2012 has been duly received and was placed before the Board Meeting held on 30th May, 2012 for approving the accounts for the year ended on 31st March, 2012.

d) Risk Management

The Company has formulated a Risk Management Policy.

e) Disclosure of relationship between Directors inter-se

Mr. Nitin S. Kasliwal and Mrs. Jyoti N. Kasliwal are husband and wife. No other Director is related to any other Director.

f) Management

The Management Discussion and Analysis Report forms part of this Annual Report.

Clause 49 of the Listing Agreement mandates to obtain a certificate from either the Auditors or Practicing Company Secretary regarding compliance of conditions of corporate governance stipulated in the clause and annex the certificate with the Directors' Report, which is sent annually to all the shareholders. The company has obtained a certificate from the Practicing Company Secretary to this effect and the same is given as an annexure to the Directors' Report.

g) Proceeds from Issues, if any

Not Applicable

9. MEANS OF COMMUNICATION:

The Company has been promptly communicating any material developments in the Company to the shareholders. During the year, the financial results of the Company were published as follows:

Period	Date of the Board Meeting	Date of publishing	Newspapers
Audited Financial Results for the Financial Year 2010-11	30 th May, 2011	1 st June, 2011	The Free Press Journal & Navashakti
Unaudited Financial Results for the Quarter ended 30 th June, 2011 (Q1)	10 th August, 2011	12 th August, 2011	The Free Press Journal & Navashakti
Unaudited Financial Results for the Half Year ended 30 th September, 2011 (H1)	12 th November, 2011	15 th November, 2011	The Free Press Journal & Navashakti
Unaudited Financial Results for the Quarter ended 31 st December, 2011 (Q3)	13 th February, 2012	15 th February, 2012	The Free Press Journal & Navashakti

All material information including financials, presentations, press releases, corporate updates, shareholders information communicated to BSE, NSE is available on the respective websites of BSE and NSE and also on the website of the Company <http://brandhouseretails.com>.

10. GENERAL SHAREHOLDERS INFORMATION:

10.1 Annual General Meeting

Date, Time and Venue:

Thursday, 27th September, 2012 at 1:00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai – 400020

10.2 Financial Year

1st April to 31st March

Tentative Financial Calendar for the Financial Year 2012-13 is as follows:

Board Meeting for considering Audited Financial Results for the Year ended 31 st March, 2012	30 th May, 2012
Financial Results for the Quarter ending on 30 th June, 2012	By 14 th August, 2012
Financial Results for the Quarter / Half year ending on 30 th September, 2012	By 12 th November, 2012
Financial Results for the Quarter / Nine months ending on 31 st December, 2012	By 14 th February, 2013
Financial Results for the Quarter / Year ending on 31 st March, 2013 (Audited Results)	By 30 th May, 2013

10.3 Date of Book Closure

Saturday, 22nd September, 2012 to Thursday, 27th September, 2012 (both days inclusive)

10.4 Dividend Payment Date

The Company has not declared / proposed any interim / final dividend for the financial year ended on 31st March, 2012.

10.5 Listing on Stock Exchanges

Bombay Stock Exchange Limited (BSE)	National Stock Exchange of India Limited (NSE)
Phiroze Jeejeebhoy Towers,	Exchange Plaza, Bandra - Kurla Complex,
Dalal Street,	Bandra (East),
Mumbai - 400 001	Mumbai 400 051

The requisite Listing Fees for the financial year 2011-12 have been duly paid to BSE & NSE.

10.6 Stock Code & ISIN for the equity shares of the Company

BSE Scrip Code: 533059 NSE Symbol: BRANDHOUSE

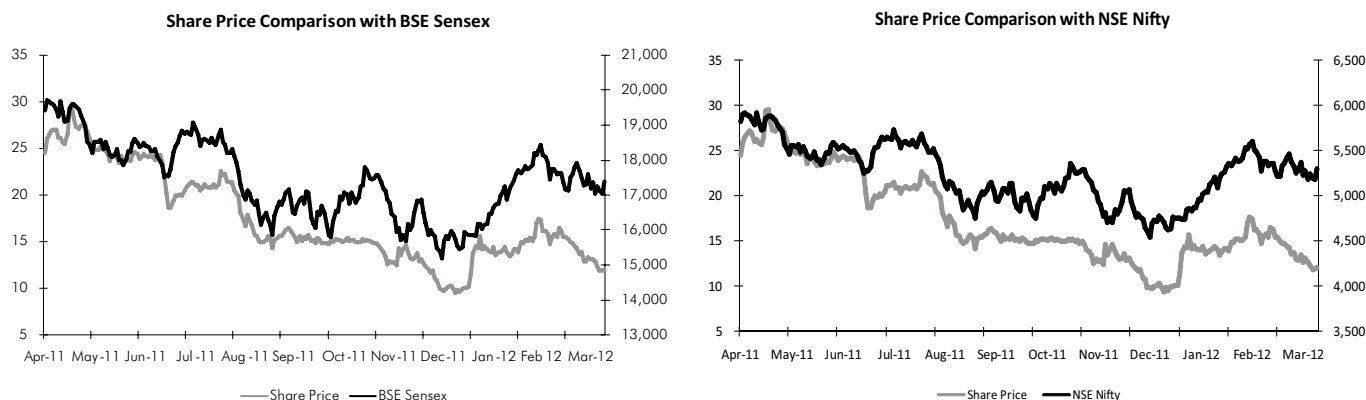
ISIN for the equity shares of the Company: INE317J01011

10.7 Market Price Data:

Monthly share price movement on BSE & NSE during the Financial Year 2011-12 was as below:

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April 2011	31.10	23.70	26,71,474	31.00	23.70	60,40,644
May 2011	28.25	23.15	11,65,370	28.45	23.00	25,84,502
June 2011	25.55	18.00	10,70,162	25.60	18.20	25,41,819
July 2011	24.00	20.10	12,26,686	24.00	19.80	22,26,207
August 2011	22.50	14.15	6,13,171	21.90	14.10	13,62,489
September 2011	16.90	14.25	2,69,776	16.75	14.30	6,67,785
October 2011	16.60	13.50	1,53,721	15.70	14.10	3,24,279
November 2011	16.10	12.00	7,31,077	16.10	12.00	17,26,583
December 2011	14.40	9.35	3,03,799	13.80	9.00	6,04,260
January 2012	15.78	9.55	7,69,301	15.75	9.25	13,40,538
February 2012	18.30	13.40	7,36,644	18.40	13.45	16,34,574
March 2012	16.90	11.70	2,53,672	17.05	11.75	7,57,411

10.8 Performance in comparison to broad-based indices



10.9 Registrar & Transfer Agent

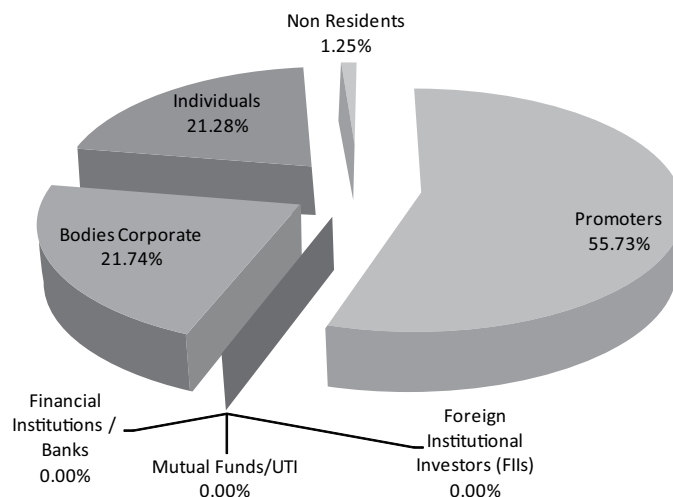
Datamatics Financial Services Limited
 Plot No. B-5, Part B Crosslane,
 MIDC Marol, Andheri (East),
 Mumbai 400 093
 Tel: +91-22-66712175
 Fax: +91-22-66712161
 E-mail: bhrlinvestors@sknl.co.in

10.10 Share Transfer System

The Company together with its RTA ensures prompt disposal of all the requests for transfer / transmission / transposition of equity shares of the Company. Usually, the requests received with proper documentation are cleared within 21 days from their lodgment. The requests with incomplete / improper documentation are sent back within 15 days from lodgment.

10.11 Shareholding Pattern

Category of Shareholder	As on 31 st March, 2012	
	Number of Shares	%
Promoters	2,98,72,651	55.73
Mutual Funds/UTI	880	0.00
Financial Institutions / Banks	640	0.00
Foreign Institutional Investors (FIIs)	0	0.00
Bodies Corporate	1,16,53,237	21.74
Individuals	1,14,03,040	21.28
Non Residents	6,72,319	1.25
TOTAL	5,36,02,767	100.00

Shareholding Pattern as on 31st March, 2012

Distribution of holdings

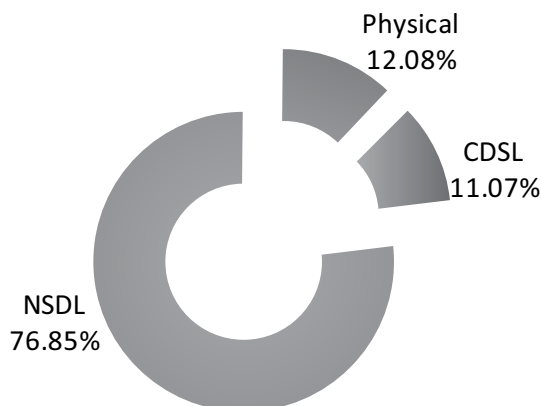
Shares Range From - To	As on 31 st March, 2012			
	Number of Shares	% To Capital	No. of shareholders	% to no. of shareholders
1 - 500	22,93,005	4.28	23184	86.63
501 – 1,000	14,30,102	2.67	1680	6.28
1,001 – 2,000	13,81,358	2.58	868	3.24
2,001 – 3,000	8,47,272	1.58	327	1.22
3,001 – 4,000	5,71,408	1.07	159	0.59
4,001 – 5,000	7,63,142	1.41	159	0.59
5,001 – 10,000	13,89,265	2.59	185	0.69
10,001 – 50,000	33,38,192	6.23	160	0.60
50,001 & above	4,15,89,023	77.59	41	0.16
	5,36,02,767	100.00	26763	100.00

10.12 Dematerialisation of shares and liquidity

The equity shares of the Company are admitted into the depository system of NSDL & CDSL and the ISIN allotted is INE317J01011. The Company together with RTA ensures that all dematerialisation and rematerialisation requests received from the depository participants are disposed of within 15 days of receipt of request. The trading of the equity shares of the Company, both on BSE & NSE, is compulsorily to be in the dematerialised form.

As on 31st March, 2012, 4,71,27,234 equity shares aggregating 87.92% of the total equity shares of the Company were held in demat form.

Mode of Shareholding



10.13 Outstanding GDR/ ADR/ Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDR/ ADR/ Warrants or any other instruments to be converted into equity shares.

10.14 Plant Locations / Registered Office

Registered Office:

Brandhouse Retails Limited

B-2, 5th Floor, Marathon NextGen,

Off G. K. Marg, Lower Parel,

Mumbai – 400 013

Tel: +91-22-24824500

Fax: +91-22-24930378

E-mail: bhrlinvestors@sknl.co.in

Website: <http://brandhouseretails.com>

10.15 Address for correspondence

The shareholders may contact the Company / RTA on the following addresses:

General Correspondence:

Brandhouse Retails Limited

Inga Complex, Mahakali Caves Road,

Andheri (East), Mumbai – 400 093

Tel: +91-22-28250797

Fax: +91-22-28207577

Website: <http://brandhouseretails.com>

e-mail ID for investors grievances: bhrlinvestors@sknl.co.in

Correspondence related to shares / queries / requests:

Datamatics Financial Services Limited

Plot No. B-5, Part B Crosslane, MIDC Marol, Andheri (East),

Mumbai - 400 093

Tel: +91-22-66712175

Fax: +91-22-66712161

Website: <http://www.dfssl.com>

10.16 Evolution of Issued, Subscribed and Paid-Up Equity Share Capital as on 31st March, 2012

Date	Particulars	(In No. of Shares)			(In ₹)		
		Opening Balance	Increase / (Decrease)	Closing Balance	Opening Balance (₹)	Increase / (Decrease) (₹)	Closing Balance (₹)
4 th June, 2004	Incorporation	0	10,000	10,000	0	1,00,000	1,00,000
24 th January, 2006	Allotment to S. Kumars Nationwide Limited	10,000	9,90,000	10,00,000	1,00,000	99,00,000	1,00,00,000
14 th September, 2007	Allotment to Sansar Exim Private Limited	10,00,000	53,00,000	63,00,000	1,00,00,000	5,30,00,000	6,30,00,000
23 rd July, 2008	Allotment under the Scheme of Arrangement	63,00,000	4,73,02,767	5,36,02,767	6,30,00,000	47,30,27,670	53,60,27,670

11. Non Mandatory Requirement:

As stated above the Board has already constituted a Remuneration Committee. As regards Whistle Blower Policy, all employees have access to the Audit Committee.

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 I(D) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE COMPANY'S CODE OF CONDUCT

This is to confirm in accordance with Clause 49 I(D) of the Listing Agreement with the Stock Exchanges that all Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct laid down by the Company as applicable to them for the Financial Year ended on 31st March, 2012.

For Brandhouse Retails Limited
 Nitin S. Kasliwal
 Chairman & Managing Director

Date: 30th May, 2012
 Place: Mumbai

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
 Brandhouse Retails Limited

We have examined the compliance of conditions of Corporate Governance by Brandhouse Retails Limited for the year ended on March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and *subject to the statements made by the management* in the Corporate Governance report, we certify that the Company has *generally* complied with the conditions of corporate governance as stipulated in Clause 49 of the abovementioned listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Parikh & Associates

Practising Company Secretaries

P. N. Parikh

FCS: 327 CP: 1228

Mumbai

Dated: 30th May, 2012

KEY FINANCIALS AT A GLANCE

BALANCE SHEET (STANDALONE)

(₹ in Lacs)					
Particulars	31.03.2008	31.03.2009	31.03.2010	31.03.2011	31.03.2012
(A) SOURCES OF FUNDS					
(ai) Shareholders' Funds					
Share Capital (Equity Shares of ₹ 10/- each)	630.00	5,360.28	5,360.28	5,360.28	5,360.28
Reserves and Surplus	5,036.21	5,841.57	7,123.53	8,975.01	9,795.33
TOTAL (ai)	5,666.21	11,201.85	12,483.81	14,335.29	15,155.61
(aii) Amount to be Converted into Shares	4,730.28	-	-	-	-
(aiii) Loan Funds					
Secured Loans	6,570.89	10,155.44	18,757.54	17,949.59	18,627.43
(aiv) Deferred Tax Liability	45.75	-	-	-	-
TOTAL (A) (ai+aii+aiii+aiv)	17,013.13	21,357.29	31,241.36	32,284.88	33,783.04
(B) APPLICATION OF FUNDS					
(bi) Fixed Assets					
Gross Block	5,900.02	6,488.28	6,702.65	6,760.52	6,728.09
Less : Depreciation/Amortisation	498.46	1,321.49	2,172.30	3,160.26	4,093.69
Net Block	5,401.56	5,166.79	4,530.34	3,600.26	2,634.40
Add : Capital Work in Progress (incl. Capital Advances)	122.48	89.71	28.38	28.05	11.06
TOTAL (bi)	5,524.04	5,256.50	4,558.72	3,628.31	2,645.46
(bii) Investments	-	-	5.00	1,280.70	2,898.10
(biii) Deferred Tax Assets	-	32.38	52.11	40.99	200.17
(biv) Current Assets, Loans & Advances					
Inventories	6,309.55	13,958.04	19,521.99	21,355.09	19,765.88
Sundry Debtors	7,754.49	21,881.24	26,835.02	24,600.37	26,958.65
Cash & Bank balances	42.49	307.42	54.27	42.58	18.99
Loans & Advances	4,775.14	5,389.60	5,479.92	3,741.86	3,519.86
Total Current Assets, Loans & Advances (i)	18,881.67	41,536.30	51,891.21	49,739.90	50,263.38
Less : Current Liabilities & Provisions					
Current Liabilities	6,134.18	22,564.02	20,500.90	20,355.61	19,324.67
Provisions	1,258.40	2,903.87	4,764.79	2,049.42	2,899.40
Total Current Liabilities & Provisions (ii)	7,392.58	25,467.89	25,265.69	22,405.03	22,224.07
Net Current Assets (i-ii) (biv)	11,489.09	16,068.41	26,625.52	27,334.86	28,039.31
TOTAL (B) = (bi+bii+biii+biv)	17,013.13	21,357.29	31,241.36	32,284.87	33,783.04

KEY FINANCIALS AT A GLANCE
PROFIT AND LOSS ACCOUNT (STANDALONE)

	(₹ in Lacs)				
Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Income					
Net Sales	31,379.39	55,234.91	65,746.97	73,744.95	78,348.36
Other Income	80.33	5.76	233.96	28.25	8.55
Increase/(Decrease) in Stock	4,886.96	7,648.49	5,563.95	1,833.10	(1,589.23)
Total	36,346.68	62,889.16	71,544.88	75,606.30	76,767.68
Expenditure					
Purchases & Service Charges	29,298.12	52,316.96	60,143.71	65,098.30	67,328.73
Payment to & Provisions for Employees	732.40	1,531.75	1,536.16	1,197.18	1,109.03
Administrative Expenses	2,956.23	4,839.78	3,851.13	3,307.65	2,821.92
Selling & Distribution Expenses	238.35	82.71	89.87	24.87	16.47
Depreciation & Amortisation	470.82	827.57	856.04	987.97	973.70
Interest & Bank Charges	387.91	878.03	1,965.19	2,816.37	2,977.24
Total	34,083.83	60,476.80	68,442.10	73,432.34	75,227.09
Profit/(Loss) Before Taxation	2,262.85	2,412.36	3,102.78	2,173.96	1,540.59
Provision for Current Taxation	(911.00)	(1,105.00)	(1,157.00)	(690.00)	(702.11)
Provision for Wealth Taxation	-	(0.25)	(0.35)	(0.49)	(0.41)
Provision for Fringe Benefit Tax	(10.80)	(13.20)	-	-	-
Income Tax for Earlier Years	(0.64)	(33.54)	(344.30)	443.77	(146.83)
Provision for Deferred Tax (Asset)/(Reversal)/Liability	(29.04)	78.12	19.74	85.73	159.18
Profit/(Loss) After Taxation	1,311.37	1,338.49	1,620.87	2,012.97	850.42
Balance Profit Brought Forward	25.42	-	-	-	-
Net Profit Available for Appropriation	1,336.79	1,338.49	1,620.87	2,012.97	850.42
Appropriations					
Debenture Redemption Reserve	1,336.79	1,338.49	1,620.87	2,012.97	850.42
Balance Carried To Balance Sheet	-	-	-	-	-
Total	1,336.79	1,338.49	1,620.87	2,012.97	850.42
Earning Per Share (Basic) (F.V. = ₹ 10/-)	33.59	3.44	3.02	3.75	1.59
Earning Per Share (Diluted) (F.V. = ₹ 10/-)	2.56	3.44	3.02	3.75	1.59

AUDITORS' REPORT

TO THE MEMBERS OF BRANDHOUSE RETAILS LIMITED

1. We have audited the attached Balance Sheet of Brandhouse Retails Limited ('the Company') as at March 31, 2012 and the Statement of Profit and Loss and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the paragraph 3 above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Statement of the Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, *except non confirmation of balances in respect of long term loans and advances wherein we are unable to comment on the resulting effect on relevant assets, liabilities and on the profit for the year.*
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Malpani & Associates

Chartered Accountants
 Firm Registration No. 120438 W

Shyam Malpani

Proprietor
 Membership No: 034171

Mumbai : 30th May, 2012

For Haribhakti & Co.

Chartered Accountants
 Firm Registration No. 103523 W

Rakesh Rathi

Partner
 Membership No. 045228

Mumbai : 30th May, 2012

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Brandhouse Retails Limited on the financial statements for the year ended 31st March 2012]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of verification of fixed assets wherein all fixed assets are verified once in a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) (a) As explained to us, the management has physically verified the inventory at all the showrooms as per a phased program, in which, all the showrooms are covered at least once in a year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4(iii)(b),(c) and (d) of the order are not applicable.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(f) and (g) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements each exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- (ix) (a) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Customs duty, Excise duty, Cess have not been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, there is no undisputed dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Wealth-Tax, Service Tax, Sales-Tax, Customs duty, Excise duty, Cess and other Statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable, except Income Tax liability amounting to ₹ 1,038.01 Lacs.

- (b) According to the records of the Company, the dues outstanding of Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Customs duty, Excise duty and Cess on account of any dispute, are as follows:

Name of the statute	Forum at which appeal is pending	Amount (₹)	Period to which the amount relates
Sales Tax, UP	Deputy Commissioner	4.10 Lacs	F.Y. 2007-08
Sales Tax, Mumbai	Deputy Commissioner	12.80 Lacs	F.Y. 2004-05

- (x) The Company has no accumulated losses as at March 31, 2012 and it has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has delayed in payment of interest of ₹ 296.80 lacs to debenture holder for the period from January 2012 to March 2012.
- (xii) We are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in Shares, Securities, Debentures and other Investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.

- (xvi) During the year under review, the Company has not obtained any Term Loans.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the Company has not made any Preferential Allotment of Shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our 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 neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Malpani & Associates

Chartered Accountants
Firm Registration No. 120438 W

Shyam Malpani

Proprietor
Membership No: 034171

Mumbai : 30th May, 2012

For Haribhakti & Co.

Chartered Accountants
Firm Registration No. 103523 W

Rakesh Rathi

Partner
Membership No. 045228

Mumbai : 30th May, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

Particulars	Note No.	Current Year As at 31 st March 2012		Previous Year As at 31 st March 2011	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUND					
Share Capital	2	5,360.28		5,360.28	
Reserves and Surplus	3	9,795.34	15,155.62	8,975.00	14,335.28
NON-CURRENT LIABILITIES					
Long-term Provisions	4		63.06		26.78
CURRENT LIABILITIES					
Short-term Borrowings	5	11,342.33		10,916.47	
Trade Payables	6	18,927.55		20,190.74	
Other Current Liabilities	7	7,682.21		7,211.52	
Short-term Provisions	8	2,836.34	40,788.43	2,006.74	40,325.47
TOTAL			56,007.11		54,687.53
ASSETS					
NON-CURRENT ASSETS					
FIXED ASSETS					
Tangible Assets	9	1,055.54		1,703.73	
Intangible Assets		1,578.86	2,634.40	1,896.54	3,600.27
OTHER NON-CURRENT ASSETS					
Non-Current Investment	10	2,898.10		1,280.70	
Deferred tax Assets (Net)	11	200.17		40.99	
Long term Loans and Advances	12	3,498.49		3,709.91	
Others	13	9.55	6,606.31	34.63	5,066.23
CURRENT ASSETS					
Inventories	14	19,765.88		21,355.10	
Trade Receivables	15	26,958.65		24,603.65	
Cash and Bank Balance	16	18.99		7.95	
Short term Loans and Advances	17	22.88	46,766.40	54.33	46,021.03
TOTAL			56,007.11		54,687.53
Significant Accounting Policies	1				

The Accompanying Notes form an integral part of the Financial Statements.

As per our report of even date

 For Malpani & Associates
 Chartered Accountants
 FRN 120438W

 For Haribhakti & Co
 Chartered Accountants
 FRN 103523W

For and on behalf of the Board

 Shyam Malpani
 Proprietor
 M.No: 34171

 Rakesh Rathi
 Partner
 M.No: 45228

 Nitin S. Kasliwal
 D. D. Avari

 Chairman & Managing Director
 Director

 Place : Mumbai
 Date : 30th May 2012

 Place : Mumbai
 Date : 30th May 2012

 Pulak Banerjee
 Place : Mumbai
 Date : 30th May 2012

Sr. VP Legal & Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

Particulars	Note No.	Current Year ended on 31 st March 2012	Previous Year ended on 31 st March 2011
INCOME			
Revenue from Operations	18	78,348.36	73,744.95
Other Income	19	8.55	28.25
TOTAL REVENUE	a)	78,356.91	73,773.20
EXPENSES			
Purchases of Stock in Trade	20	67,328.73	65,098.30
(Increase)/Decrease in Inventories of Stock in Trade	21	1,589.23	(1,833.10)
	b)	68,917.96	63,265.20
Employee Benefits Expenses	22	1,109.03	1,197.18
Finance Costs	23	2,977.24	2,816.37
Depreciation and Amortisation Expenses	24	973.70	987.97
Other Expenses	25	2,838.39	3,332.52
	c)	7,898.36	8,334.04
TOTAL EXPENSES (b) + (c)	d)	76,816.32	71,599.24
PROFIT BEFORE TAX	(a) - (d)	1,540.59	2,173.96
TAX EXPENSES			
Current Tax		702.11	690.00
Income Tax for Earlier Years		146.83	(443.77)
Deferred Tax		(159.18)	(85.73)
Wealth Tax		0.41	0.49
TOTAL TAX EXPENSES	f)	690.17	160.99
PROFIT FOR THE YEAR	(e) - (f)	850.42	2,012.97
Earning per Equity Shares (Basic & Diluted) (Nominal Value of Shares ₹10 Each)	32	₹ 1.59	₹ 3.75
Significant Accounting Policies	1		

The Accompanying Notes form an integral part of the Financial Statements.

As per our report of even date

 For Malpani & Associates
 Chartered Accountants
 FRN 120438W

 For Haribhakti & Co
 Chartered Accountants
 FRN 103523W

For and on behalf of the Board

 Shyam Malpani
 Proprietor
 M.No: 34171

 Rakesh Rathi
 Partner
 M.No: 45228

 Nitin S. Kasliwal
 D. D. Avari

 Chairman & Managing Director
 Director

 Place : Mumbai
 Date : 30th May 2012

 Place : Mumbai
 Date : 30th May 2012

 Pulak Banerjee
 Place : Mumbai
 Date : 30th May 2012

Sr. VP Legal & Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012

(₹ in Lacs)

Particulars	Current Year ended on 31 st March 2012	Previous Year ended on 31 st March 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	1,540.59	2,173.96
Adjustments for:		
a) Depreciation/Amortisation	973.70	987.97
b) Loss on sale of fixed assets	66.63	0.04
c) Interest Expenditure	2,977.24	2,816.37
d) Exchange Rate Fluctuation	5.71	2.12
e) Interest Income	(1.79)	(2.04)
Operating Profit before Working Capital Changes	5,562.08	5,978.42
Movement in Working Capital		
a) Trade & other Receivables	(2,087.04)	6,036.73
b) Inventories	1,589.22	(1,833.11)
c) Trade and other Payables	(1,063.73)	(3,163.24)
Cash Generated from /(Used in) Operating Activities	4,000.53	7,017.88
a) Direct Taxes	-	(2,064.00)
Net Cash Flow from /(Used in) Operating Activities Total (A)	4,000.53	4954.80
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES		
a) Acquisition of Fixed Assets (Including Capital Work-in-Progress)	(74.45)	(57.59)
b) Investment in Equity Share of Subsidiary Company	(1,626.44)	(1,285.70)
c) Interest income	1.79	2.04
Net Cash Flow from /(Used in) Investing Activities Total (B)	(1,699.10)	(1,341.25)
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES		
a) Proceeds / (Repayment) from Short Term Borrowings	677.81	(842.57)
b) Interest Paid	(2,977.24)	(2,816.37)
Net Cash Flow from / (Used in) Financing Activities Total (C)	(2,299.43)	(3,658.94)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2.00	(45.39)
Total (A) + (B) + (C)	2.00	(45.39)
Cash & Cash Equivalent at the beginning of the year	7.95	53.34
Cash & Cash Equivalent at the end of the year	9.95	7.95
NET CHANGE IN CASH AND CASH EQUIVALENTS	2.00	(45.39)

NOTES:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 (AS-3) "Cash Flow Statement".
- Cash and Cash Equivalents include Cash in hand and Bank balances in Current Accounts. (Refer Note-16).
- Figures in brackets represent outflows
- Previous year figures have been recast/restated wherever necessary.

The Accompanying Notes form an integral part of the Financial Statements.

As per our report of even date

 For Malpani & Associates
 Chartered Accountants
 FRN 120438W

 For Haribhakti & Co
 Chartered Accountants
 FRN 103523W

For and on behalf of the Board

 Shyam Malpani
 Proprietor
 M.No: 34171

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 Chairman & Managing Director
 Director

 Pulak Banerjee
 Place : Mumbai
 Date : 30th May 2012

Sr. VP Legal & Company Secretary

 Place : Mumbai
 Date : 30th May 2012

 Place : Mumbai
 Date : 30th May 2012

NOTE: 1 SIGNIFICANT ACCOUNTING POLICIES
1. Corporate Information

Brandhouse Retails Limited (BHRL) is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Company was established as a pure play retail organisation. As a company that caters to the entire spectrum of the socio-economic stratum in the Indian market, BHRL's retail expertise extends from mid-price to the lifestyle and luxury segment.

Driven by a team of specialists with experience in Retail & Brand building, BHRL's proficiency is focused to retailing of fashion wear - Textiles, Apparels, Home Textiles and Fashion Accessories.

BHRL is amongst the leading Fashion Retailers in India. It currently manages the retailing of the brands i.e. Reid & Taylor, Belmonte, Carmichael House and dunhill through Exclusive Brand Outlets across India.

2. Method of Accounting

The Financial statements have been prepared on accrual basis, except wherever otherwise stated, under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards as referred to in the Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of power conferred under sub-section (i)(a) of Section 642 and the relevant provisions of the Companies Act, 1956.

3. Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities and disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

4. Fixed Assets

- i) Tangible Assets are stated at the cost of acquisition (inclusive of all incidental expenses incurred towards acquisition and installation thereof) less accumulated depreciation thereon.
- ii) Intangible assets are carried at cost less accumulated depreciation/amortisation.
- iii) Impairment of assets:

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured at the higher of the net selling price and the value in use determined by the present value of estimated future cash flow. Impairment loss is charged to Statement of Profit and Loss.

5. Depreciation

- i. The Company provides depreciation on Tangible assets on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In respect of Leasehold Improvements & Visuals, the Company amortises the entire value over their useful life as estimated by the management or primary period of lease, including any further renewal period thereof, whichever is lower.
- ii. Depreciation on assets each costing less than ₹ 5000/- is provided for at 100% of the cost as specified in Schedule XIV to the Companies Act, 1956.
- iii. In respect of Stores closed, the WDV of Furniture and Fixture is depreciated @ 100% in the year, in which stores are closed down.
- iv. Goodwill on demerger is amortised over Ten Years on Straight Line Method (SLM) basis.

6. Borrowing Costs

Borrowing costs attributable to the acquisition/construction of a qualifying asset are capitalised as part of the cost of such assets, up to the period assets are ready for their intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

7. Capital Work in Progress

Projects under commissioning and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

8. Revenue Recognition

- i. Revenue is recognised on sale of products when no significant uncertainty as to its determination or realisation exists.
- ii. Sales are shown net of returns and Value Added Tax.
- iii. Purchases, consistently accounted for on the basis of actual receipt of goods, are shown net of returns, turnover incentives and other incidental charges and include freight charges.
- iv. Interest Income is recognised on time proportion basis, taking into account the amount outstanding and the rate applicable.
- vi. The claims are accounted for an acceptance basis.

9. Retirement and other Employee benefits

The Company contributes towards Provident Fund and Superannuation fund which are defined contribution schemes. Provision for Gratuity and Leave encashment is made on the basis of Actuarial Valuations done by Independent Actuaries on each Balance Sheet date, forming part of defined benefit plans.

10. Accounting for Taxes on income

- i. Current tax is determined as the amount of tax payable in respect of taxable income for the year, based on the applicable tax rates and tax laws.
- ii. Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates that have been enacted or substantively enacted as on the Balance Sheet date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/ liabilities are reviewed on yearly basis to reassess their realisation.

11. Foreign Currency Transactions / Fluctuations

- a. Foreign Exchange transactions are recorded as per the rates prevailing on the dates of transactions and at year end are restated at rate as on Balance Sheet date.
- b. Resultant Foreign exchange gain/ loss on restatement of Assets / Liabilities are charged to the Statement of Profit & Loss.

12. Earnings per Share

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extraordinary items. The number of shares used in computing basic earnings per share is weighted average number of shares outstanding during the period.

For the purpose of computing diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares from exercise of options on un- issued share capital.

13. Provisions, Contingent Liabilities & Contingent Assets

Disputed liabilities and claims against the Company including claims raised by various revenue authorities (eg. Sales Tax, Income Tax, Excise etc.), pending in appeal/court for which no reliable estimates can be made of the amount of the obligation or which are remotely poised for crystallisation are not provided for in accounts but disclosed in Notes to Financial Statements.

However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimable, is recognised in accounts.

A contingent asset is neither recognised nor disclosed in the financial statements.

14. Segment Reporting Policies

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

15. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating leases. Operating lease rentals are recognised as an expense, as applicable, over the lease period.

16. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non Current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

17. Cash & Cash Equivalents

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

Particulars	As at 31 st March 2012		As at 31 st March 2011	
	Number	₹ in Lacs	Number	₹ in Lacs
NOTE : 2 SHARE CAPITAL				
Authorised Share Capital				
Equity Shares of ₹ 10 each	6,00,00,000	6,000.00	6,00,00,000	6,000.00
Issued, Subscribed & Paid Up				
Equity Shares of ₹ 10 each fully Paid up	5,36,02,767	5,360.28	5,36,02,767	5,360.28
Total Share Capital	5,36,02,767	5,360.28	5,36,02,767	5,360.28

A) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period :

Equity Shares				
At the beginning of the Year	5,36,02,767	5,360.28	5,36,02,767	5,360.28
Shares issued during the Year	-	-	-	-
Shares bought back during the year	-	-	-	-
Outstanding at the End of the Year	5,36,02,767	5,360.28	5,36,02,767	5,360.28

B) Terms/Rights attached to Equity Shares :

The Company has only one class of equity shares having a par value of ₹ 10 per shares. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholder in the ensuing Annual General Meeting.

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

C) Aggregate number of Shares issued for consideration other than Cash during the period of five years immediately preceding the reporting date :

Particulars	Year (Aggregate No. of Shares)				
	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	4,73,02,767

4,73,02,767 equity shares of ₹ 10 each fully paid up were issued for consideration other than Cash, pursuant to a Scheme of Arrangement of De-merger approved by the High Court of Judicature at Bombay vide its order dated 22.02.2008.

D) Details of Shareholders holding more than 5% shares in the Company :

Name of Shareholder	As at 31 st March 2012		As at 31 st March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Anjaneya Holdings Private Limited	2,05,03,229	38.25%	2,05,03,229	38.25%
Sansar Exim Private Limited	53,00,000	9.89%	53,00,000	9.89%
TOTAL	2,58,03,229	48.14%	2,58,03,229	48.14%

(₹ in Lacs)		
Particulars	As at 31 st March 2012	As at 31 st March 2011
NOTE : 3 RESERVE AND SURPLUS		
Securities Premium Account		
Balance as per Last financial statement	2,665.88	2,827.37
Less: Premium on Redemption of Non-Convertible Debentures	30.08	161.49
Closing Balance	2,635.80	2,665.88
Debenture Redemption Reserve		
Balance as per Last financial statement	6,309.12	4,296.15
Add: Transfer from Statement of Profit and Loss	235.88	2,012.97
Closing Balance	6,545.00	6,309.12
Pursuant to section 117 C of the Companies Act, the Company is liable to create 100% Reserve for NCD issued. Profit being inadequate in the earlier years the same is being created on availability of profit		
Surplus/(Deficit) in the statement of profit and loss		
Balance as per Last financial statement	-	-
Add: Profit for the Year	850.42	2,012.97
Less: Transfer to Debenture Redemption Reserve	235.88	2,012.97
Closing Balance	614.54	-
TOTAL (a) + (b) + (c)	9,795.34	8,975.00
NOTE :4 LONG-TERM PROVISIONS		
Provision for Employee Benefit		
Gratuity (Non-funded)	37.13	21.74
Leave benefits (Non-funded)	25.93	5.04
TOTAL	63.06	26.78
NOTE :5 SHORT-TERM BORROWINGS		
Secured Loan		
Loans Repayable on demand		
From Banks	11,342.33	10,902.88
From others - (Vehicle Loan)	-	13.59
TOTAL	11,342.33	10,916.47

a) Loans from Banks (Working Capital facilities repayment on demand) are secured by hypothecation of :

- Principal Security First pari-passu - present and future Current Asset of the Company.
- Second pari-passu – present and future Movable and Non-Movable Fixed Asset of the Company.
- Personal Guarantee of Chairman & Managing Director
- Corporate Guarantee given by S. Kumars Nationwide Limited.

The above Loans from Banks (Working Capital Facilities) carries interest @ 15% to 16%.

b) Loans from others (Vehicle Loans) is secured by hypothecation of the vehicles financed.

NOTE :6 TRADE PAYABLES		
Total Outstanding due of Micro, Small and Medium Enterprises*	-	-
Others	18,927.55	20,190.74
TOTAL	18,927.55	20,190.74

*There are no dues payable to Micro, Small and Medium Enterprises for more than 45 days, and hence there is no need for provision of interest in the current year. The same is based on the information available with the Company and relied upon by the Auditors.

(₹ in Lacs)		
Particulars	As at 31 st March 2012	As at 31 st March 2011
NOTE : 7 OTHER CURRENT LIABILITIES		
Current Maturities of long-term borrowings (Secured Non Convertible Debenture) (Refer Note 7 A)	6,545.00	6,545.00
Interest accrued and due on NCD (Refer Note 7 B)	267.12	-
Interest accrued but not due on NCD	472.97	488.10
Bank Overdraft with Banks	47.29	6.58
Statutory Dues Payable	194.08	86.39
Creditors for Capital goods & other contractual obligation	13.56	16.01
Credits Balance of Trade Receivables	1.49	3.28
Amount Payable to Employees	98.16	19.07
Other Payables	42.54	47.09
TOTAL	7,682.21	7,211.52

NOTE : 7 A

15% Non-Convertible Debentures (NCDs) issued to India Debt Management Private Limited are secured in favour of the Debenture Trustees, IDBI Trusteeship Services Ltd. by way of the following;

a) Primary Security

- An English Mortgage on the immovable fixed assets of the Company situated at Plot No. 3, Survey No. 37, Mouje Ishwarpura, Taluka Kadi, District Mehsana, and Ahmedabad to secure issue of the Debenture Certificate.
- Equitable Mortgage on future immovable fixed assets of the Company other than that mentioned in i) above.
- Charge on the present and future movable fixed assets of the Company.

b) Additional Security

- Pledge and Default Call Option exercise on 1,05,82,630 Fully Convertible Debentures of ₹ 100 each of S. Kumars Nationwide Limited (SKNL) held by Anjaneya Holding Pvt. Ltd (AHPL) and the consequent shares to be issued to AHPL on conversion of the said Fully Convertible Debentures.
- Pledge and Default Call Option exercise on the 10,00,000 Equity Shares of ₹ 10/- each of the Company held by SKNL.

c) Redemption of the Non Convertible Debentures

The redemption of Non Convertible Debentures shall take place by September 30, 2012 of the face value of the Non Convertible debentures.

- The Non Convertible Debentures shall have redemption premium of 20% on face value of debentures redeemed as above.

NOTE : 7 B

There is delay in Interest payment of ₹ 267.12 Lacs (Net of TDS ₹ 29.68 Lacs) to India Debt Management Private Limited for NCDs due on 31st March, 2012.

NOTE : 8 SHORT TERM PROVISION		
Provision for Employee Benefit		
Gratuity (Non-funded)	0.71	*17.04
Leave benefits (Non-funded)	3.42	*35.83
* L.Y. Short Term Provision has been taken on the basis of actual payment made during the year		
Other Provision		
Provision for Income Tax (Net of Advance Tax of ₹16.14 lacs, P.Y. ₹15.90 Lacs)	1,522.80	674.10
Provision for Wealth Tax	0.41	0.85
Provision for Premium on Redemption of NCDs	1,309.00	1,278.92
TOTAL	2,836.34	2,006.74

NOTE : 9 FIXED ASSETS

NOTE : 9 FIXED ASSETS										(₹ in Lacs)
Particulars	Gross Block			Accumulated Depreciation			Net Block			
	Balance as at 1 st April 2011	Additions	(Disposals)	Balance as at 31 st March 2012	Balance as at 1 April 2011	Depreciation/ Amortisation charge for the year	On disposals	Balance as at 31 st March 2012	Balance as at 1 st April 2011	
a TANGIBLE ASSETS (Not under Lease)										
i) Land	4.84	-	-	4.84	-	-	-	4.84	4.84	
ii) Furniture and Fixtures	3,139.55	78.30	96.72	3,121.13	1,744.08	614.24	32.32	2,326.00	1,395.47	
iii) Vehicles	122.38	-	17.96	104.42	35.25	10.83	7.33	38.75	87.13	
iv) Office equipment	197.02	1.16	-	198.18	46.07	8.49	-	54.56	150.95	
v) Computer & peripherals	129.93	2.17	1.14	130.96	64.59	20.70	0.61	84.68	65.34	
	3,593.72	81.63	115.82	3,559.53	1,889.99	654.26	40.26	2,503.99	1,703.73	
b INTANGIBLE ASSETS (Not under Lease)										
i) Goodwill (Refer Note 35)	3,125.15	-	-	3,125.15	1,250.07	312.52	-	1,562.59	1,875.08	
ii) Computer Software	41.65	1.76	-	43.41	20.19	6.92	-	27.11	21.46	
	3,166.80	1.76	-	3,168.56	1,270.26	319.44	-	1,589.70	1,896.54	
	6,760.52	(32.43)	115.82	6,728.09	3,160.25	973.70	40.26	4,093.69	3,600.27	
	6,702.65	57.87	0.10	6,760.52	2,172.30	987.97	0.02	3,160.25	4,530.35	

(₹ in Lacs)		
Particulars	As at 31 st March 2012	As at 31 st March 2011
NOTE :10 NON CURRENT INVESTMENT		
Non-Traded Investment (Unquoted)		
Investment in Equity Instruments of Brandhouse Oviessie Ltd 2,89,81,030 (P.Y.1,28,07,041) of ₹ 10/- each,fully, Paid-up (Extent of holding in subsidiary 62.50%, P.Y 62.50%)	2,898.10	1,280.70
Less: Provision for diminution in the value of investments	-	-
TOTAL	2,898.10	1,280.70
i) The Company has become the holding company of Brandhouse Oviessie Ltd on 29 th July, 2009. It additionally acquired by virtue of subscription to 1,61,73,989 shares (Previous Year 1,28,07,041 shares) i.e. 62.50 % paid-up Equity Share Capital of the Subsidiary on 28 th December 2011.		
ii) Investment in shares being in the nature of Long Term investments is carried at cost of acquisition.		
NOTE :11 DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets		
Fixed assets : Impact of difference between tax depreciation and depreciation/amortisation charged for the financial Reporting	178.38	33.58
Expenses u/s 43B allowable on Payment Basis	21.79	7.41
Gross Deferred Tax Assets	200.17	40.99
Deferred Tax Liabilities	-	-
Net Deferred Tax Assets	200.17	40.99
NOTE :12 LONG TERM LOANS AND ADVANCES		
Unsecured & Considered good, unless otherwise stated		
Capital Advance-Considered good a)	11.06	28.04
Deposits		
Considered good	3,487.43	3,681.87
Considered Doubtful	59.46	59.46
	3,546.89	3,741.33
Less: Provision for Doubtful Deposit	59.46	59.46
b)	3,487.43	3,681.87
TOTAL (a)+(b)	3,498.49	3,709.91
NOTE :13 OTHER NON-CURRENT ASSETS		
Fixed Deposit Account with Scheduled Banks	9.55	34.63
TOTAL	9.55	34.63
NOTE :14 INVENTORIES		
Inventories (At Lower of cost and Net Realisable Value)		
Stock in Trade	19,765.88	21,355.10
(Including Goods in transit of ₹ 5.87 lacs (In Previous year: ₹ 314.89 Lacs) (Refer Note-21)		
TOTAL	19,765.88	21,355.10
Stock in Trade comprising of Textiles and made-ups (including accessories) are carried at the lower of cost or Net Realisable value, where cost comprises of all purchase costs and other costs incurred in bringing the inventories to their present location and condition. Goods in Transit are carried at cost.		

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		(₹ in Lacs)	
Particulars	Current Year ended on 31 st March 2012	Previous Year ended on 31 st March 2011	
NOTE :20 PURCHASES OF STOCK IN TRADE			
Purchase of Merchandise (Net)	66,963.49	64,702.85	
Tailoring Expenses	365.24	395.45	
TOTAL	67,328.73	65,098.30	
Details of Merchandise Purchase			
Textiles -Mtrs	30,639.99	30,105.32	
Textiles -Pcs	34,323.80	30,970.46	
Madeups-Pcs	1,999.70	3,627.07	
TOTAL	66,963.49	64,702.85	
NOTE :21 (INCREASE)/DECREASE IN INVENTORIES OF STOCK IN TRADE			
Inventories at the end of the year	19,765.88	21,355.09	
Less: Inventories at the beginning of the year	21,355.11	19,521.99	
Net (Increase)/decrease in Inventories	1,589.23	(1,833.10)	
Details of Inventory			
Textiles -Mtrs	10,159.89	12,142.78	
Textiles -Pcs	6,011.08	5,168.56	
Madeups-Pcs	3,594.91	4,043.75	
TOTAL	19,765.88	21,355.09	
NOTE :22 EMPLOYEE BENEFIT EXPENSES			
Salaries, Wages, Bonus, Gratuity and Other Benefits	1,042.22	1,120.43	
Contribution to Provident and Other Fund	54.95	64.73	
Staff Welfare Expenses	11.86	12.02	
TOTAL	1,109.03	1,197.18	
NOTE :23 FINANCE COSTS			
Interest on Non-Convertible Debenture	1,170.82	1,137.20	
Interest on Vehicle Loans	0.75	2.90	
Bank Charges and Commission	108.24	111.69	
Interest on Cash credit Limits from Bank	1,697.43	1,564.58	
TOTAL	2,977.24	2,816.37	
NOTE :24 DEPRECIATION AND AMORTISATION			
Depreciation on tangible assets	654.26	675.45	
Amortisation on intangible assets	319.44	312.52	
TOTAL	973.70	987.97	

(₹ in Lacs)		
Particulars	Current Year ended on 31 st March 2012	Previous Year ended on 31 st March 2011
NOTE :25 OTHER EXPENSES		
Rent	2,107.31	2,370.43
Rates and Taxes	18.56	19.62
Repairs and Maintenance-others	43.83	56.88
Travelling Expenses - Foreign	66.99	267.59
Travelling Expenses - Inland	38.05	59.97
Electricity Charges	180.26	206.31
Vehicle Maintenance	14.09	14.50
Directors' Sitting Fees	5.36	1.46
Remuneration to Auditors (Refer details below)*	31.99	28.68
Showroom Expenses	36.71	49.55
Exchange Rate fluctuations (Net)	5.71	2.12
Insurance	21.03	20.78
Conveyance	15.11	19.43
Legal and Professional Charges	47.20	44.92
Postage & Telephones	56.76	63.13
Printing and Stationery	20.83	22.51
Security Services Charges	19.75	19.57
Membership and Subscription	0.56	11.41
Brokerage Charges	3.69	-
General Expenses	6.97	14.50
Interest on Others	14.53	14.25
Business Convention and Exhibition expenses	16.47	24.87
Loss on Sale of Fixed Assets (Net)	66.63	0.04
TOTAL	2,838.39	3,332.52
*Remuneration to Auditors		
Audit Fees	17.65	17.65
Tax Audit Fees	4.41	4.41
Limited Review Fees	9.93	6.62
TOTAL	31.99	28.68

NOTE: 26. CONTINGENT LIABILITIES

(₹ in Lacs)

Sr. No	Particulars	As at 31 st March 2012	As at 31 st March 2011
a)	Guarantees:		
i.	Corporate Guarantee given for Brandhouse Oviessse Ltd.	5,000.00	5,000.00
b)	Claims not acknowledged as debts:		
i.	Sales Tax – Dispute in Appeal-Mumbai	12.80	12.80
ii.	Sales Tax – Dispute in Appeal - Ghaziabad	4.10	4.10
iii.	DLF Limited Delhi towards TDS	6.42 *	5.62 *
iv.	As may arise due to delay / non-compliance of certain statutory requirement.	Amount Unascertainable	Amount Unascertainable

* FDR with Schedule Bank ₹ 6.44 Lacs kept as deposit against same.

NOTE: 27.

Estimated amount of Contracts remaining to be executed on capital or other account and not provided for (net of advances) – ₹ Nil (Previous Year – ₹ 16.01 Lacs).

NOTE: 28.

 The confirmation, reconciliation and adjustment of balances pertaining to Trade Receivable & Trade Payables is an ongoing process. Such adjustments made and balances as on 31st March, 2012 have been independently confirmed. As regards outstanding Trade Receivables, the Company is of the opinion that the same are fully recoverable and hence, no additional provision is required to be made

NOTE: 29.

Balances under the heads Long Term Loan & Advances, are subject to confirmation from the respective parties and consequential reconciliation / adjustment, if any. The necessary accounting effect, if any, will be given by the Company in the period of such confirmation/reconciliation.

NOTE: 30.

- The Company has transferred the required post tax profit of ₹ 235.88 Lacs (Previous year ₹ 2012.97 Lacs) to Debenture Redemption Reserve (DRR).
- The Premium payable on redemption of the Non-Convertible Debentures on maturity, amounting to ₹ 30.08 Lacs was adjusted against Securities Premium Account disclosed under the head provisions (Previous year – ₹ 161.49 Lacs).

NOTE: 31.

The Company has classified the various benefits provided to employees under the purview of Accounting Standard 15 (Revised) as under:

- Defined Contribution Plans
 - Provident Fund & Employees Pension Scheme 1995
 - Employees State Insurance

The Company has recognised the following amounts in the Statement of Profit & Loss:

(₹ in Lacs)

Particulars	Year ended 31 st March 2012	Year ended 31 st March 2011
Employer's contribution to Provident Fund & Pension Scheme	38.40	46.13
Employer's contribution to Employees State Insurance	11.88	12.85
Employer's contribution to Insurance fund	1.13	1.48

- Defined Benefits Plan
 - Contribution to Gratuity (Non Funded Scheme)
 - Leave Encashment (Non Funded Scheme)

In accordance with the Accounting Standard (AS 15) (Revised), actuarial valuation was performed in respect of the aforesaid defined benefit plans based on following assumptions:

Particulars	Year ended 31 st March 2012	Year ended 31 st March 2011
Discount Rate (Per Annum)	8.75%	8.25%
Rate of increase in compensation levels (Per Annum)	5%	5%
Expected average remaining lives of the employees (in no. of years)	18	20

A. Change in Present Value of Obligation

(₹ in Lacs)

Particulars	Year ended 31 st March 2012 (Gratuity)	Year ended 31 st March 2011 (Gratuity)	Year ended 31 st March 2012 (Leave Encashment)	Year ended 31 st March 2011 (Leave Encashment)
Present value of defined benefits obligation as at the beginning of the period	38.78	43.84	40.87	56.15
Interest Cost	3.20	3.51	3.37	4.49
Current Service Cost	12.82	20.64	8.79	13.45
Benefits Paid	(0.94)	(9.87)	(36.04)	(29.81)
Actuarial (Gain) / loss on obligation	(16.02)	(20.12)	12.36	(3.42)
Present value of defined benefits obligation as at the end of the period	37.84	38.78	29.35	40.87

B. Amount recognised in the Balance Sheet

(₹ in Lacs)

Particulars	As at 31 st March 2012 (Gratuity)	As at 31 st March 2011 (Gratuity)	As at 31 st March 2012 (Leave Encashment)	As at 31 st March 2011 (Leave Encashment)
Present value of defined benefits obligation as at the end of the period	37.84	38.78	29.35	40.87
Liability / (Net Asset) recognised in the Balance Sheet	37.84	38.78	29.35	40.87

C. Balance Sheet Reconciliation

(₹ in Lacs)

Particulars	Year ended 31 st March 2012 (Gratuity)	Year ended 31 st March 2011 (Gratuity)	Year ended 31 st March 2012 (Leave Encashment)	Year ended 31 st March 2011 (Leave Encashment)
Opening Net Liability	38.78	43.84	40.87	56.15
Expenses as Above	16.08	4.81	24.31	14.52
Net Transfer in	-	-	-	-
(Net Transfer Out)	-	-	-	-
Employer's Contribution	(17.02)	(9.87)	(35.83)	(29.80)
Net amount recognised in the Balance Sheet	37.84	38.78	29.35	40.87

D. Expenses recognised in the Statement of Profit and Loss

(₹ in Lacs)

Particulars	Year ended 31 st March 2012 (Gratuity)	Year ended 31 st March 2011 (Gratuity)	Year ended 31 st March 2012 (Leave Encashment)	Year ended 31 st March 2011 (Leave Encashment)
Current Service Cost	12.82	20.64	8.78	13.45
Past Service Cost	-	0.79	-	-
Interest Cost	3.20	3.51	3.37	4.49
Net Actuarial (Gain) / Loss Recognised in the period	0.07	(20.12)	12.15	(3.42)
Total expenses recognised in the Statement of Profit and Loss	16.08	4.81	24.31	14.52

E. Experience Adjustment

(₹ in Lacs)

Particulars	As at 31 st March 2012 (Gratuity)	As at 31 st March 2011 (Gratuity)	As at 31 st March 2012 (Leave Encashment)	As at 31 st March 2011 (Leave Encashment)
On Plan Liability (Gain)/Loss	1.58	(17.71)	-	(2.98)
On Plan Assets (Loss)/Gains	-	-	13.33	-

NOTE: 32 EARNINGS PER SHARE :- BASIC & DILUTED

(₹ in Lacs)

Particulars	As at 31 st March 2012 Basic & Diluted	As at 31 st March 2011 Basic & Diluted
Numerator – Net Profit After Tax (₹ In Lacs)	850.42	2012.97
Number of Equity Shares used as denominator	5,36,02,767	5,36,02,767
Nominal Value Per Equity Share (₹)	10.00	10.00
Earnings Per Shares-(₹) Annualized	1.59	3.75

NOTE: 33.

The entire Operations of the Company comprise of only one segment, namely Retail and as such, no separate segment reporting is considered necessary for segment reporting as stipulated in Accounting Standard-17 issued by Institute of Chartered Accountants of India.

NOTE: 34.

Based on the age of the Assets situated at various locations/stores and considering the fact that the Company operates generally in the leased out properties, the management is of the opinion that there was no material impairment in its fixed assets during the year under review with in the definition of Accounting Standard 28, Impairment of Assets issued by the Institute of Chartered Accountants of India. The position is reviewed on yearly basis.

NOTE: 35.

The Company believes that Goodwill as represented in the books of accounts as at the Balance Sheet date amounting to ₹1,562.56 Lacs (Previous year ₹ 1,875.08 Lacs) has an appropriate future economic benefit as arrived at, upon its de-merger of business with the erstwhile parent Company in the earlier years.

NOTE: 36.

Related Parties Disclosure under Accounting Standard-18

Subsidiary Company	Brandhouse Oviesse Ltd. (w.e.f. 29.07.2009).
	S. Kumars Nationwide Ltd.
	Belmonte Retails Ltd.
	Sansar Exim Pvt. Ltd.
	Anjaneya Holdings Pvt. Ltd.
	Reid & Taylor (India) Ltd.
	Ingenious Finance & Investment Pvt. Ltd.
	Verve Properties & Investments Pvt. Ltd.
	Natty Finance & Investment Pvt. Ltd.
	Tulja Enterprises Pvt. Ltd.
	Chamundeshwari Mercantile Pvt. Ltd.
	Maverick Mercantile Pvt. Ltd.
	S Kumars Enterprises (Synfabs) Ltd.
	S Kumars Textiles Ltd.
	S.K.Worsted's Pvt Ltd
	Rosewood Holdings Pvt Ltd.

Key Enterprises in which directors are interested.

Key Enterprises in which directors are interested.

SKNL International B.V.
 SKNL Europe B.V.
 SKNL Italy S.P.A
 SKNL Global Holding B.V.
 LEGGIUNO S.P.A.
 SKNL North America B.V.
 N ' Essence Holdings Limited.
 S. Kumars (U.K.) Ltd.
 Anjaneya Foundation.
 SKNL Foundation.
 Remala Trading B.V.
 Coppley Corp
 HMX Poland sp. Z.o.o
 HMX Acquisition Corp.
 HMX Des Plaines LLC.
 Quartet Real Estate LLC.
 HMX LLC.
 HMX, DTC Co.
 Marling & Evans Ltd, U.K.
 Global Apparel (U.S) Limited
 Global Apparel (France) Limited.
 Global Apparel (Hongkong) Limited.
 7172931 Canada Limited

Key Management Personnel

Mr. Nitin S. Kasliwal – Chairman & Managing Director
 Mrs. Jyoti N. Kasliwal – Director

Relatives of Key Management Personnel

Ms. Anjani N. Kasliwal (Daughter of Shri Nitin S. Kasliwal and Smt Jyoti N. Kasliwal)

Transactions with Related Parties:

(₹ in Lacs)

Nature of Transactions	Subsidiary Company		Key Enterprises in which directors are interested.		Relatives of Key Management Personnel	
	Brandhouse	Oviesse Ltd				
	As at 31 st March 2012	As at 31 st March 2011	As at 31 st March 2012	As at 31 st March 2011	As at 31 st March 2012	As at 31 st March 2011
Purchases of Goods	-	-	67,480.17	65,290.18	-	-
Salary	-	-	-	-	17.00	17.00
Investments	2,898.10	1,280.70	-	-	-	-
Share Application Money	-	17.39	-	-	-	-
Outstanding as on 31 st March 2012	-	17.39	18,401.12	19,585.62	-	-

- i) Related party relationships are as identified by the management and have been relied upon by the Statutory Auditors.
 ii) There is no amount written off or written back to/ from related parties.

NOTE: 37.

The Company has obtained various stores on operating Lease. Lease payments made during the year debited to Statement of Profit and loss is ₹ 2,107.31 Lacs (Previous Year ₹ 2,370.43 Lacs). The amount of future minimum lease payments/ commitment under Non Cancelable operating Lease is as under:

(₹ in Lacs)

Period	As at 31 st March 2012	As at 31 st March 2011
Not later than one year	1,987.74	2,178.15
Later than one year but not later than five years	10,012.19	10,676.90
Later than five years	10,037.24	11,466.39

NOTE: 38.

i.	Value of Imports on CIF Basis	(₹ in Lacs)	
	Particulars	Year ended 31st March 2012	Year ended 31st March 2011
	Samples & Sales Promotion	12.45	15.31
	Purchases Furniture & Fixture	-	11.93
	Purchases Merchandise	61.86	97.21
ii.	Expenditure in Foreign Currency	(₹ in Lacs)	
	Particulars	Year ended 31st March 2012	Year ended 31st March 2011
	Foreign Travel	39.47	129.59

NOTE: 39.

The year-end foreign currency payables that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	As at 31 st March, 2012			As at 31 st March, 2011		
	Amount in FC	₹ in Lacs		Amount in FC	₹ in Lacs	
Purchase of Merchandise	-	-		HKD 4,99,512	28.62	
Purchase of Sales promotion Items	-	-		HKD 30,200	1.73	
TOTAL	-	-			30.35	

NOTE: 40.

'As notified by Ministry of Corporate Affairs, Revised Schedule VI under the Companies Act, 1956 is applicable to the Financial Statements for the financial year commencing on or after 1st April, 2011. Accordingly, the financial Statements for the year ended 31 March 2012 are prepared in accordance with the Revised Schedule VI. The amounts and disclosure included in the financial statements of the previous year have been reclassified to confirm to the requirement of the Revised Schedule VI'.

For and on behalf of the Board

Nitin S. Kasliwal Chairman & Managing Director

D. D. Avari Director

Pulak Banerjee Sr. VP Legal & Company Secretary

Place : Mumbai
Date : 30th May, 2012

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Sr. No.	Particulars	Name of the Subsidiary Company Brandhouse Oviesse Limited
1.	Financial year of the subsidiary ended on	31 st March, 2012
2.	Extent of shareholding of Brandhouse Retails Limited in the subsidiary as on 31 st , March 2012	No. of Equity shares of Face Value ₹ 10/- each % to Share Capital of Brandhouse Oviesse Limited 2,89,81,030 62.5%
3.	Profit / (loss) so far as it concerns the members of Brandhouse Retails Limited and dealt / not dealt with in the accounts of Brandhouse Retails Limited	
I	Profit / (loss) so far as it concerns the members of Brandhouse Retails Limited and not dealt with in the accounts of Brandhouse Retails Limited	
	(a) For the financial year ended 31 st March, 2012 (Before considering Minority Interest)	₹ (27,88,37,554)
	(b) For the previous years since it became a subsidiary (as on April 01, 2011)	₹ (15,57,51,318)
II	Profit / (loss) so far as it concerns the members of Brandhouse Retails Limited and dealt with in the accounts of Brandhouse Retails Limited	
	(a) For the financial year ended 31 st March, 2012 (Before considering Minority Interest)	-
	(b) For the previous years since it became a subsidiary (as on April 01, 2011)	-
4.	Changes in the interest of Brandhouse Retails Limited between the end of the subsidiary's financial year and 31 st March, 2012	-
	• Number of shares acquired	-
	• Material changes between the end of the subsidiary's financial year and 31 st March, 2012	-
	a) Fixed Assets (net additions)	-
	b) Investments (net)	-
	c) Money's lent by the subsidiary	-
	d) Moneys borrowed by the subsidiary company other than for the meeting current liabilities.	-

For and on behalf of the Board

Nitin S. Kasliwal Chairman & Managing Director
 D. D. Avari Director

Place : Mumbai
 Date : 30th May, 2012

Pulak Banerjee Sr. VP Legal & Company Secretary

**INFORMATION IN RESPECT OF SUBSIDIARY COMPANIES FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2012**

Particulars of the subsidiary company for the financial year 2011-12, as required by general circular no. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India pursuant to section 212(8) of the Companies Act, 1956, are as follows:

(Amount in ₹)

Name of the Subsidiary Company		Brandhouse Oviesse Limited
•	Exchange Rate applicability (Yes/No) (If yes, Exchange Currency & Rate of Exchange Currency)	No
(a)	Share Capital	
•	Equity	46,36,96,490
•	Preference	-
(b)	Reserves and Surplus (Net of debit balance of Profit and Loss Account)	(43,45,88,872)
(c)	Total Assets other than Investments (Fixed Assets + Current Assets + Miscellaneous Expenditure to the extent not written off)	32,86,64,729
(d)	Total Liabilities (Loan Funds + Current Liabilities and Provisions)	26,36,77,959
(e)	Investments (Except investments in subsidiaries)	-
•	Investment in Government Securities	90,000
(f)	Turnover (Net Sales)	16,36,19,095
(g)	Profit / (Loss) before Taxation	(27,88,37,554)
(h)	Provision for Taxation	-
(i)	Profit / (Loss) after Taxation	(27,88,37,554)
(j)	Proposed Dividend (including Corporate Dividend Tax)	-

Note:

In accordance with the general circular no. 2/2011 dated 08th February, 2011 issued by the Ministry of Corporate Affairs, Government of India and the necessary resolutions passed by the Board of Directors of the Company at its meeting held on 30th May, 2012, the annual accounts of Brandhouse Oviesse Limited, subsidiary of the Company have not been attached with the annual accounts of the Company. However, in line with the aforesaid circular and provisions of section 212 of the Companies Act, 1956, annual accounts and the related information of the subsidiary company will be made available to the investors of the Company and the subsidiary of the Company seeking such information at any point of time. The annual accounts of the subsidiary company are available for inspection by any investor at the Registered Office of the Company and of the subsidiary of the Company.

Consolidated Financial Statements

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF BRANDHOUSE RETAILS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS:

1. We have audited the attached Consolidated Balance Sheet of Brandhouse Retails Limited ("the Company") and its Subsidiary (collectively referred to as "the group") as at 31st March, 2012 and the consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of Brandhouse Oviesse Limited, the subsidiary of the Company whose financial statements reflect total assets of ₹ 3,287.55 Lacs as at 31st March, 2012, total net revenues of ₹ 1,636.91 Lacs and cash inflows amounting to ₹ 30.82 Lacs for the year then ended and have been included in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated Financial Statements" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of Brandhouse Retails Limited and its subsidiary.

5. Based on our audit and on consideration of report of other auditor on separate financial statements and on the other financial information of the Subsidiary, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, *except non confirmation of balances in respect of long term loans and advances, where in we are unable to comment on the resulting effect on relevant assets, liabilities and on the profit for the year.*
- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2012;
- (b) in the case of the Consolidated Statement of Profit and Loss Account ,of the loss for the Group for the year ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

For Malpani & Associates
 Chartered Accountants
 Firm Registration No. 120438 W

Shyam Malpani
 Proprietor
 Membership No. 034171

Mumbai : 30th May, 2012

For Haribhakti & Co.
 Chartered Accountants
 Firm Registration No. 103523 W

Rakesh Rathi
 Partner
 Membership No: 045228

Mumbai : 30th May, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)					
Particulars	Note No.	Current Year As at 31 st March 2012		Previous Year As at 31 st March 2011	
EQUITY AND LIABILITIES					
SHAREHOLDER'S FUND					
Share Capital	2	5,360.28		5,360.28	
Reserves and Surplus	3	6,978.07	12,338.35	7,900.45	13,260.73
MINORITY INTEREST			210.24		285.38
SHARE APPLICATION MONEY PENDING ALLOTMENT			359.69		-
NON-CURRENT LIABILITIES					
Long-term Borrowings	4	719.58		696.62	
Long-term Provisions	5	71.96	791.54	34.61	731.23
CURRENT LIABILITIES					
Short-term Borrowings	6	11,342.30		10,944.09	
Trade Payables	7	20,340.13		21,049.75	
Other Current Liabilities	8	8,174.57		7,346.98	
Short-term Provisions	9	2,837.15	42,694.15	2,007.29	41,348.11
TOTAL			56,393.97		55,625.45
ASSETS					
NON-CURRENT ASSETS					
FIXED ASSETS					
Tangible Assets	10	1,921.08		2,083.67	
Intangible Assets	10	1,615.10		1,926.80	
Capital work in progress		43.41	3,579.59	49.18	4,059.65
OTHER NON CURRENT ASSETS					
Non-current Investment	11	0.90		0.90	
Deferred tax Assets (Net)	12	200.17		40.99	
Long term Loans and Advances	13	4,352.40		4,522.61	
Others	14	9.57	4,563.04	34.63	4,599.13
CURRENT ASSETS					
Inventories	15	21,074.50		22,165.03	
Trade Receivables	16	26,961.72		24,604.13	
Cash and Bank Balance	17	140.24		98.39	
Short term Loans and Advances	18	74.88	48,251.34	99.12	46,966.67
TOTAL			56,393.97		55,625.45
Significant Accounting Policies	1				

The Accompanying Notes form an integral part of the Financial Statements.

As per our report of even date

For Malpani & Associates
Chartered Accountants
FRN 120438W

For Haribhakti & Co
Chartered Accountants
FRN 103523W

For and on behalf of the Board

Shyam Malpani
Proprietor
M.No: 34171

Rakesh Rathi
Partner
M.No: 45228

Nitin S. Kasliwal
D. D. Avari

Chairman & Managing Director
Director

Pulak Banerjee
Place : Mumbai
Date : 30th May 2012

Sr. VP Legal & Company Secretary

Place : Mumbai
Date : 30th May 2012

Place : Mumbai
Date : 30th May 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)			
Particulars	Note No.	Current Year As at 31 st March 2012	Previous Year As at 31 st March 2011
INCOME			
Revenue from Operations	19	79,984.55	74,234.20
Other Income	20	9.27	28.88
TOTAL REVENUE	a)	79,993.82	74,263.08
EXPENSES			
Purchases of Stock in Trade	21	69,325.41	66,238.96
(Increase)/Decrease in Inventories of Stock in Trade	22	1,090.54	(2,643.05)
	b)	70,415.95	63,595.91
Employee Benefits Expenses	23	1,535.24	1,621.81
Finance Costs	24	3,150.53	2,926.06
Depreciation and Amortisation Expenses	25	1,083.99	1,033.52
Other Expenses	26	5,055.88	4,199.79
	c)	10,825.64	9,781.18
TOTAL EXPENSES (b) + (c)	d)	81,241.59	73,377.09
PROFIT/(LOSS) BEFORE TAX (a)-(d)	e)	(1,247.77)	885.99
TAX EXPENSES			
Current Tax		702.11	690.00
Income Tax for Earlier Years		146.83	(443.77)
Deferred Tax		(159.18)	(85.73)
Wealth Tax		0.41	0.49
TOTAL TAX EXPENSES	f)	690.17	160.99
PROFIT/(LOSS) BEFORE MINORITY INTEREST (e)-(f)	g)	(1,937.94)	725.00
Minority Interest	h)	1,045.64	482.98
PROFIT/(LOSS) AFTER MINORITY INTEREST (g)-(h)	i)	(892.30)	1,207.98
Earning per equity Shares (Basic & Diluted) (Nominal Value of Shares ₹ 10 Each)	38	₹ (1.66)	₹ 2.25
Significant Accounting Policies	1		

The Accompanying Notes form an integral part of the Financial Statements.

As per our report of even date

For Malpani & Associates
Chartered Accountants
FRN 120438W

For Haribhakti & Co
Chartered Accountants
FRN 103523W

For and on behalf of the Board

Shyam Malpani
Proprietor
M.No: 34171

Rakesh Rathi
Partner
M.No: 45228

Nitin S. Kasliwal
D. D. Avari

Chairman & Managing Director
Director

Place : Mumbai
Date : 30th May 2012

Place : Mumbai
Date : 30th May 2012

Pulak Banerjee
Place : Mumbai
Date : 30th May 2012

Sr. VP Legal & Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Current Year As at 31 st March 2012	Previous Year As at 31 st March 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(1,247.77)	885.06
Adjustments for:		
a) Depreciation/Amortisation	1,083.99	1,033.56
b) Preliminary Expenses Paid/W.off	1.21	0.40
c) Loss on sale of fixed assets	108.64	0.04
d) Interest Expenditure	3,150.53	2,926.07
e) Exchange Rate Fluctuation	72.81	27.62
f) Interest Income	(2.51)	(2.73)
Operating Profit before Working Capital Changes	3,166.90	4,870.02
Movement in Working Capital		
a) Trade & other Receivables	(2,138.08)	4,948.84
b) Inventories	1,090.53	(2,643.03)
c) Trade & other Payables	(257.61)	(2,208.78)
Cash Generated from / (Used in) Operating Activities	1,861.74	4,967.05
a) Direct Taxes		(2,064.00)
Net Cash Flow from / (Used in) Operating Activities Total (A)	1,861.74	2,903.05
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES		
a) Acquisition of Fixed Assets (Including Capital Work-in-Progress)	(723.65)	(622.46)
b) Issue of Shares of Subsidiary Company	970.50	768.42
c) Share Application Money received	359.69	
d) Interest income	2.51	2.73
Net Cash Flow from / (Used in) Investing Activities Total (B)	609.05	148.69
C. CASH FLOW ARISING FROM FINANCING ACTIVITY		
a) Proceeds / (Repayment) from Long Term and Short Term Borrowings	710.50	(83.72)
b) Interest Paid	(3,150.53)	(2,926.07)
Net Cash Flow from / (Used in) Financing Activities Total (C)	(2,440.03)	(3,009.79)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	30.76	41.95
Total (A+B+C)	30.76	41.95
Cash & Cash Equivalent at the beginning of the year	96.31	54.36
Cash & Cash Equivalent at the end of the year	127.07	96.31
NET CHANGE IN CASH AND CASH EQUIVALENTS	30.76	41.95

NOTES:

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 (AS-3) "Cash Flow Statement".
- 2 Cash and Cash Equivalents include Cash in hand and Bank balances in Current Accounts. (Refer Note-17).
- 3 Figures in brackets represent outflows
- 4 Previous year figures have been recast/restated wherever necessary.

As per our report of even date

For Malpani & Associates
Chartered Accountants
FRN 120438W

For Haribhakti & Co
Chartered Accountants
FRN 103523W

For and on behalf of the Board

Shyam Malpani
Proprietor
M.No: 34171

Rakesh Rathi
Partner
M.No: 45228

Nitin S. Kasliwal
D. D. Avargi

Chairman & Managing Director
Director
Sr. VP Legal & Company Secretary

Place : Mumbai
Date : 30th May 2012

Place : Mumbai
Date : 30th May 2012

Place : Mumbai
Date : 30th May 2012

NOTE : 1 SIGNIFICANT ACCOUNTING POLICIES
1. Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements relate to Brandhouse Retails Limited ("the Company") and its Subsidiary Company, M/s. Brandhouse Oviessse Limited. The Consolidated Financial Statements have been prepared on the following basis:

The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of Assets, Liabilities, Income and Expenses, after fully eliminating the intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standards 21- "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.

The difference between the cost of Investment in the Subsidiary and the Company's share of net assets at the time of acquisition of shares in the subsidiary is recognised in the financial statement as Goodwill or Capital Reserve.

Minority interest in the net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the company's shareholders.

Minority interest in the net assets of consolidated subsidiary consists of:

- i) The amount of equity attributable to the minorities at the date on which investment in subsidiary is made; and
- ii) The minorities' share of movements in the equity since the date the parent subsidiary relationship comes into existence.

Minority interest in the Net Profit/ (Loss) for the year of Consolidated Subsidiary is identified and adjusted against the profit after tax of the group.

The financial statements of the subsidiary used into the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2012.

Subsidiary company which is included in the consolidation and the Company's holdings therein is as under:

Sr. No.	Name of Subsidiary Company	Ownership in	Country of Incorporation
1	Brandhouse Oviessse Ltd	62.50%	India

2. Method of Accounting

The Financial statements have been prepared on accrual basis, except wherever otherwise stated, under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards as referred to in the Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of power conferred under sub-section (i)(a) of Section 642 and the relevant provisions of the Companies Act, 1956.

3. Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities and disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

4. Fixed Assets

- i) Tangible Assets are stated at the cost of acquisition (inclusive of all incidental expenses incurred towards acquisition and installation thereof) less accumulated depreciation thereon.
- ii) Intangible assets are carried at cost less accumulated depreciation/amortisation.
- iii) Impairment of assets:

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured at the higher of the net selling price and the value in use determined by the present value of estimated future cash flow. Impairment loss is charged to Statement of Profit and Loss.

5. Depreciation

- i. The Company provides depreciation on Tangible assets on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In respect of Leasehold Improvements & Visuals, the Company amortises the entire value over their useful life as estimated by the management or primary period of lease, including any further renewal period thereof, whichever is lower.
- ii. Depreciation on assets each costing less than ₹ 5000/- is provided for at 100% of the cost as specified in Schedule XIV to the Companies Act, 1956.
- iii. In respect of Stores closed, the WDV of Furniture and Fixture is depreciated @ 100% in the year, in which stores are closed down.
- iv. Goodwill on demerger is amortised over Ten Years on Straight Line Method (SLM) basis.
- v. Software is amortised over a period of six years.

6. Capital Work in Progress

Projects under commissioning and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

7. Borrowing Costs

Borrowing costs attributable to the acquisition/construction of a qualifying asset are capitalised as part of the cost of such assets, upto the period assets are ready for their intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

8. Revenue Recognition

- i. Revenue is recognised on sale of products when no significant uncertainty as to its determination or realisation exists.
- ii. Sales are shown net of returns and Value Added Tax.
- iii. Purchases, consistently accounted on the basis of actual receipt of goods, are shown net of returns, turnover incentives and other incidental charges and include freight charges.
- iv. Interest Income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- vi. The claims are accounted for an acceptance basis.

9. Retirement and other Employee benefits

The Company contributes towards Provident Fund and superannuation fund which are defined contribution schemes. Provision for Gratuity and Leave encashment is made on the basis of Actuarial Valuations done by Independent Actuaries on each Balance Sheet date, forming part of defined benefit plans.

10. Accounting for Taxes on income

- i. Current tax is determined as the amount of tax payable in respect of taxable income for the year, based on the applicable tax rates and tax laws.
- ii. Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates that have been enacted or substantively enacted as on the Balance Sheet date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/ liabilities are reviewed on yearly basis to reassess their realisation or otherwise.

11. Foreign Currency Transactions / Fluctuations

- i. Foreign Exchange transactions are recorded as per the rates prevailing on the dates of transactions and at year end are restated at rate as on Balance sheet date.
- ii. Resultant Foreign exchange gain/ loss on restatement of assets / liabilities are charged to the Profit & Loss Account.

12. Earnings per Share

In determining earnings per share, the Company considers the Net Profit after Tax and includes the post tax effect of any extraordinary items. The number of shares used in computing basic earnings per share is weighted average number of shares outstanding during the period.

For the purpose of computing diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares from exercise of options on un- issued share capital.

13. Provisions, Contingent Liabilities & Contingent Assets

Disputed liabilities and claims against the Company including claims raised by various revenue authorities (eg. Sales Tax, Income Tax, Excise etc.), pending in appeal/court for which no reliable estimates can be made of the amount of the obligation or which are remotely poised for crystallisation are not provided for in accounts but disclosed in Notes on Accounts.

However, present obligation as a result of past event with possibility of outflow of resources, when reliably estimable, is recognised in accounts.

A contingent asset is neither recognised nor disclosed in the financial statements.

14. Segment Reporting Policies

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

15. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non Current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

16. Cash & Cash Equivalents

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

17. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating leases. Operating lease rentals are recognised as an expense, as applicable, over the lease period.

Particulars	As at 31 st March 2012		As at 31 st March 2011	
	Number	₹ in Lacs	Number	₹ in Lacs
NOTE : 2 SHARE CAPITAL				
Authorised Share Capital				
Equity Shares of ₹ 10 each	6,00,00,000	6,000.00	6,00,00,000	6,000.00
Issued, Subscribed & Paid Up				
Equity Shares of ₹ 10 each fully Paid up	5,36,02,767	5,360.28	5,36,02,767	5,360.28
Total Share Capital	5,36,02,767	5,360.28	5,36,02,767	5,360.28

A) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period :

Equity Shares				
At the beginning of the Year	5,36,02,767	5,360.28	5,36,02,767	5,360.28
Shares issued during the Year	-	-	-	-
Shares bought back during the year	-	-	-	-
Outstanding at the End of the Year	5,36,02,767	5,360.28	5,36,02,767	5,360.28

B) Terms/Rights attached to Equity Shares :

The Company has only one class of equity shares having a par value of ₹10 per shares. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholder in the ensuing Annual General Meeting.

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

C) Aggregate number of Shares issued for consideration other than Cash during the period of five years immediately preceding the reporting date :

Particulars	Year (Aggregate No. of Shares)				
	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	4,73,02,767

4,73,02,767 equity shares of ₹10 each fully paid up were issued for consideration other than Cash, pursuant to a Scheme of Arrangement of De-merger approved by the High Court of Judicature at Bombay vide its order dated 22.02.2008.

D) Details of Shareholders holding more than 5% shares in the Company :

Name of Shareholder	As at 31 st March 2012		As at 31 st March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Anjaneya Holdings Private Limited	2,05,03,229	38.25%	2,05,03,229	38.25%
Sansar Exim Private Limited	53,00,000	9.89%	53,00,000	9.89%
TOTAL	2,58,03,229	48.14%	2,58,03,229	48.14%

(₹ in Lacs)		
Particulars	As at 31 st March 2012	As at 31 st March 2011
NOTE :3 RESERVE AND SURPLUS		
Securities Premium Account		
Balance as per Last financial statement	2,665.88	2,827.37
Less: Premium on Redemption of Non-Convertible Debentures	30.08	161.49
Closing Balance a)	2,635.80	2,665.88
Debenture Redemption Reserve		
Balance as per Last financial statement	6,309.12	4,296.15
Add: Transfer from Statement of Profit and Loss	235.88	2,012.97
Closing Balance b)	6,545.00	6,309.12
Pursuant to section 117 C of the Companies Act, the Company is liable to create 100% Reserve for NCD issued. Profit being inadequate in the earlier years, the same is being created on availability of profit.		
Surplus/(Deficit) in the statement of profit and loss		
Balance as per Last financial statement	(1,074.55)	(269.56)
Add: Profit/(Loss) for the Year	(892.30)	1,207.98
Less: Transfer to Debenture Redemption Reserve	(235.88)	(2,012.97)
Closing Balance c)	(2,202.73)	(1,074.55)
TOTAL (a) + (b) + (c)	6,978.07	7,900.45
NOTE :4 LONG TERM BORROWINGS		
Secured Loan		
Term Loan from Banks	1,019.58	696.62
Less: Current maturities of Long term borrowing (Refer note-8)	300.00	-
TOTAL	719.58	696.62
Term Loan from Banks		
i) Term loan is secured against hypothecation of all tangible movable machineries, plant, properties, other assets, stocks, book- debts, outstandings, money receivables, claims, bills, rent deposits, both present and future, of the Company by way of first charge. The term loan is also secured against the corporate guarantee given by parent company and Anjaneya Holding Private Limited and the personal guarantee of Mr. Nitin Kasliwal Chairman and Managing Director.		
ii) Term loan is repayable in 20 quarterly installments commencing after 24 months from the date of first disbursement.		
iii) Term Loan carries interest @ 15%.		
NOTE :5 LONG-TERM PROVISIONS		
Provision for Employee Benefit		
Gratuity (Non-funded)	39.23	24.95
Leave benefits (Non-funded)	32.73	9.66
TOTAL	71.96	34.61

(₹ in Lacs)		
Particulars	As at 31 st March 2012	As at 31 st March 2011
NOTE :6 SHORT-TERM BORROWINGS		
Secured Loan		
Loans Repayable on demand		
From Banks	11,342.30	10,930.50
From others - (Vehicle Loans)	-	13.59
TOTAL	11,342.30	10,944.09

a) Loans from banks (Working Capital facilities repayment on demand) are secured by hypothecation of :

- Principal Security First pari-passu - present and future Current Asset of the Company.
- Second pari-passu – present and future Movable and Non-Movable Fixed Asset of the Company.
- Personal Guarantee of Chairman & Managing Director
- Corporate Guarantee given by S.Kumars Nationwide Limited.
- Secured against corporate gurantee given by parent company and Anjaneya Holding Private Limited and the personal gurantee of Mr. Nitin Kasliwal Chairman & Managing Director.

The above Loans from banks (Working Capital Facilities) carries interest @ 15% to 16%.

b) Loans from others (Vehicle Loans) is secured by hypothecation of the vehicles financed.

NOTE :7 TRADE PAYABLES		
Total Outstanding due of Micro, Small and Medium Enterprises*	-	-
Others	20,340.13	21,049.75
TOTAL	20,340.13	21,049.75

*There is no dues payable to Micro, Small and Medium Enterprises for more than 45 days, and hence there is no need for provision of interest in the current year. The same is based on the information available with the Company and relied upon by the Auditors.

NOTE :8 OTHER CURRENT LIABILITIES		
Current Maturities of long-term borrowings (Secured Non Convertible Debenture) (Refer Note 8A)	6,545.00	6,545.00
Interest accrued and due on NCD (Refer Note 8B)	267.12	-
Interest accrued but note due on NCD	472.97	488.10
Current maturities of a long term borrowing (Refer note- 4)	300.00	-
Book Overdraft with Banks	47.29	6.58
Statutory Dues Payable	222.29	112.97
Creditors for Capital Goods & other contractual obligation	13.56	16.01
Credits Balance of Trade Receivable	1.98	3.52
Amount Payable to Employees	228.62	118.18
Other Payables	75.74	56.62
TOTAL	8,174.57	7,346.98

NOTE : 8A NON-CONVERTIBLE DEBENTURE

15% Non-Convertible Debentures (NCDs) issued to India Debt Management Private Limited are secured in favour of the Debenture Trustees, IDBI Trusteeship Services Ltd. by way of the following;

a. Primary Security

- i) An English Mortgage on the immovable fixed assets of the Company situated at Plot No. 3, Survey No. 37, Mouje Ishwarpura, Taluka Kadi, District Mehsana, and Ahmedabad to secure issue of the Debenture Certificate.
- ii) Equitable Mortgage on future immovable fixed assets of the Company other than that mentioned in i) above.
- iii) Charge on the present and future movable fixed assets of the Company.

b. Additional Security

- i) Pledge and Default Call Option exercise on 1,05,82,630 Fully Convertible Debentures of ₹ 100 each of S. Kumars Nationwide Limited (SKNL) held by Anjaneya Holding Pvt. Ltd (AHPL) and the consequent shares to be issued to AHPL on conversion of the said Fully Convertible Debentures.
- ii) Pledge and Default Call Option exercise on the 10,00,000 Equity Shares of ₹ 10/- each of the Company held by SKNL.

c. Redemption of the Non Convertible Debentures

The redemption of Non Convertible Debentures shall take place by September 30, 2012 of the face value of the Non Convertible debentures.

The Non Convertible Debentures shall have redemption premium of 20% on face value of debentures redeemed as above.

NOTE : 8 B

There is delay in Interest payment of ₹ 267.12 Lacs (Net of TDS ₹ 29.68 Lacs) to India Debt Management Private Limited for NCDs due on 31st March, 2012.

Particulars	(₹ in Lacs)	
	As at 31 st March 2012	As at 31 st March 2011
NOTE :9 SHORT TERM PROVISION		
Provision for Employee Benefit		
Gratuity (Non-Funded)	0.72	17.05
Leave benefits (Non-Funded)	4.21	36.37
Other Provision		
Provision for Income Tax (Net of Advance Tax of ₹ 16.15 lacs, P.Y. ₹ 15.90 Lacs)	1,522.81	674.10
Provision for Wealth Tax	0.41	0.85
Provision for Premium on Redemption of NCDS	1,309.00	1,278.92
TOTAL	2,837.15	2,007.29

NOTE :10 FIXED ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 st April 2011	Additions	(Disposals)	Balance as at 1 st April 2011	Depreciation/ Amortisation charge for the year	On disposals	Balance as at 31 st March 2012	Balance as at 31 st March 2011
a TANGIBLE ASSETS (Not under Lease)								
i) Land (Freehold)	4.84	-	-	-	-	-	4.84	4.84
ii) Furniture and Fixtures	3,504.37	614.25	136.12	1,777.59	698.98	34.81	2,441.76	1,726.78
iii) Vehicles	122.38	-	17.96	35.25	10.83	7.33	38.75	87.13
iv) Office equipment	227.33	61.64	0.85	47.35	12.31	0.02	59.64	179.98
v) Computer & peripherals	155.97	30.73	1.14	71.03	33.79	0.61	104.21	84.94
TOTAL (a)	4,014.89	706.62	156.07	1,931.22	755.91	42.77	2,644.36	2,083.67
b INTANGIBLE ASSETS (Not under Lease)								
i) Goodwill (Refer Note 40)	3,125.15	-	-	1,250.07	312.52	-	1,562.59	1,875.08
ii) Computer Software	76.24	16.38	-	24.52	15.56	-	40.08	51.72
TOTAL (b)	3,201.39	16.38	-	1,274.59	328.08	-	1,602.67	1,926.80
TOTAL (a+b)	7,216.28	723.00	156.07	3,205.81	1,083.99	42.77	4,247.03	4,010.47
Previous Year	6,703.42	512.86	0.10	2,172.27	1,033.56	0.02	3,205.81	4,531.15

(₹ in Lacs)

(₹ in Lacs)		
Particulars	As at 31 st March 2012	As at 31 st March 2011
NOTE :11 NON CURRENT INVESTMENT		
Non-Trade (Unquoted)		
Government Securities-National Saving Certificates	0.90	0.90
TOTAL	0.90	0.90
NOTE :12 DEFERRED TAX ASSETS (NET)		
Gross Deferred Tax Liabilities	9.52	9.43
Deferred Tax Assets		
Fixed assets : Impact of difference between tax depreciation and depreciation/amortization charged for the financial Reporting	178.38	33.58
Expenses u/s 43B allowable on Payment basis	31.31	16.84
Gross Deferred Tax Assets	209.69	50.42
Deferred Tax Liabilities	-	-
Net Deferred Tax Assets		
TOTAL	200.17	40.99
NOTE :13 LONG TERM LOANS AND ADVANCES		
Unsecured & Considered good, unless otherwise stated		
Capital Advance-Considered good a)	80.49	157.48
Deposits		
Considered good	4,258.58	4,357.49
Considered Doubtful	77.46	77.46
	4,336.04	4,434.95
Less Provision for Doubtful Deposit	77.46	77.46
	4,258.58	4,357.49
Balance with Excise and Custom authorities b)	13.33	7.64
c)		
TOTAL (a)+(b)+(c)	4,352.40	4,522.61
NOTE :14 OTHER NON-CURRENT ASSET		
Fixed Deposit Account with Scheduled Banks	9.57	34.63
TOTAL	9.57	34.63
NOTE :15 INVENTORIES		
Inventories (At Lower of cost and Net Realisable Value)		
Stock in Trade	21,074.50	22,165.03
(Including Goods in transit of ₹ 100.41 Lacs (P. Y. ₹ 531.46 Lacs) (Refer Note-22)		
TOTAL	21,074.50	22,165.03

Stock in Trade comprising of Textiles and made-ups (including accessories) are carried at the lower of Cost or Net Realisable value, where cost comprises of all purchase costs and other costs incurred in bringing the inventories to their present location and condition. Goods in Transit are carried at cost.

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		(₹ in Lacs)	
Particulars		Current Year ended on 31 st March 2012	Previous Year ended on 31 st March 2011
NOTE :20 OTHER INCOME			
Interest On Fixed Deposit		2.42	2.67
Interest Received on Employee Loan		0.09	-
Sales Tax Setoff Received		-	26.18
Other Income		6.76	0.03
TOTAL		9.27	28.88
NOTE :21 PURCHASES OF STOCK IN TRADE			
Purchase of Merchandise (Net)		68,960.17	65,843.51
Tailoring Expenses		365.24	395.45
TOTAL		69,325.41	66,238.96
Details of Merchandise Purchase			
Textiles -Mtrs		30,639.99	30,105.32
Textiles -Pcs		34,323.80	30,970.46
Madeups-Pcs		3,996.38	4,767.73
TOTAL		68,960.17	65,843.51
NOTE :22 (INCREASE)/DECREASE IN INVENTORIES OF STOCK IN TRADE			
Inventories at the end of the year		21,074.50	22,165.04
Less: Inventories at the beginning of the year		22,165.04	19,521.99
Net (Increase)/decrease in Inventories	TOTAL	1,090.54	(2,643.05)
Details of Inventory			
Textiles -Mtrs		10,159.89	12,142.78
Textiles -Pcs		6,011.08	5,168.57
Madeups-Pcs		4,903.53	4,853.69
TOTAL		21,074.50	22,165.04
NOTE :23 EMPLOYEE BENEFIT EXPENSES			
Salaries, Wages, Bonus, Gratuity and Other Benefits		1,427.87	1,508.30
Contribution to Provident and Other Fund		69.12	84.18
Staff Welfare Expenses		38.25	29.33
TOTAL		1,535.24	1,621.81
NOTE :24 FINANCE COSTS			
Interest on Non-Convertible Debenture		1,170.82	1,137.20
Interest on Vehicle Loans		0.75	2.90
Bank Charges and Commission		130.59	117.77
Interest on Bank Overdraft		1,848.37	1,668.19
TOTAL		3,150.53	2,926.06

		(₹ in Lacs)	
Particulars		Current Year ended on 31 st March 2012	Previous Year ended on 31 st March 2011
NOTE :25 DEPRECIATION AND AMORTISATION			
Depreciation of tangible assets		755.91	716.67
Amortisation of intangible assets		328.08	316.85
TOTAL		1,083.99	1,033.52
NOTE :26 OTHER EXPENSES			
Rent		3,553.22	2,739.87
Rates and Taxes		44.22	58.04
Repairs and Maintenance-others		50.59	61.74
Travelling Expenses - Foreign		71.16	276.64
Travelling Expenses - Inland		87.85	113.35
Electricity Charges		252.21	225.94
Vehicle Maintenance		14.09	14.50
Directors' Sitting Fees		5.36	1.46
Remuneration to Auditors (Refer details below)*		41.25	38.80
Showroom Expenses		76.95	58.38
Exchange Rate fluctuations (Net)		72.81	27.62
Insurance		25.62	22.87
Conveyance		21.67	22.21
Legal and Professional Charges		77.25	70.59
Postage & Telephones		68.48	70.81
Printing and Stationery		26.57	25.67
Security Services Charges		19.75	19.57
Membership and Subscription		0.56	11.41
Brokerage Charges		3.69	-
General Expenses		42.90	49.03
Interest on Others		14.53	14.25
Business Convention and Exhibition expenses		245.22	184.42
Preliminary Expenses written off		1.21	0.40
Provision for Doubtful Advance		-	18.00
Distribution & Logistic Expenses		125.08	65.98
Miscellaneous Expenses		5.00	8.20
Loss on Sale of Fixed Assets (Ner)		108.64	0.04
TOTAL		5,055.88	4,199.79
*Remuneration to Auditors			
Audit Fees		24.39	24.27
Tax Audit Fees		6.66	6.62
Limited Review Fees		9.93	6.62
Other Services		0.27	1.29
TOTAL		41.25	38.80

NOTE : 27 CONTINGENT LIABILITIES:

(₹ in Lacs)

Sr. No	Particulars	As at 31 st March 2012	As at 31 st March 2011
a)	Claims not acknowledged as debts:		
i.	Sales Tax – Dispute in Appeal-Mumbai	12.80	12.80
ii.	Sales Tax – Dispute in Appeal - Ghaziabad	4.10	4.10
iii.	DLF Limited Delhi towards TDS	6.42 *	5.62 *
iv.	As may arise due to delay / non-compliance of certain statutory requirement.	Amount Unascertainable	Amount Unascertainable

* FDR with Schedule Bank ₹ 6.44 Lacs kept as deposit against same.

NOTE : 28 IN RELATION TO BRANDHOUSE OVIESSE LIMITED;

- It does not have an internal audit system.
- A substantial portion of net worth of the Company has been eroded due to accumulated losses. However, in view of financial support from the shareholders, the financial statements have been prepared on a going concern basis.
- Deferred Tax assets have been recognised only to the extent of deferred tax liability.
- It has entered into transactions with parties covered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of five lacs rupees. However, reasonableness of the prices of the transaction could not be established as there are no comparable quotations available.
- The remuneration paid to the managing director during the year, exceeds the limits prescribed under the Companies Act, 1956 by ₹ 2.29 Lacs (Previous year: ₹ Nil). The Company has filed an application during the year to obtain the necessary approvals in this regard with the Central Government.

NOTE: 29.

The year-end foreign currency payables that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	As at 31 st March, 2012			As at 31 st March, 2011		
	Amount in FC		₹ in Lacs.	Amount in FC		₹ in Lacs.
Purchase of Sales promotion Items		-	-	HKD	30,200.00	1.73
Purchase of Merchandise	EURO	6,37,283	435.52	EURO	9,74,925.00	616.54
	USD	12,31,676	630.08	HKD	4,99,511.55	28.62
TOTAL			1,065.60			646.89

NOTE: 30.

The Company has classified the various benefits provided to employees under the purview of Accounting Standard 15 (Revised) as under:

- Defined Contribution Plans
 - Provident Fund & Employees Pension Scheme 1995
 - Employees State Insurance

The Company has recognised the following amounts in the Statement of Profit & Loss:

(₹ in Lacs)

Particulars	Year ended on 31 st March 2012	Year ended on 31 st March 2011
Employer's contribution to Provident Fund & Pension Scheme	53.63	60.52
Employer's contribution to Employees State Insurance	11.88	12.85
Employer's contribution to Ins fund	1.13	1.48

- ii) Defined Benefits Plan
- Contribution to Gratuity (Non Funded Scheme)
 - Leave Encashment (Non Funded Scheme)

In accordance with the Accounting Standard (AS 15) (Revised), Actuarial Valuation was performed in respect of the aforesaid defined benefit plans based on following assumptions:

Particulars	Year ended on 31 st March 2012	Year ended on 31 st March 2011
Discount Rate (Per Annum)	8.75%	8.25%
Rate of increase in compensation levels (Per Annum)	5%	5%
Expected average remaining lives of the employees (in no of years)	18	20

A. Change in Present Value of Obligation (₹ in Lacs)

Particulars	Year ended 31 st March 2012 (Gratuity)	Year ended 31 st March 2011 (Gratuity)	Year ended 31 st March 2012 (Leave Encashment)	Year ended 31 st March 2011 (Leave Encashment)
Present value of defined benefits obligation as at the beginning of the period	42.00	43.84	46.03	61.31
Interest Cost	3.47	3.51	5.81	4.92
Current Service Cost	14.29	23.86	14.17	18.83
Benefits Paid	(0.94)	(9.87)	(36.04)	(29.81)
Actuarial (Gain) / loss on obligation	(18.86)	(20.12)	6.97	(9.22)
Present value of defined benefits obligation as at the end of the period	39.95	42.00	36.94	46.03

B. Amount recognised in the Balance Sheet (₹ in Lacs)

Particulars	As at 31 st March 2012 (Gratuity)	As at 31 st March 2011 (Gratuity)	As at 31 st March 2012 (Leave Encashment)	As at 31 st March 2011 (Leave Encashment)
Present value of defined benefits obligation as at the end of the period	39.95	42.00	36.94	46.03
Liability / (Net Asset) recognised in the Balance Sheet	39.95	42.00	36.94	46.03

C. Balance Sheet Reconciliation (₹ in Lacs)

Particulars	Year ended 31 st March 2012 (Gratuity)	Year ended 31 st March 2011 (Gratuity)	Year ended 31 st March 2012 (Leave Encashment)	Year ended 31 st March 2011 (Leave Encashment)
Opening Net Liability	41.99	43.84	46.03	56.15
Expenses as Above	14.99	8.04	34.57	16.97
Net Transfer in	-	-	-	-
(Net Transfer Out)	-	-	-	-
Employer's Contribution	(17.03)	(9.88)	(43.66)	(27.09)
Net amount recognised in the Balance Sheet	39.95	42.00	36.94	46.03

D. Expenses recognised in the Statement of Profit and Loss (₹ in Lacs)

Particulars	Year ended 31 st March 2012 (Gratuity)	Year ended 31 st March 2011 (Gratuity)	Year ended 31 st March 2012 (Leave Encashment)	Year ended 31 st March 2011 (Leave Encashment)
Current Service Cost	14.29	23.86	14.17	18.83
Past Service Cost	-	0.79	-	-
Interest Cost	3.47	3.51	5.81	4.92
Net Actuarial (Gain) Loss Recognised in the period	(2.77)	(20.12)	14.59	(6.78)
Total expenses recognised in the Statement of Profit and Loss	14.99	8.04	34.57	16.97

E. Experience Adjustment (₹ in Lacs)

Particulars	As at 31 st March 2012 (Gra- tuity)	As at 31 st March 2011 (Gra- tuity)	As at 31 st March 2012 (Leave En- cashment)	As at 31 st March 2011 (Leave En- cashment)
On Plan Liability (Gain)/Loss	1.58	(17.71)	-	(2.98)
On Plan Assets (Loss)/Gains	-	-	13.33	-

NOTE: 31.

Estimated amount of Contracts remaining to be executed on capital account and not provided for ₹ 158.58 Lacs (previous year ₹ 278.56 Lacs) (net of advances) & other commitments towards Lease Deposit ₹ 167.24 Lacs (Previous Year Nil).

NOTE: 32.

The Company has become the holding company of Brandhouse Oviesse Ltd. on 29th July, 2009. It additionally acquired by virtue of subscription to 2,89,81,030 shares (Previous Year 1,28,07,041 shares) i.e. 62.50 % paid-up Share Capital of the Subsidiary on 28th December 2011.

NOTE: 33

The Confirmation, reconciliation and adjustment of balances pertaining to Trade Receivable & Trade Payables is an ongoing process. Such adjustments made and balances as on 31st March, 2012 have been independently confirmed. As regards outstanding Trade Receivables, the Company is of the opinion that the same are fully recoverable and hence no additional provision is required to be made.

NOTE: 34.

Balances under the head Long Term Loan & Advances, are subject to confirmation from the respective parties and consequential reconciliation/adjustment, if any. The necessary accounting effect, if any, will be given by the Company in the period of such confirmation/reconciliation.

NOTE: 35.

The Premium payable on redemption of the above Non Convertible Debentures on maturity, amounting to ₹ 30.08 Lacs was adjusted against Securities Premium Account disclose under the head provisions (Previous year – ₹ 161.49 Lacs).

NOTE: 36.

The Company has obtained various stores on operating Lease. Lease payments made during the year debited to Statement of Profit and loss is ₹ 3,553.22 Lacs (Previous Year ₹ 2,789.87 Lacs). The amount of future minimum lease payments/commitment under Non Cancelable operating Lease is as under:

(₹ in Lacs)		
Period	As at 31 st March 2012	As at 31 st March 2011
Not later than one year	3,267.39	3,312.21
Later than one year but not later than five years	12,087.79	13,286.55
Later than five years	10,103.19	11,466.39

NOTE: 37.
i. Value of Imports on CIF Basis

(₹ in Lacs)

Particulars	Year ended on 31 st March 2012	Year ended on 31 st March 2011
Samples & Sales Promotion	12.45	15.31
Purchases Furniture & Fixture	7.25	26.45
Purchases Merchandise	191.32	910.07
Leasehold Improvements	12.49	26.70
Other Purchase	12.54	17.09

ii Expenditure in Foreign Currency

(₹ in Lacs)

Particulars	Year ended on 31 st March 2012	Year ended on 31 st March 2011
Foreign Travel	40.54	132.51
Advertisement fees	-	16.21

NOTE: 38.
Earnings Per Share – Basic and Diluted

Particulars	As at 31 st March 2012 Basic & Diluted	As at 31 st March 2011 Basic & Diluted
Net Loss After Tax (after adjusting minority interest) as per profit and Loss Account (In Lacs)	(892.30)	1,207.98
Weighted Average Number of Equity Shares used as denominator	5,36,02,767	5,36,02,767
Nominal Value Per Equity Share (₹)	10	10
Earnings Per Shares- (₹) Annualised	(1.66)	2.25

NOTE: 39.

The entire operations of the Company comprise of only one segment, namely Retail and as such, no separate segment reporting is considered necessary for segment reporting, as stipulated in Accounting Standard-17 issued by Institute of Chartered Accountants of India.

NOTE: 40.

The Company believes that Goodwill as represented in the books of accounts as at the Balance Sheet date amounting to ₹ 1,562.56 Lacs (Previous year ₹ 1,875.08 Lacs) has an appropriate future economic benefit as arrived at upon its de-merger of business with the erstwhile parent Company in the earlier years.

NOTE: 41.

Related parties Disclosure under Accounting Standard-18

<p>Key Enterprises in which directors are interested.</p>	<p>S. Kumars Nationwide Ltd. Belmonte Retails Ltd. Sansar Exim Pvt. Ltd. Anjaneya Holdings Pvt. Ltd. Reid & Taylor (India) Ltd. Ingenious Finance & Investment Pvt. Ltd. Verve Properties & Investments Pvt. Ltd. Natty Finance & Investment Pvt. Ltd. Tulja Enterprises Pvt. Ltd. Chamundeshwari Mercantile Pvt. Ltd. Maverick Mercantile Pvt. Ltd. S Kumars Enterprises (Synfabs) Ltd. S Kumars Textiles Ltd. S.K.Worsted's Pvt Ltd Rosewood Holdings Pvt Ltd. Remala Trading B.V. Coppley Corp HMX Poland sp. Z.o.o HMX Acquisition Corp. HMX Des Plaines LLC. Quartet Real Estate LLC. HMX LLC. HMX, DTC Co. Marling & Evans Ltd, U.K. Global Apparel (U.S) Limited Global Apparel (France) Limited. Global Apparel (Hongkong) Limited. 7172931 Canada Limited</p>
<p>Key Management Personnel</p>	<p>Mr. Nitin S. Kasliwal – Chairman & Managing Director Mrs. Jyoti N. Kasliwal – Director Mr. Ashok Dalal (Resigned on 3rd Dec-2011) Mr. Daniele Piatto (w.e.f. 3rd Dec-2011)</p>
<p>Relatives of Key Management Personnel</p>	<p>Ms. Anjani N. Kasliwal (Daughter of Shri Nitin S. Kasliwal and Smt Jyoti N. Kasliwal) OBS Sales Private Limited OBS India Private Limited</p>

Transactions with Related Parties:
(₹ in Lacs)

Nature of Transactions	Key Enterprises in which directors are interested.		Key Management Personnel		Relatives of Key Management Personnel	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Purchases of Goods	67,574.01	65,290.18	-	-	-	-
Managerial Remuneration	-	-	-	-	-	-
(i) Mr. Ashok Dalal	-	-	62.06	69.53	-	-
(ii) Mr. Daniele Piatto	-	-	10.71	-	-	-
Salary to Relatives of Key Management Personnel	-	-	-	-	17.00	17.00
Loans and Advances Given	1.39	-	-	-	-	-
Outstanding as on 31st March 2012	18,474.56	19,585.62	35.44	19.32	-	-

- i) Related party relationships are as identified by the management and have been relied upon by the Statutory Auditors.
- ii) There is no written off or written back of any balances due from / to related parties

NOTE: 42.

'As notified by Ministry of Corporate Affairs, Revised Schedule VI under the Companies Act, 1956 is applicable to the Financial Statements for the financial year commencing on or after 1st April, 2011. Accordingly, the financial Statements for the year ended 31 March 2012 are prepared in accordance with the Revised Schedule VI. The amounts and disclosure included in the financial statements of the previous year have been reclassified to confirm to the requirement of the Revised Schedule VI'.

For and on behalf of the Board

Nitin S. Kasliwal Chairman & Managing Director
 D. D. Avari Director

Pulak Banerjee Sr. VP Legal & Company Secretary

Place : Mumbai
 Date : 30th May, 2012

Notes

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BRANDHOUSE RETAILS LIMITED**B-2, 5th Floor, Marathon NextGen, Off G. K. Marg, Lower Parel, Mumbai - 400 013****PROXY FORM****(To be filled in and signed by the Shareholder)****8th ANNUAL GENERAL MEETING****FOLIO NUMBER/DP & CLIENT ID:**

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NUMBER OF SHARES HELD :

--	--	--	--	--	--	--	--

I/We, _____, resident(s) of _____ in the district of _____ in the state of _____, being shareholder(s) of the Company hereby appoint Mr./Mrs./Ms. _____, resident of _____ in the district of _____ in the state of _____ or failing him/her, Mr./Mrs./Ms. _____, resident of _____ in the district of _____ in the state of _____ as my/our proxy to vote for me/us and on my/our behalf at the 8th Annual General Meeting of the shareholders of the Company to be held on Thursday, September 27, 2012 at 1:00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber Building, IMC Marg, Near Churchgate Station, Churchgate, Mumbai – 400 020. Signed this _____ day of _____, 2012.

Note: This form, in order to be effective, should be duly stamped, completed, signed and submitted at the Registered Office of the Company not less than 48 hours before the meeting.

Please affix
15 paise
Revenue
Stamp & Sign
Across



Please Tear Here

BRANDHOUSE RETAILS LIMITED**B-2, 5th Floor, Marathon NextGen, Off G. K. Marg, Lower Parel, Mumbai - 400 013****ATTENDANCE SLIP****(To be filled in and signed by the Shareholders/Proxies)****8th ANNUAL GENERAL MEETING****FOLIO / DP & CLIENT ID:**

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NUMBER OF SHARES HELD :

--	--	--	--	--	--	--	--

I, _____, certify that I am the Shareholder / Proxy for the Shareholder of the Company. I hereby record my presence at the 8th Annual General Meeting of the Company on Thursday, September 27, 2012 at 1:00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber Building, IMC Marg, Near Churchgate Station, Churchgate, Mumbai – 400 020.

Signature of the Shareholder/Proxy

Note: Please fill up this Attendance Slip and hand it over at the entrance of the meeting hall. Shareholders are requested to bring copy of Annual Report to the meeting.



Regd. Office: B-2, 5th Floor, Marathon NextGen, Off. G.K Marg, Lower Parel, Mumbai: 400 013
Tel.:91-22-24824500. Fax.:91-22-24931685