



INDIA'S FASTEST GROWING

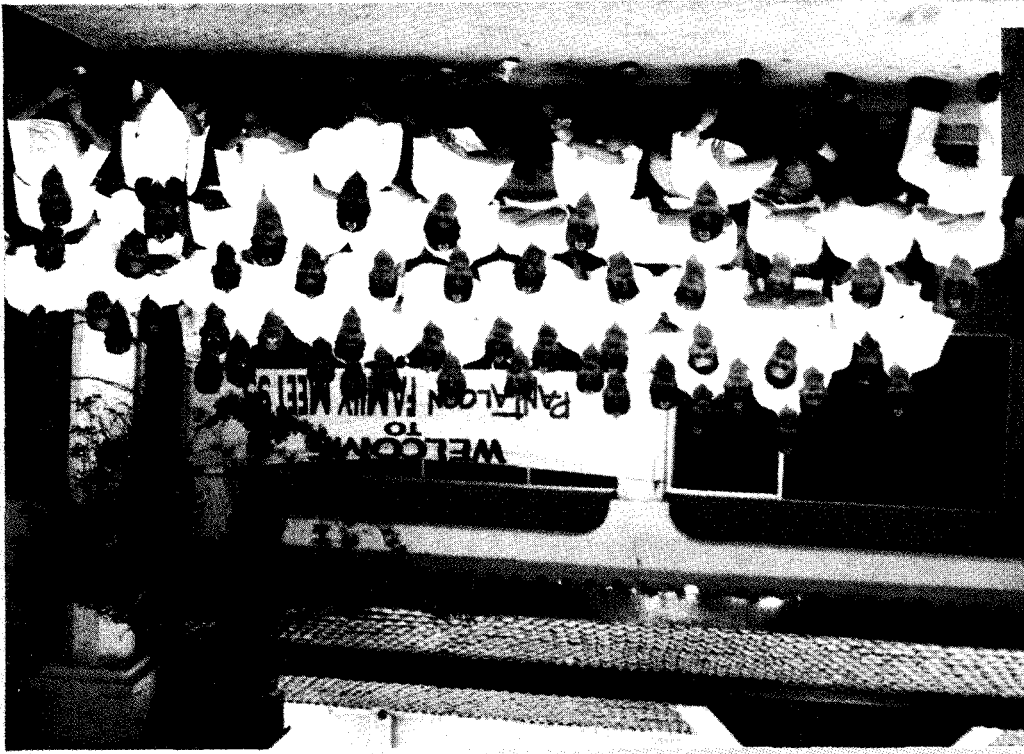
fashion

HOUSE

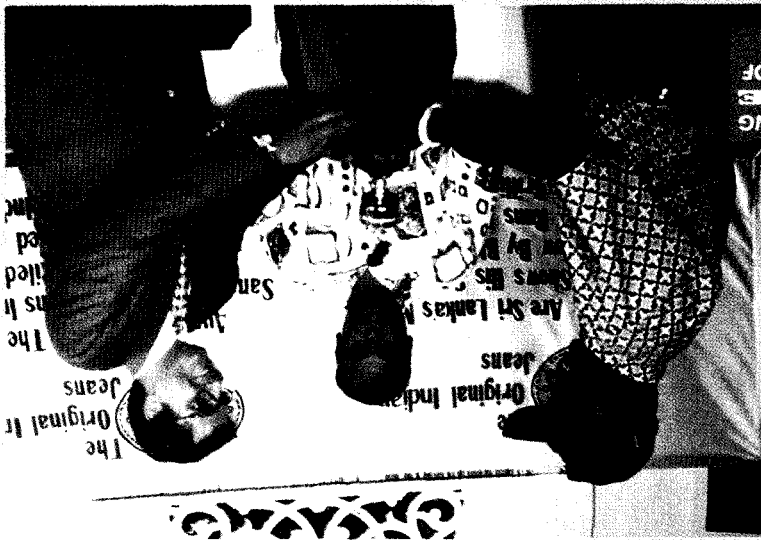
PANTALOON



ANNUAL REPORT
1995-1996



DIRECTORS, PANTALOON PERSONNEL & PARTNERS IN PROGRESS) AT A MEET



SANATH JAYASURIYA BEING PRESENTED THE BARE SRI LANKAN CRICKETER OF THE YEAR AWARD.



PANTALOON SHOPPE COLABA



Bantaloan Fashioners (India) Limited

Corporate Mission



"We share the vision and belief that by improving our performance through innovative spirit and dedication, we shall serve our customers and stakeholders satisfactorily.

We shall be the trendsetters in fashion & offer a fair deal to all our customers.

The Company shall strive to be the Indian Retailing Conglomerate, with a commitment to quality.

Our positive attitude from our devotion, sincerity and united determination shall be the driving force to make us globally competitive."





Pantaloons Fashions (India) Limited

Corporate Review

Pantaloons Fashion House is re-inventing itself and getting ready for the retailing revolution that is going to set in the country.

Our mission to be "Indian Retailing Conglomerate" is now taking shape in the following forms.

PANTALOON SHOPPE

These shoppe retail all the Pantaloons brands namely John Miller, BARE, Knightood, Manz & Pantaloons. Today we have over 40 such retail outlets spread across the country and plans to add another 20 more such shoppe in the coming year.

PANTALOON CONNECTION

These are store in store in Multi-brand outlets selling PFH brands. Today there are a few of these "Connections" and we plan to open them in areas, where the market potential is limited.

BARE STORE

A very new concept in marketing and promoting a Brand store. This was with the idea of shifting the focus from a Denim brand to a Casual line of ready-mades. These stores will house the entire range of casual wear which will be unisex, hi-fashion present a young urban image catering an age group of 16 - 40. This idea was prompted by the fact of consumers changing perception of casual wear. The Company plans to open 8 such stores in the coming year.

PANTALOON MEGA STORE

The developed world has seen the success of retailing to the entire family under one roof. Pantaloons is bringing the proven success of the west to the east. This also is a new idea of retailing from a store of over 2500 sq. feets which will house everything in clothing for Women, Children, Men. Two such projects are underway and will become operational by this year end.

PFH DISCOUNT CLUB

This offers an exclusive facility to members to enjoy discounts throughout the year on branded products. This is a closed door facility offered to only members on products whose prices are known to them and the same is available only to the PFH Discount Club members and not to everybody.

DOOR TO DOOR RETAILING

The concept of retailing trouser lengths right at the door step of the customer has met with unprecedented success. The marketing team of young boys and girls go retailing these ready to wear trousers from door to door giving retailing a whole new dimension. This venture of the Company has met with enormous success in the last one year and has helped the company to improve its performance besides doing a social job of giving a chance to the unemployed youth of this country to stand on its own feet.



Pantaloons Fashions (India) Limited

Our brands which have registered impressive perception at consumer levels are :

PANTALOON TROUSERS - INDIA'S NO. 1 TROUSER

Launched in 1987, today this product is the main recognised name in this segment of mens ready-mades. The formal, executive and cotton collections are characterised by perfect fits, flawless falls, knife-edge creases and classic cuts. This brand is targeted at the age group from 16-40 and has positioned itself very strongly in the market. It is synonymous with the ready-made trousers for the contemporary Indian male.

BARE - THE ORIGINAL INDIAN JEANS

The year 1991 saw a revolution in casual wear and saw the launch of BARE the original Indian Jeans. It symbolizes the "Modern" Indian who is progressive and liberal, yet very Indian. This brand has caught the fancy of not only the Indian market but is today being exported to countries like UAE, Middle East and South Asia. This brand is competing with many a reputed international brands. This product also saw the introduction of Jeans for women and the launch of "Mr. BIG" for men in size 40, 42, 44 & 46.

KNIGHTHOOD SHIRTS - TITLE OF EXCELLENCE

A premium range of shirts that are "engineered" keeping in mind the customer who was looking out for a shirt which can be worn with the same ease to work and parties. This brand which is called "Title of Excellence" finds itself standing proudly in this segment of mens wear. All Knighthood shirts have specially crafted cuffs which fit the wrist perfectly, preventing accidental staining.

JOHN MILLER SHIRTS - A SHIRT INSPIRED BY AMERICA

A brand which has seen phenomenal growth over the last one year and today is the forerunner in the branded shirts competitive market. The highly affordable "international" shirt brings all of America's quality features like double stitching, plackets, pearl buttons, button down and saville collars and other distinctive features to India. This brand is comfortable and most important affordable.

LOGISTICS

The company has set up a huge centralised warehouse in the heart of the city, which is computerised and is being linked to all major retail outlets in the country by Electronic Mail. The company also has started computerisation and networking of all offices in the country with corporate headquarters.

The company has set up a Pantaloons Privilege Club for frequent Pantaloons shoppers. Membership to the club is exclusive and available to only a select few by invitation. These members get discounts on all purchases, get invited to all Pantaloons sponsored shows, events.

The company has also set up a **customer support cell** which is very actively involved in helping the customer get complete satisfaction and also with the idea of redefining the role of marketing by shifting emphasis from selling to customer satisfaction thus making Pantaloons a market responsive institution. Synergic efforts for development of Human Resources to make it more dynamic and by inducting the best talent available, the company is poised to take a gigantic step into the future. The Company with this infrastructure, stores and brands is ready to meet the retailing revolution to be set in this Country.

BOARD OF DIRECTORS

Mr. Kishore Biyani *Managing Director*
Mr. Bajranglal Biyani
Mr. Sitaram Biyani
Mr. Gopikishan Biyani
Mr. Radheshyam Poddar
Mr. Suneel Bhambani
Mr. Sushil Sain
Mr. Rakesh Biyani
Mr. Praveen Gupta

AUDITORS

S. M. Kabra & Co., Mumbai

REGISTERED OFFICE

Pantaloons House, G-11,
 M.I.D.C., Cross Road 'A',
 Andheri (East), Mumbai- 400 093.

PLANT

24, Y. A. Chunawala Ind. Estate,
 Kondivita Road, Andheri (East),
 Mumbai - 400 059.

BANKERS

State Bank of India

CONTENTS

Notice	5	Schedules to Accounts	14
Directors' Report	8	Cash Flow Statement	24
Auditors' Report	10	Directors' Report, Auditors' Report & Accounts of Subsidiary Company	26
Balance Sheet	12		
Profit & Loss Account	13		

NOTICE

Notice is hereby given that the Ninth Annual General Meeting of PANTALOOON FASHIONS (INDIA) LIMITED will be held at 4 p.m. on Monday, 30th September, 1996 at the Registered Office of the Company situated at Pantaloon House, G-11, MIDC Cross Road "A" Andheri (E), Mumbai - 400 093 to transact the following business.

Ordinary Business

1. To receive, consider, and adopt the audited Balance Sheet as at 31st March, 1996 and the Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sushil Sain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution :

"RESOLVED THAT in accordance with the provisions of section 81 (1-A), and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), and the enabling provisions in the Memorandum & Articles of Association of the Company and in the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval, if so required by law of the Securities and Exchange Board of India ("SEBI"), the Government of India, the Reserve Bank of India ("RBI") and all other authorities concerned, if any, and subject further to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board") is hereby authorised to agree to, the consent of the company be and is hereby accorded to the Board to issue and allot 10,00,000 (Ten Lakhs) 11% Non-cumulative Redeemable Preference Shares (The " Preference Shares") of the face value of Rs.10/- each at par, on the terms and conditions stated below:

- a) Number of Preference Shares : 10,00,000 (Ten Lakhs)
- b) Face Value and issue price : Rs.10/- (Rupees Ten) per Preference Share at par

- c) Coupon rate : 11%
- d) Holding period : Maximum 7 Years
- e) The Preference Shares will carry the right to a fixed non-cumulative dividend per annum (less any withholding tax) equal to 11 per cent of the capital paid up thereon, such dividends to be payable every year ended 31st March, within two months of the close of the financial year.
- f) The first dividend payment will be made within two months from the close of accounting year of the Company, that is 31st March, 1997.
- g) No dividend will be declared or paid in respect of any other share capital of the Company unless and until any arrears, deficiencies or accruals of the Non-Cumulative Dividends on the Preference Shares have been paid in full in respect of that and all accounting periods of the Company.
- h) The Preference Shares shall carry the right to receive notice of meetings of the Company but shall not carry the right to vote unless :
 - i) the preference dividend is 24 months in arrears ;
 - ii) the company has failed to redeem the Preference Shares on the due date for redemption;
 - iii) the business of the meeting includes a resolution for the winding up of the company or the reduction and repayment of its share capital or a resolution otherwise affecting the right of the holders of the Preference Shares.
- i) If the company fails to make any payment to the holders of the Preference Shares upon the due date for the payment, it will pay interest on the amount payable at the rate of 11% per annum from such date till the actual date of payment.
- j) The Preference shareholders have an option to convert their preference shares into equity shares, at such premium as the Board may decide at the period of redemption".
5. To consider and, if thought fit, to pass with or without modification the resolution as Special Resolution :
 "RESOLVED THAT Clause V of the Memorandum of Association and Article 6 of the Articles of Association be altered to read as follows :

MEMORANDUM OF ASSOCIATION

Clause V : The Authorised Share Capital of the Company is Rs.8,00,00,000/- (Rupees Eight Crores) consisting of Rs.7,00,00,000/- (Rupees Seven Crores) divided into 70,00,000 (Seventy Lakhs)

Equity Shares of Rs.10/- (Rupees Ten) each and Rs.1,00,00,000/- (Rupees One Crore) divided into 10,00,000/- (Ten Lakhs) Preference Shares of Rs.10/- (Rupees Ten) each. Any shares of the original or increased capital may from time to time be issued with guarantee of any right of preference whether in respect of dividend or repayment of capital or both or any other special privilege or advantage over any shares previously issued or then about to be issued or with deferred or qualified rights as compared with any previously issued or subject to any provisions or conditions and with any special rights or limited right or without any right of voting and generally in such terms as the Company may from time to time determine.

ARTICLES OF ASSOCIATION

Article 6 : The Authorised Share capital of the Company is Rs.8,00,00,000/- (Rupees Eight Crores) consisting of Rs.7,00,00,000/- (Rupees Seven Crores) divided into 70,00,000 (Seventy Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each and Rs.1,00,00,000/- (Rupees One Crore) divided into 10,00,000 (Ten Lakhs) Preference Shares of Rs.10/- (Rupees Ten) each".

6. To consider and, if thought fit, to pass with or without modifications, following resolution as Special Resolution.

"RESOLVED THAT in pursuant to the provisions of Section 293 (1) (d) and the applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors to borrow any sum or sums of money from time to time, with or without security and upon such terms and conditions as they may think fit notwithstanding that the moneys, to be borrowed by the company alongwith the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserve not set apart for any specific purpose, provided however, that the total amount so borrowed by the Board of Directors shall not exceed the sum of Rs.75 Crores (Rupees Seventy Five Crores Only)".

7. To consider and, if thought fit, to pass with or without modifications, following resolution as Special Resolution.

"RESOLVED THAT pursuant to the provision of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded by the Board of Directors of the Company, to the creation of such mortgage, charges and/or hypothecations

and other encumbrances, if any by the Company, as the Board may deem fit, on the assets of the Company, both present and future, for securing the sum or sums of moneys aggregating Rs.75 Crores (Rupees Seventy Five Crores Only), borrowed by the company from Banks, Financial Institutions and others as set out in the above Resolution".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise the documents for creating the aforesaid mortgage, charges and/or hypothecation and other encumbrances if any by the Company to do all such acts, deeds, matters and things as may be necessary to give effect to this Resolution".

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b) An Instrument appointing the proxy however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- c) An explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business at item no.4 to 7 is appended hereto.
- d) The Register of Members and the Share Transfer Books of the Company will remain closed from 14th September, 1996 to 30th September, 1996 (both days inclusive).
- e) The Dividend on the Equity Shares when declared will be paid to those members whose names appear on the Register of Members of the Company on 30th September, 1996.
- f) No tax will be deducted at source of dividend payable to member who is an individual and resident in India where such dividend does not exceed Rs.2500/- during the financial year. Any member who is otherwise entitled to exemption should submit Tax Exemption Certificate or declaration in Form 15-G in duplicate to the Share Department at the Registered Office of the Company before 30th September, 1996.
- g) Members are requested to notify immediately to the Share Department of the Company if there is a change in their address registered with us.
- h) Members are requested to inform their Bank Account details to the Company to enable it to be included in the dividend warrants and, thus minimise the malpractices of theft of dividend warrants. The above said informations should be given to the Company's Share Department on or before 30th September, 1996.

- i) Members are requested to bring their copies of the Annual Report to the Meeting.

By Order of the Board of Directors
For **PANTALOON FASHIONS (INDIA) LTD.**

KISHORE BIYANI
MANAGING DIRECTOR

Place : Mumbai.
Date : 29th August, 1996

Regd. Office :
Pantaloon House, G-11,
MIDC Cross Road "A"
Andheri (E). Mumbai - 400 093.

Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956.

Item No. 4 :

The Company is setting up a modern state of the art trouser manufacturing plant in Jogeshwari (East) in the suburbs of Mumbai in the State of Maharashtra. The total cost of the project is estimated at Rs.8.5 crores. The company will fund the project from external borrowings and internal sources, the company is in the process of negotiating with foreign manufacturers of high-tech machinery required for the manufacturing process. The foreign state of the art plant will be the new technology brought in India. The output will increase by multifold by using such technology and know-how.

The Pantaloon Group is one of the fastest growing fashion houses of India. The finest garments are produced by this group and are marketed under the brand name of 'PANTALOON', 'BARE NECESSITIES', 'JOHN MILLER', 'KNIGHT HOOD', and 'MANZ'

As a measure of its commitment to the project Pantaloon Fashions (India) Ltd. proposed to invite foreign suppliers of machinery and equipments to invest in Pantaloon Fashions (India) Ltd. in the form of 11% Non-cumulative Redeemable Preference Shares of Rs.10/- each. Part of the Preference Share issued will be subscribed by Durkopp Addlers, Germany, the main supplier of machinery to Pantaloon Fashions (India) Ltd.

None of the Director is any way concerned or interested in the said resolution.

Item No. 5 :

At present the Authorised Share Capital of the Company is Rs.8 Crores divided into 80,00,000 Equity Shares of Rs.10/- each. It is considered desirable to sub divide the Authorised Share Capital from Rs.8 Crores into 70,00,000 Equity Shares of Rs.10/- each aggregating Rs.7 Crores and 10,00,000 Preference Shares of Rs.10/- each aggregating Rs.1 Crore to facilitate the

company to issue 10,00,000 Preference Shares as and when required for meeting the requirements of the Company.

The proposed sub-division in the Authorised Share Capital of the Company requires the approval of the members in General Meeting as Memorandum and Articles of Association are required to be altered to reflect the sub-division in share capital. The Board recommends the resolution.

None of the Directors is any way concerned or interested in the said resolution.

Item No.6 :

At the Annual General Meeting of the Company held on 29th September, 1995 the members had pursuant to the Section 293 (1) (d) of the Companies Act, 1956 authorised the Board of Directors of the Company to borrow from time to time a sum of money apart from temporary borrowings from bankers in ordinary course of business in excess of the aggregate of the paid up capital of the Company and its free reserves provided that the sum or sums so borrowed and remaining outstanding at one time shall not exceed Rs.50 Crores (Rupees Fifty Crores Only). This limits of Rs.50 Crores (Rupees Fifty Crores Only) is likely to be utilised considerably. It is therefore proposed to increase the limit from Rs.50 Crores to Rs. 75 Crores and the resolution of item no.7 is being proposed in view of the provisions contained in Section 293 (1) (d) of the Companies Act, 1956.

None of the Director is any way concerned or interested in the said resolution.

Item No. 7 :

Under Section 293 (1) (a) of the Companies Act, 1956 the Board of Directors of the Company needs consent of the Shareholders at a General Meeting to mortgage, hypothecate, lease or create any charge on the present or future properties/assets of the Company. It is therefore proposed to authorise the Board of Directors to create charge on the properties of the Company to secure present and future borrowings within the limit of Rs.75 Crores (Rupees Seventy Five Crores Only)

None of the Director is any way concerned or interested in the said resolution.

By Order of the Board of Directors
For **PANTALOON FASHIONS (INDIA) LTD.**

KISHORE BIYANI
MANAGING DIRECTOR

Place : Mumbai.
Date : 29th August, 1996

DIRECTORS' REPORT

To,

The Members of the
Pantaloons Fashions (India) Limited,

Your Directors are pleased to present the Ninth Annual Report with the Audited Statement of Accounts for the year ended 31st March, 1996.

1. FINANCIAL HIGHLIGHTS :

(Rupees in lacs)

	As at 31.03.1996	As at 31.03.1995
Income	5832.61	2226.97
Gross Operating Profit	419.28	191.43
Interest	188.25	79.01
Depreciation	17.91	12.98
Profit Before Taxation	213.12	99.44
Provision for Taxation	—	—
Profit After Taxation	213.12	99.44

2. OPERATIONAL REVIEW :

During the financial year ended March 31st 1996, your company has achieved a turnover of Rs. 5746.61 lacs showing an increase of 162% over the last year.

This year under review, the company has created a good name for all its brands and all stores of the company have recorded impressive growth in sales.

The company's brand "John Miller" has done reasonably well and has become one of the fore-runner in the branded shirts competitive market.

The company's "Direct Marketing" venture has borne good fruits and has helped the company in improving the performance of the company and doing a social job by giving income to the unemployed youth in the country.

3. EXPORTS :

Exports during the year were Rs.366.65 lakhs (FOB) showing a growth of 211.56% over the previous year. The Company ventured into exporting its brands to the new markets in Middle East. The Company introduced a new brand exclusively for the export market and also has reached an understanding with a leading retailer for pushing its brands in the Gulf markets. This should enable your company to enhance its earnings in foreign currencies.

4. FUTURE PROSPECTS :

The company plans to open another 20 new Pantaloons shoppe or rather add 15000 - 20000 sq.ft of Retailing area this year. This company is now visible and present in all major cities of India.

The company is also planning to open a new line of casual stores called "BARE" and eight such stores are to open shortly in the year to come.

The company is also venturing into a new concept of "Retailing" which shall be more than 2500 sq. ft of retailing called "The Mega Store" which shall house everything in clothing. Two of this kind of stores totaling around 10,000 sq. ft. should be operational this year.

The company is also experimenting with the concept of "Discount Club" for which company has opened two stores and shall become one of the major revenue earner in time to come.

The company is also looking for a possible tie-up with a foreign company for setting up stores in casual knit wear for women, children and men. This is expected to be finalised this year.

The company is also negotiating to buy out some brands which can enable them to have a product range at all price points.

All this endeavor which the company is striving for shall help them to come closer to their mission of becoming a "Retailing conglomerate" and achieve a turnover of close to Rs. 100 crores in the coming year.

5. INVESTMENT IN SUBSIDIARY COMPANY:

Pursuant to Section 212(3) of the Companies Act, 1956 the Annual Accounts of M/s. Kishore Textile Mills Limited for the year ended 31st March, 1996, as also the Auditors' and Directors' Report are attached to the accounts of the Company.

6. FIXED DEPOSITS

The Company has not invited nor accepted any fixed deposits during the year.

7. DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association Mr. Radheshyam Poddar is due to retire by rotation and is eligible for re-appointment.

8. PERSONNEL :

Your Directors take this opportunity to record their appreciation for the continuous support and contribution from all the employees of the Company towards achievement of quality and excellence in the operations of the Company and its products.

9. PARTICULARS OF EMPLOYEES :

None of the employees qualify under Section 217(2A) of the Companies Act, 1956. Hence no particulars are given herewith.

10. DISCLOSURES AS PER THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

- A. Conservation of Energy : N.A.
- B. Technology Absorption : N.A.
- C. Foreign Exchange earnings and outgo :
 - Total earnings : Rs. 366,64,867
 - Total expenditure : Rs. 1,73,882

11. AUDITORS :

M/s. S.M. Kabra & Co., retire at the ensuing Annual General Meeting. They have given their consent to act at the Auditor of the Company, if re-appointed. Members are requested to re-appoint them and fix their remuneration.

12. ACKNOWLEDGEMENT :

Your Directors take this opportunity to thank the Shareholders, the Bankers, the Central & State Government Officials, Trade & Customers for their continuous support and co-operation. The Directors also wish to record their appreciation of the Company's employees at all levels for their dedication, commitment and hard work without which the results achieved by the Company would not have been possible.

By Order of the Board of Directors
For **PANTALOON FASHIONS (INDIA) LTD.**

KISHORE BIYANI
MANAGING DIRECTOR

Place : Mumbai.
Date : 29th August, 1996
Regd. Office :
Pantaloons House, G-11,
MIDC Cross Road "A"
Andheri (E). Mumbai - 400 093.

AUDITORS' REPORT

To,
The Members
PANTALOON FASHIONS (INDIA) LIMITED.

We have audited the attached Balance Sheet of Pantaloons Fashions (India) Limited as at 31st March, 1996 and the Profit and Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4-A) of the Companies Act, 1956, and as per the information and explanations furnished to us and the books and records examined by us in the normal course of audit, we enclose in Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above,
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books.
 - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - (d) (i) The Company continues to treat the advertisement and publicity expenses as deferred revenue expenditure and has charged 1/4th of such expenditure to the profit and loss account for the year under review. As a result the profits for the year is overstated by Rs.1,93,13,063/-.

- (ii) No provision for doubtful debts in respect of export sales Rs.2,30,446/- which have become overdue, as a result, profit for the year and reserves are higher by that amount.
- (iii) During the year, the Company has changed the method of accounting for Bill Discounting charges from cash basis to accrual basis. As a result, Profit, Reserves and Surplus for the year is understated by Rs. 4,23,950/-.
- (iv) The Company has changed the basis of Gratuity liability to actuarial basis as against earlier practice of calculation on arithmetical basis. However, the effect of the change on the profit for the year is not material in relation to the operation of the Company. Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - (i) In case of Balance Sheet, of the state of affairs of the company as at 31st March, 1996 and
 - (ii) In case of Profit & Loss Account, of the Profit of the Company for the year ended on that date.

For **S.M.KABRA & CO.**
CHARTERED ACCOUNTANTS

NAVIN T. GUPTA
PARTNER

PLACE : Mumbai
DATED : 29th August , 1996.

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph 1 of our Report of even date to the Members of Pantaloons Fashions (India) Limited on the accounts, for the year ended 31st March, 1996.

1. The fixed assets register is in the process of updation. All the fixed assets have not been verified during the year, but according to information and explanation given to us, there is a regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.

2. None of the fixed assets have been revalued during the year.
3. As informed to us, the physical verification has been conducted by the management at regular intervals in respect of finished goods, raw materials, stitching materials, stores and spares, except material lying with third-parties for which confirmations are not received. The discrepancies noticed during the physical verification were not material.

The frequency of physical verification and procedures followed by the management for such physical verification are in our opinion, reasonable

and adequate in relation to the size of the company and the nature of its business.

In our opinion, the valuation of these stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the preceeding year.

4. The Company has not taken any loan, secured or unsecured, from companies, firms or parties listed in the register maintained under section 301 of the Companies Act, 1956 or from companies under the same management as defined under section 370 (1B) of the Companies Act, 1956.
5. The Company has not granted any loan, secured or unsecured, to companies, firms or parties listed in the register maintained under section 301 of the Companies Act, 1956 or from companies under the same management as defined under section 370 (1B) of the Companies Act, 1956.
6. In respect of interest-free loans or advances in the nature of loans given to staff, the same are repaid as per stipulations wherever applicable.
7. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of stores, raw materials including components, plant & machinery, equipment and other assets and for the sale of goods.
8. In our opinion and according to the information and explanations given to us, the transaction of purchase of goods and materials made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in value in respect of each party have been made at prices for such goods and materials on which transactions for similar goods have been made with other parties. There were no sales of goods, materials or services to the parties listed in the register maintained under section 301 of the Companies Act, 1956.
9. The Company has a regular procedure for determination of unservicable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.
10. According to the information and explanation given to us, the company has not accepted any deposits from the public, covered under section 58A of the

Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

11. In our opinion and according to the information and explanations given to us, the internal audit system requires to be strengthened and the areas covered be widened to make it commensurate with the size and nature of the Companies business.
12. The Central Government has not prescribed maintenance of cost record under section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
13. According to the records of the company, Provident Fund and Employee's State Insurance dues have been generally and regularly deposited during the year with the appropriate authorities.
14. According to the information and explanation given to us there are no undisputed amounts payable in respect of Income Tax, Wealth-tax and Sales Tax as at the last day of the financial year concerned for a period of more than six months from the date, they became payable other than Bhopal Sales Tax of Rs. 1,10,360/-, Chandigarh Sales Tax of Rs. 25,524/- and West Bengal Sales Tax of Rs. 4,484/-.
15. According to the informations and explanations given to us, no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices.
16. The Company is not a Sick Industrial Company within the meaning of clause (O) of section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.
17. In respect of the trading activities of the Company, there were no damaged goods during the year.
18. In our opinion, proper records have been maintained for the transactions in shares and securities and timely entries have been made therein. The same has been held by the Company in its own name.
19. The other clauses of the said order are not applicable to the Company.

For **S.M.KABRA & CO.**
CHARTERED ACCOUNTANTS

NAVIN T. GUPTA
PARTNER

PLACE : Mumbai
DATED : 29th August ,1996.

BALANCE SHEET AS AT 31ST MARCH 1996

	SCH. NO.	As at 31-3-96 Rupees	As at 31-3-95 Rupees
I SOURCES OF FUNDS :			
1 SHAREHOLDERS' FUNDS			
(a) Share Capital	1	47,270,000	47,270,000
(b) Reserves & Surplus	2	39,641,423	19,242,206
		<u>86,911,423</u>	<u>66,512,206</u>
2 LOAN FUNDS			
(a) Secured loans	3	114,872,507	45,845,816
(b) Unsecured loans	4	—	5,000,000
		<u>114,872,507</u>	<u>50,845,816</u>
TOTAL		<u><u>201,783,930</u></u>	<u><u>117,358,022</u></u>
II APPLICATION OF FUNDS:			
1 FIXED ASSETS			
(a) Gross block	5	32,949,806	20,162,558
Less: Depreciation		4,424,223	2,968,779
(c) Net block		<u>28,525,583</u>	<u>17,193,779</u>
(d) Capital work in progress Including Advances	6	4,601,949	1,446,292
2 INVESTMENTS	7	5,910,275	5,800,250
3 CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	8	148,695,439	87,670,388
(b) Sundry Debtors	9	89,380,482	55,019,722
(c) Cash & bank balance	10	10,305,843	5,571,606
(d) Loans & advances	11	36,946,192	17,524,183
		<u>285,327,956</u>	<u>165,785,899</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
(a) Current Liabilities	12	157,033,897	88,564,071
(b) Provisions	13	230,226	25,067
		<u>157,264,123</u>	<u>88,589,138</u>
NET CURRENT ASSETS		<u>128,063,833</u>	<u>77,196,761</u>
4 MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted.)			
Preliminary expenses		242,360	286,725
Capital issue expenses		1,844,112	2,151,462
Deferred Revenue expenses		32,595,818	13,282,753
		<u>201,783,930</u>	<u>117,358,022</u>

SIGNIFICANT ACCOUNTING POLICIES
AND NOTES ON ACCOUNTS:

19

The schedules referred above form an integral part of Balance Sheet.

As per our Report of evendate attached
For **S. M. KABRA & COMPANY**
Chartered Accountants

NAVIN T. GUPTA
Partner

Place : Mumbai
Dated : 29th August, 1996.

For **PANTALOON FASHIONS (INDIA) LIMITED**

KISHORE BIYANI — Managing Director

BAJRANGLAL BIYANI — Director

SITARAM BIYANI — Director

GOPIKISHAN BIYANI — Director

RAKESH BIYANI — Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1996

PARTICULARS	SCH NO.	As at 31-3-96 Rupees	As at 31-3-95 Rupees
INCOME			
(a) Sales		574,661,262	220,175,744
(b) Other Income	14	8,599,341	2,520,872
		<u>583,260,603</u>	<u>222,696,616</u>
EXPENDITURE			
(a) Cost of goods consumed & sold	15	403,649,095	125,363,839
(b) Personnel cost	16	10,814,975	4,645,853
(c) Manufacturing & other expenses	17	126,869,028	73,543,681
(d) Finance Charges	18	18,825,086	7,900,887
(e) Depreciation	5	1,790,782	1,298,085
Total expenditure		<u>561,948,966</u>	<u>212,752,345</u>
Profit before Tax		21,311,637	9,944,271
Less : Previous year Expenses		168,515	—
Income Tax For Prior Year		743,905	—
		<u>20,399,217</u>	<u>9,944,271</u>
Add : Balance Brought Forward		19,242,206	9,297,935
Balance carried to Balance sheet		<u>39,641,423</u>	<u>19,242,206</u>

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

19

The schedules referred above form an integral part of Profit & Loss Account

As per our Report of evendate attached
For **S. M. KABRA & COMPANY**
Chartered Accountants

NAVIN T. GUPTA
Partner

Place : Mumbai
Dated : 29th August, 1996.

For **PANTALOON FASHIONS (INDIA) LIMITED**

KISHORE BIYANI	—	Managing Director
BAJRANGLAL BIYANI	—	Director
SITARAM BIYANI	—	Director
GOPIKISHAN BIYANI	—	Director
RAKESH BIYANI	—	Director

6
9
1
5
9
9
1

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 1996

	<i>As at 31-3-96</i> <i>Rupees</i>	<i>As at 31-3-95</i> <i>Rupees</i>
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
8000000 Equity shares of Rs. 10/- each.	80,000,000	80,000,000
ISSUED AND SUBSCRIBED		
4727000 Equity Shares of Rs.10/- each fully paid up.	47,270,000	47,270,000
SCHEDULE 2 : RESERVES & SURPLUS		
Balance in Profit & Loss Account	39,641,423	19,242,206
SCHEDULE 3 : SECURED LOANS		
FROM BANKS		
Term Loan (Secured by hypothecation of Motor Car)	322,915	—
Cash Credit/Packing credit (Secured by Hypothecation of stock-in-trade both Present & Future, Book Debts and equitable mortgagage of shops at Secundarabad, Ahmedabad and industrial unit at Andheri (E) together with personal guarantee and mortgagage of flat of one of the member of the company)	109,316,467	44,816,551
Deferred Payment Guarantee (Secured by hypothecation of computer and personal guarantee by 4 directors of the company and Kishore Textile Mills Ltd, a wholly owned subsidiary)	18,892	56,676
From Others		
Hire Purchase Finance (Secured by hypothecation of specific Assets)	5,214,233	972,589
TOTAL	114,872,507	45,845,816
SCHEDULE 4 : UNSECURED LOANS		
OTHER SHORT TERM LOANS		
From SICOM	—	5,000,000
TOTAL	—	5,000,000

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 1996 (Contd.)

SCHEDULE 5 : FIXED ASSETS

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH 1996

Description	GROSS BLOCK (AT COST)			As at 31.03.96	DEPRECIATION			NET BLOCK		
	As at 01.04.95	Additions	Deductions		Up to 31.03.95	Adjustments for the year	For the year	Up to 31.03.96	As at 31.03.96	As at 31.3.95
Building	6,640,621	1,458,650	—	8,099,271	351,733	—	149,471	501,204	7,598,067	6,288,888
Office Premises	—	1,810,000	—	1,810,000	—	—	6,143	6,143	1,803,857	—
Plant & Machinery	6,071,683	966,375	1,548,086	5,489,972	1,533,711	335,338	701,420	1,899,793	3,590,179	4,537,972
Office Equipments	597,974	572,401	—	1,170,375	71,805	—	47,811	119,616	1,050,759	526,169
Computer	1,023,915	2,907,414	—	3,931,329	264,375	—	366,576	630,951	3,300,378	759,540
Furniture & Fittings	4,068,971	2,461,480	—	6,530,451	554,683	—	295,822	850,505	5,679,946	3,514,288
Electrical Installation	349,603	152,900	—	502,503	36,062	—	21,576	57,638	444,865	313,541
Tools & Equipment	17,299	—	—	17,299	6,314	—	1,957	8,271	9,028	10,985
Vehicles	826,752	1,656,594	—	2,483,346	95,155	—	106,544	201,699	2,281,647	731,597
Air Conditioner	565,740	1,022,143	—	1,587,883	54,941	—	65,620	120,561	1,467,322	510,799
Fax Machines	—	60,750	—	60,750	—	—	2,260	2,260	58,490	—
Generator	—	261,627	—	261,627	—	—	4,138	4,138	257,489	—
Xerox Machine	—	195,000	—	195,000	—	—	5,594	5,594	189,406	—
Other Equipment	—	810,000	—	810,000	—	—	15,850	15,850	794,150	—
TOTAL Rs.	20,162,558	14,335,334	1,548,086	32,949,806	2,968,779	335,338	1,790,782	4,424,223	28,525,583	17,193,779
Previous Year	18,579,323	1,821,563	238,328	20,162,558	1,728,264	57,570	1,298,085	2,968,779	17,193,779	16,851,059

SCHEDULE 6 : Capital Work-in-Progress

Work in Progress brought forward from last year	1,446,292	91,689
Add : Capital Advances during the year.	3,656,449	1,446,292
	5,102,741	1,537,981
Less: Transferred to Fixed Assets	500,792	91,689
	4,601,949	1,446,292

SCHEDULE 7 : INVESTMENTS

UNQUOTED

In Subsidiary Company 5,000 Equity Shares of Rs.100/- each Fully paid up in Kishore Textile Mills Ltd., At cost.	4,000,000	4,000,000
--	------------------	-----------

QUOTED

TRADE 180000 (1995 180000) Equity shares in Pantaloons Textile Industries Limited.of Rs.10/- each fully paid up.	1,900,000	1,800,000
--	------------------	-----------

OTHERS

5 Shares of Y.A Chunawala Industrial Estate Co. Op. Society Ltd.	250	250
Investment in Shares of Shamrao Vitthal Co-op Bank Ltd.	10,025	—
	5,910,275	5,800,250

NOTE :

- Aggregate value of unquoted investments 40,10,275/- (1995:- 40,00,250/-)
- Aggregate value of quoted investments 22,50,000/- (1995:- 27,00,000/-)
- Investment purchased & sold during the year : 1,50,000 equity shares in
Pantaloons Textile Industries Ltd. (Face Value Rs. 15,00,000/-)

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 1996 (Cont...)

	As at 31-3-96	As at 31-3-95
	Rupees	Rupees
SCHEDULE 8 : INVENTORIES		
(As certified by the Managing Director)		
Stores & Spares	113,000	152,306
Dyes & Chemicals	343,000	170,355
Packing Materials	1,466,000	722,087
Branding Material	1,950,000	1,366,127
Raw Materials	37,746,149	14,891,565
Stitching Materials	2,144,000	1,140,918
Work in Progress	4,414,500	1,482,140
Finished Goods	100,518,790	67,744,890
(includes in transit Rs. 50,08,770/-)		
(1995: Rs 62,52,439)		
	<u>148,695,439</u>	<u>87,670,388</u>
SCHEDULE 9 : SUNDRY DEBTORS		
(Unsecured, Considered Good)		
(a) Exceeding 6 month.	9,679,311	9,641,589
(b) Other Debts	79,701,171	45,378,133
	<u>89,380,482</u>	<u>55,019,722</u>
SCHEDULE 10 : CASH & BANK BALANCES		
Cash on Hand	6,294,167	4,416,317
Balance with Scheduled Banks		
in Current Accounts (including in transit)	3,890,490	1,039,847
in Fixed Deposit as Margin Money	121,186	114,750
in Unclaimed Dividend Account	—	692
	<u>10,305,843</u>	<u>5,571,606</u>
SCHEDULE 11 : LOANS & ADVANCES		
(Unsecured & Considered Good)		
Advances Recoverable in cash or in kind or for value to be received	32,134,325	13,435,677
Deposits		
with Subsidiary Company	2,609,000	2,609,000
with Others	2,046,315	1,413,110
Tax Deducted at source	156,552	66,396
	<u>36,946,192</u>	<u>17,524,183</u>

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 1996 (Contd.)

	<i>As at 31-3-96</i>	<i>As at 31-3-95</i>
	<i>Rupees</i>	<i>Rupees</i>
SCHEDULE 12 : CURRENT LIABILITIES		
Acceptances	11,382,996	476,069
Sundry Creditors	121,042,358	74,818,553
Sundry Creditors for Capital Goods	2,583,089	161,674
Advances from customers	5,737,837	335,355
Security Deposits	14,811,736	10,712,241
Other Liabilities	1,446,054	1,654,216
Interest accrued but not due	29,827	109,842
Cheques overdrawn	—	295,904
Unclaimed Dividend	—	217
	<u>157,033,897</u>	<u>88,564,071</u>
SCHEDULE 13 : PROVISIONS		
For Gratuity	143,000	25,067
For Leave Salary	87,226	—
	<u>230,226</u>	<u>25,067</u>
SCHEDULE 14 : OTHER INCOME		
Interest Gross		
* (a) On fixed deposit	15,833	60,068
* (b) Others	67,739	191,512
(c) On Loans & Overdue amounts	—	253,762
* Dividend Gross	233,876	31,200
Miscellaneous Income (Incl. Export benefits Rs.26,11,703/-, 1995:-Rs 5,63,024/-.)	4,491,880	1,951,316
Sundry balances w/off	873,461	—
Profit on sale of assets (Net)	106,552	33,014
Profit on sale of Investment	2,810,000	—
Total	<u>8,599,341</u>	<u>2,520,872</u>
* Tax deducted at source	90,156	51,762
SCHEDULE 15 : COST OF GOODS CONSUMED & SOLD		
Opening Stock		
Raw material	14,891,565	2,900,197
Semi finished goods	1,482,140	756,650
Finished goods & Accessories	67,744,890	30,662,507
Stitching materials & Accessories	1,140,918	1,550,901
	<u>85,259,513</u>	<u>35,870,255</u>
ADD : Purchases		
Raw material	432,473,602	161,540,736
Finished goods & Accessories	25,660,419	10,869,638
Stitching materials & Accessories	5,079,000	2,342,723
	<u>463,213,021</u>	<u>174,753,097</u>
LESS : Closing Stock		
Raw material	37,746,149	14,891,565
Semi finished goods	4,414,500	1,482,140
Finished goods & Accessories	100,518,790	67,744,890
Stitching materials & Accessories	2,144,000	1,140,918
	<u>144,823,439</u>	<u>85,259,513</u>
	<u>403,649,095</u>	<u>125,363,839</u>

6
9
-
5
9
9
1

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 1996 (Cont..)

	As at 31-3-96	As at 31-3-95
	Rupees	Rupees
SCHEDULE 16 : PERSONNEL COST		
Salaries, Wages & Bonus	9,612,664	4,085,150
Contribution to E.S.I.C & P. Fund	626,025	304,238
Gratuity	117,933	18,717
Welfare expenses	458,353	237,748
	10,814,975	4,645,853

SCHEDULE 17 : MANUFACTURING & OTHER EXPENSES

Labour Charges	48,923,519	30,729,031
Packing Material & Expenses	7,334,318	2,867,821
Stores & Spares Consumed	340,712	637,985
Branding Material Consumed	4,767,921	3,518,529
Dyes & Chemicals Consumed	1,033,206	533,324
Printing & Stationery	2,297,345	732,405
Power	1,544,003	739,511
Repairs & Maintenance		
Building	98,182	280,759
Plant & Machinery	167,719	356,894
Others	1,234,240	456,630
Rent	2,695,890	1,376,115
Rates & Taxes	351,309	126,426
Donation	24,134	1,092
Insurance	1,076,676	229,371
Travelling Expenses	2,944,303	1,336,669
Audit Fees	74,000	70,625
Rebates & Discount	1,102,385	1,736,844
Transportation & handling charges	4,268,026	2,733,766
Commission	15,418,055	9,764,024
Vehicle Expenses	1,095,081	695,769
Deferred Revenue Expenses w/off	15,109,844	7,096,412
Sundry Balances w/off.	—	266,636
Capital Issue Expenses w/off	307,351	307,351
Bad debts	111,752	200,331
Preliminary Expenses w/off	44,366	44,366
Other Expenses	14,504,691	5,971,697
	126,869,028	72,810,383

SCHEDULE 18 : Finance Charges

Interest :		
on Fixed Loans	775,564	213,246
on other Loans	15,063,276	6,704,970
Bill Discounting charges	910,940	982,671
Bank Charges	2,075,306	733,298
	18,825,086	8,634,185

SCHEDULE 19

ACCOUNTING POLICIES AND NOTES ON THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1996.

1. Significant Accounting Policies:

1.1 Basis of Accounting:

The Financial statements are prepared under the historical cost convention on accrual basis except for interest on overdue bills both receivable and payable which are treated on cash basis.

1.2 Fixed Assets and Depreciation:

All fixed assets are stated at cost of acquisition less accumulated depreciation. Depreciation is provided on straight line method at the rates prescribed by Schedule XIV of the Companies Act, 1956. In respect of the assets acquired/sold during the year, depreciation has been provided on prorata basis with reference to the days of addition/disposal.

1.3 Investments:

Long Term Investments are carried out at cost. Provision for diminution being made it necessary to recognise a decline, other than temporary in the value thereof.

1.4 Inventories:

Inventories are valued as follows:

- | | |
|---|---|
| a) Stores, Spare parts, Packing material,
Branding Material and Dyes & Chemicals | : At cost |
| b) Raw material & Stitching material | : At cost |
| c) Finished goods lying at the shops | : At the retail price less mark up |
| d) Finished goods lying in the factory | : At the lower of cost or Net realisable
value whichever is lower. |

Cost includes material cost and where applicable, direct production overheads.

1.5 Foreign Currency:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Current assets and Current Liabilities are translated at the year end rate. The difference between the rate prevailing on the date of settlement as also on translation of current assets and current liabilities (other than those related to fixed assets where it is adjusted to the cost of acquisition thereof) at the end of the year is recognised as income or expense as the case may be.

1.6 Sales:

Sales comprises of revenue from sales of Readymade Garments, Fabrics, Stitching Material and is exclusive of sales tax and Direct Marketing Commission.

1.7 Advertisement and Publicity:

Advertisement and Publicity Expenses are amortised over a period of 4 years and the difference between the amount spent and charged to Profit & Loss Account is shown as Miscellaneous Expenditure to the extent not written off or adjusted.

1.8 Advance Licence:

The advance licence benefits have been recognised as income of the year on the basis of actual exports.

1.9 Gratuity:

Gratuity liability has been calculated on actuarial valuation basis as against the earlier practice of calculating on arithmetical basis in respect of all employees who have completed the qualifying period. This is a changed accounting policies adopted by the Company from this year to be followed here after.

2.0 Leave Encashment

Provision is made for value of unutilised leave due to employees at the end of the year.

2. Contingent Liabilities not provided for:

- i) Export bills discounted with Banks Rs. NIL (1995: Rs. 19,02,514/-).
- ii) Guarantee outstanding Rs. 1,18,000 (1995 : Rs 89,171/-)

3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.56,72,402/- (1995 : Rs. 21,97,708/-)
4. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business. The provision for all the known liabilities is adequate and not in excess of the amount reasonably necessary.
5. The outstanding amounts in respect of the Sundry Debtors, Sundry Creditors, Advances and Deposits are subject to confirmation.
- 5.1 Sundry Debtors includes Rs.26,79,499 /- (1995 : NIL) due from M/s.Kishore Textile Mills Limited, a wholly owned subsidiary.
6. Auditors Remuneration:

	1995 - 96	1994 - 95
	Rupees	Rupees
Audit Fees	52,500	50,000
Tax Audit	9,500	10,000
Taxation Matter/ Certification	12,000	10,625
	<u>74,000</u>	<u>70,625</u>

7. The Company has paid a Commission of Rs. 21,220,435 (1995 : Rs.14,33,842/-) to its salesman employed on daily commission basis for its Direct Retailing Division.
8. i) Other liabilities includes Rs.1,46,500/- (1995: Rs.1,50,500/-) being excess Share Application Money to be refunded pending reconciliation.
- ii) Deposits includes Rs. 50,30,000/- (1995 : 48,50,000/-)being interest free Security Deposit for lease of premises from a Company in which Directors are interested.
9. As there is no taxable income,provision for taxation has not been made.
10. In view of the Accounting Standard 11 becoming mandatory this year, unlike in the past:
- i) Gain on translation of foreign currency denominated current assets and current liabilities by applying the year end rate of exchange has been accounted as income this year, resulting into profit, Reserves & Surplus being stated higher by Rs. 55,845/- for the year.
11. In view of Accounting Standard 15 becoming mandatory this year, the leave encashment benefit for employees on retirement has been valued for the first time on actuarial basis and the accumulated liability as at 31st March, 1996 amounting to Rs. 87226/- has been provided in the books. Accordingly, the profit for the year and Reserves and Surplus as on 31st March, 1996 are lower by the said amount.
12. The Company has changed the method of accounting for Bill discounting charges from Cash basis to Accrual Basis.As a result profit, Reserves & Surplus for the year is understated by Rs. 4,23,950/-
13. The Company has changed its basis of gratuity liability to actuarial basis as against the earlier practice of calculation on arithmetical basis. However the effect of the change on the profit for the year is not material.
14. Future interest liability in respect of assets of the value of Rs. 58,65,928/- (1995 : NIL) acquired on hire purchase basis is Rs. 14,00,955/- (1995 : NIL).
15. i) Managerial Remuneration paid/ payable to Directors.

	31.03.96	31.03.95
	Rupees	Rupees
Salary	7,68,000	2,22,000
Expenditure on Perquisites	3,60,502	1,19,480
	<u>11,28,502</u>	<u>3,41,480</u>

16. As per the information available with the company there were no transactions during the year with Small Scale and Ancillary Industrial Undertakings as defined under the interest on delayed payment to Small Scale and Ancillary Industrial Undertaking Act, 1993.
17. Additional information in pursuance of the provisions of the paragraph 3, 4C, 4D, Part II of the Schedule VI of the Companies Act, 1956, are as certified by the Management of the Company.

17.1 Licensed Capacity:

The Company is not required to obtain Licence under Industries (Development and Regulation) Act, and therefore licenced capacity is not applicable.

17.2 Installed Capacity:

As at 31.03.96 As at 31.03.95

Stitching Machines 30 27

The Company having dealt in a large number of products from several locations, the information required in terms of Schedule VI of the Companies Act in respect of value of the products sold has been drawn up in respect of major terms namely trousers & shirts. The other items have been grouped together as sales value in respect of each product is not practical to ascertain.

18. Production, Turnover, Opening & Closing Stock (certified by Management)

	Unit	OPENING STOCK		PURCHASES		PRODUCTION		SALES		CLOSING STOCK	
		Qty	Amount Rupees	Qty	Amount Rupees	Qty.	Qty.	Amount Rupees	Qty.	Amount Rupees	
Trousers	Nos.	144,622 (70,232)	36,389,795 (20,239,931)	420 (582)	167,371 (174,944)	141,189 (303,725)	168,158 (229,917)	68,944,650 (97,024,974)	118,073 (144,622)	38,373,725 (36,389,795)	
Shirts	Nos.	133,884 (49,930)	30,299,015 (9,186,413)	8,111 (61169)	1,514,750 (9,176,514)	385,782 (123,714)	328,460 (100,929)	90,326,741 (27,250,830)	199,317 (133,884)	46,839,495 (30,299,015)	
Others	Nos.		1,056,080 (1,236,163)	NIL	23,978,298 (1,518,180)	NIL		35,719,596 (1,623,755)	NIL	15,305,570 (1,056,080)	
		278,506 (120,162)	67,744,890 (30,662,507)	8,531 (61,751)	25,660,419 (10,869,638)	526,971 (427,439)	496,618 (330,846)	194,990,987 (125,899,559)	317,390 (278,506)	100,518,790 (67,744,890)	

iv) Fabrics (Raw Material)

	Unit	OPENING STOCK		PURCHASES		CONSUMPTION		SALES		CLOSING STOCK	
		Qty	Amount Rupees	Qty	Amount Rupees	Qty.	Qty.	Amount Rupees	Qty.	Amount Rupees	
Suitings	Mtrs.	98,429.8 (26,250)	8,563,393 (2,639,028)	137,449 (464,354.8)	17,868,370 (46,408,101)	190,609.7 (392,175)	Nil (Nil)	Nil (Nil)	45,269.1 (98,429.8)	6,111,329 (8,563,393)	
Shirtings	Mtrs.	125,860 (6,206)	4,937,095 (261,169)	632,501.11 (428,939)	40,164,156 (19,878,812)	725,178.02 (309,285)	Nil (Nil)	Nil (Nil)	33,183.09 (125,860)	2,156,901 (4,937,095)	
Pantalength	Mtrs.	15,181.2 (Nil)	1,391,077 (Nil)	3,295,795.2 (913,049.2)	374,441,076 (81,377,040)	Nil (Nil)	3,063,262.79 (897,868)	379,670,275 (94,276,185)	247,714 (15,181.2)	29,477,919 (1,391,077)	
Others			3,551,793 (3,905,239)		22,313,625 (22,821,268)			Nil (Nil)		6,016,000 (3,551,793)	
		239,471 (32,456)	18,443,358 (6,805,436)	4,065,745.31 (1,806,343)	454,787,227 (170,485,221)	915,787.72 (701,460)	3,063,262.79 (897,868)	379,670,275 (94,276,185)	326,166.19 (239,471)	43,762,149 (18,443,358)	



Raw Material Consumption:

		Unit	1995-96		1994-95	
			Qty	Value	Qty.	Value
Suitings & Shirlings Fabrics	(Indigeneous)	Mtrs.	915,787.72	63,264,784	701,460	54,349,196
Stores & Spares	(Indigeneous)			340,712		637,985

Note: Value of consumption has not been adjusted in respect of Profit/Loss (if any) made on sale of Raw Materials.

The company having dealt in a large number of products, the quantitative information has been furnished only in respect of major items namely shirts & trousers , Other items are grouped together as sales values in respective of each product cannot be ascertained in view of nature of retailing operation of the Company.

	1995-96 Rs.	1994-95 Rs.
19. Value of Imports (CIF Basis)		
Capital Goods	352,963	—
Accessories	514,711	—
Branding Material	—	259,182
20. Expenditure in foreign Currency		
Travelling Expenses	173,582	123,370
21. Earning in Foreign Currency		
Export of goods calculated in FOB Basis	36,664,867	11,768,137
Interest on export sales	—	123,269

22. Figures in brackets pertain to previous year.

23. Previous year figures have been regrouped, recast and reclassified wherever considered necessary.

As per our Report of evendate attached
 For **S. M. KABRA & COMPANY**
 Chartered Accountants

NAVIN T. GUPTA
 Partner

Place : Mumbai
 Dated : 29th August, 1996.

For **PANTALOON FASHIONS (INDIA) LIMITED**

KISHORE BIYANI — Managing Director
BAJRANGLAL BIYANI — Director
SITARAM BIYANI — Director
GOPIKISHAN BIYANI — Director
RAKESH BIYANI — Director

STATEMENT PURSUANT TO SECTION 212 (3) OF THE COMPANIES ACT, 1956.

Re : **KISHORE TEXTILE MILLS LIMITED**

1. Holding Company's Interest:

Pantaloon Fashions (India) Limited held 4,999 Equity Shares of its subsidiary amount of 5000 Equity Shares of Rs. 100/- each fully paid up as at 31st March, 1996.

2. Net aggregate amount of subsidiary's profit/(loss) not dealt within the Holding Company's accounts.

- i) Profit/Loss for the subsidiary's financial year ended 31st March, 1996 Rs. 419,580/-.
- ii) Profit/Loss for its previous financial year. (Rs. 115,117/-).

For **PANTALOON FASHIONS (INDIA) LIMITED**

KISHORE BIYANI	—	<i>Managing Director</i>
BAJRANGLAL BIYANI	—	<i>Director</i>
SITARAM BIYANI	—	<i>Director</i>
GOPIKISHAN BIYANI	—	<i>Director</i>
RAKESH BIYANI	—	<i>Director</i>



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 1996.

PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT.

	RS. IN LACS		RS. IN LACS	
	1995-96		1994-95	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax and Extraordinary Items	211.43		99.44	
Adjustments for :				
Depreciation	17.91		12.98	
Foreign Exchange	—		—	
Investments	—		—	
Preliminary & deferred revenue expenditure & Capital Issue Exp	154.61		74.48	
Interest paid	158.39		79.01	
Interest Received	(0.83)		(5.05)	
Dividend Received	(2.34)		(0.31)	
Profit on sale of asset	(1.07)		(0.33)	
Profit on sale of investment	(28.10)		—	
Operating Profit before Working Capital changes	510.00		260.22	
Adjusted for :				
Trade and other Receivables	(343.61)		(342.56)	
Inventories	(610.25)		(494.46)	
Loans and Advances	(194.22)		(54.32)	
Trade Payables	571.31		538.06	
Other Payables	115.45		72.10	
Cash generated from operations	48.68		(20.96)	
Interest Paid	(158.39)		(79.01)	
Direct Taxes Paid	(7.44)		—	
Interest Paid	0.83		5.05	
Cash flow before Extraordinary Items	(116.32)		(94.92)	
Extraordinary Items	Nil		Nil	
Net Cash from Operating Activities	(116.32)	(116.32)	(94.92)	(94.92)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Increase in Fixed Assets/Capital Expenditure	(138.35)		(18.22)	
Increase in capital work-in progress	(36.56)		0.80	
Sale of Fixed Assets	13.19		2.14	
Preliminary & deferred revenue expenditure	(344.23)		(98.03)	
Purchase of Investments	(16.10)		(5.00)	
Sale of Investments	43.10		—	
Dividend Received	2.34		0.31	
Net Cash used in Investing Activities	(476.61)	(476.61)	(118.00)	(118.00)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Working Capital from Banks	645.00		255.20	
Proceeds from Issue of Share Capital	—		—	
Proceeds from Long Term Borrowing	45.27		(3.04)	
Proceeds from Short Term Borrowing	(50.00)		(1.01)	
Proceeds from Share Premium	—		—	
Repayment of Finance Lease Liabilities	—		—	
Net Cash used in Financing Activities	640.27	640.27	251.15	251.15
Net Cash used in Cash and Cash Equivalents	47.34		38.23	
Cash & Cash Equivalents (Opening Balance)		55.71		17.48
Cash & Cash Equivalents (Closing Balance)		103.05		55.71

For and behalf of the Board of Directors

KISHORE BIYANI
Managing Director

AUDITOR'S REPORT

We have examined the attached Cash Flow Statement of PANTALOON FASHIONS (INDIA) LIMITED. for the year ended 31st March, 1996. The statement has been prepared by the company in accordance with the requirements of the listing agreement of the various stock Exchanges and is based on and is in agreement with the corresponding Profit and Loss Account and the Balance Sheet of the Company covered by our report of even date to the Members of the Company.

FOR **S.M.KABRA & CO.**
CHARTERED ACCOUNTANTS

NAVIN T.GUPTA
PARTNER

Place : Mumbai
Dated : 29th August, 1996.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
I. REGISTRATION DETAILS :

Registration No. : 11/44954/1987

Balance Sheet Date : 31/03/1996

II. CAPITAL RAISED DURING THE YEAR (Amount in Rupees)

Public Issue	Right Issue	Bonus Issue	Private Placement
NIL	NIL	NIL	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rupees)

Total Liabilities	Total Assets
201,783,930	201,783,930

Sources of Funds :

Paid Up Capital	Reserve & Surplus	Secured Loans	Unsecured Loans
47,270,000	39,641,423	114,872,507	NIL

Application of Funds

Net Fixed Assets	Investments	Net Current Assets
33127532	5910275	128,063,833
Miscellaneous Expenditure	Accumulated Losses	
34682290	NIL	

IV. PERFORMANCE OF COMPANY (Amount in Rupees)

Turnover	Total Expenditure	Profit before Tax	Profit After Tax
583260603	561948966	21311637	21311637
Earning Per Share	Dividend @%		
4.32	NIL		

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code No.(ITC CODE)	Product Description
	READY MADE GARMENTS

Item Code No.(ITC CODE)	Product Description
	FABRICS

As per our Report of evendate attached

 For **S. M. KABRA & COMPANY**
 Chartered Accountants

NAVIN T. GUPTA
 Partner

 Place : Mumbai
 Dated : 29th August, 1996.

 For **PANTALOON FASHIONS (INDIA) LIMITED**
KISHORE BIYANI — Managing Director

BAJRANGLAL BIYANI — Director

SITARAM BIYANI — Director

GOPIKISHAN BIYANI — Director

RAKESH BIYANI — Director

Directors' Report

To

The Shareholders

Your directors have pleasure in presenting Twelveth Annual Report with the Audited Accounts for the year ended 31st March, 1996.

1. Operations :

	(Rs. in Lacs)	
	<i>As on</i> 31.03.96 <i>Rupees</i>	<i>As on</i> 31.03.95 <i>Rupees</i>
Gross Revenue	8.01	5.15
Net Profit	4.20	1.15

2. Employees :

There are no employees whose particulars are required to be given as per Section 217 (2A) of the Companies Act, 1956.

3. Auditors :

M/s. S. M. Kabra & Co., Mumbai, the Auditors of the Company retire at this Annual General Meeting and being eligible offer themselves for reappointment.

4. Additional Information :

The Company is not carrying on any activity relating to conservation of energy, technology absorption. There were no foreign exchange earnings or outgo during the year under review.

By Order of the Board
For **KISHORE TEXTILE MILLS LTD.**

Place : Mumbai
Dated : 29th August, 1996.

Kishore Biyani **Gopikishan Biyani**
Director *Director*

Auditors' Report

To
The Shareholders

We have Audited the attached Balance Sheet of KISHORE TEXTILE MILLS LTD. as at 31st March, 1996 together with the Profit and Loss Account of the Company for the year ended on that date annexed thereto :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments referred to in paragraph (1) above, we report that :
 - a) 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;
 - b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
 - d) in our opinion and to the best of our information and according to the explanation given to us, the accounts subject to Note No. 1(a) in respect of revaluation of fixed assets resulting into over statement of Fixed Assets and Reserves and Surplus Rs. 2,954,827 and read with the other notes thereof, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - i) in the case of Balance Sheet - of the state of affairs of the Company as at 31st March, 1996 and,
 - ii) in the case of the Profit and Loss Account of the Profit for the year ended on that date.

For **S. M. Kabra & Co.**
Chartered Accountants

Navin T. Gupta
Partner

Place : Mumbai
Dated : 29th August, 1996.

6
9
-
5
9
9
9
1

Annexure to the Auditors' Report

(Referred to in Paragraph 1 thereof)

As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 on the basis of such checks as we considered appropriate, we report that :

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. We are informed that Fixed Assets were verified by the management at the end of the year and no material discrepancies were noticed on such verification by the Management.
2. None of the Fixed Assets have been revalued during the year.
3. The Stocks of finished goods, spare parts and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The Company does not have any stock at the end of the year, hence the question of discrepancies in verification of stock does not arise.
6. In our opinion the rate of interest and other terms and conditions on which unsecured loans have been taken from firms or other parties listed in the registers maintained under Section 301 and from the Companies under the same management are not, prima facie prejudicial to the interest of the Company.
7. In our opinion, the rate of interest and other terms and conditions on which unsecured loans have been granted to the Companies under the same management u/s. 370(1B) of the Companies Act, 1956 are not, prima facie prejudicial to the interest of the Company.
8. The Company has not given any loans or advances in the nature of loan. Hence this clause is not applicable.
9. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and with regard to the sale of goods.
10. In our opinion and according to the information and explanations given to us, no transactions of purchase of goods and materials were made during the year but in respect of sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the price at which transaction for similar goods, materials or services have been made with other parties.
11. As informed and explained to us, the company has not accepted any deposit from public and therefore, the provisions of section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975 are not applicable.
12. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable scrap.
13. The Company is not required to have the internal audit system.
14. As informed to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.

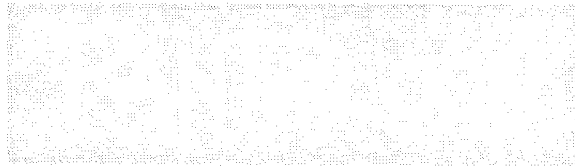
Kishore Textile Mills Limited

15. We are informed that provisions of Employees Provident Fund and Employees State Insurance Scheme are not applicable to the Company.
16. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 31st March 1996 for a period of more than six months from the date they became payable.
17. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
18. The Company is not a sick industrial company within the meaning of clause (O) of sub-section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For **S. M. Kabra & Co.**
Chartered Accountants

Navin T. Gupta
Partner

Place : Mumbai
Dated : 29th August, 1996.



Balance Sheet as at 31st March, 1996

LIABILITIES	As At 31.03.96 Rupees	As At 31.03.95 Rupees	ASSETS	As At 31.03.96 Rupees	As At 31.03.95 Rupees
SHARE CAPITAL			FIXED ASSETS	4,511,552.00	4,309,369.00
AUTHORISED			(As per Schedule 'A' annexed)		
5,000 Equity Shares of Rs. 100/- each	500,000.00	500,000.00	INVESTMENTS		
ISSUED, SUBSCRIBED & PAID UP			182,000 Equity Shares of Pantaloon Textile Industries Ltd. of Rs. 10/- each (quoted)(P.Y. 32000 Equity Shares) (Market value as on 31.3.96 Rs.3,458,000/-)	4,630,000.00	320,000.00
5,000 Equity Shares of Rs. 100/- each fully paid up	500,000.00	500,000.00	CURRENT ASSETS, LOANS & ADVANCES		
RESERVES AND SURPLUS			A. CURRENT ASSETS		
1. Investment allowance reserve (As per last Balance Sheet)	179,600.00	179,600.00	1. INVENTORIES		
2. Revaluation Reserve (As per last Balance Sheet)	3,100,832.00		(As taken, valued and certified by Directors)		
Less: Depreciation on value written off	146,005.00		a) Stores & Stitching Material	—	360,000.00
	<u>2,954,827.00</u>		2. SUNDRY DEBTORS		
	3,134,427.00	3,100,832.00	(Unsecured and considered good)		
UNSECURED LOANS	—	—	a) Outstanding over six months	483,910.00	414,609.00
CURRENT LIABILITIES & PROVISIONS			b) Others	<u>90,000.00</u>	69,301.00
A) CURRENT LIABILITIES				573,910.00	
Deposit from Holding Company	2,609,000.00	2,548,309.00	3. CASH AND BANK BALANCES		
Sundry Creditors	2,679,499.00	3,750.00	a) Cash in hand	50,688.00	65,503.00
Cheques Overdrawn	1,994,261.00	616,914.00	b) Balance with Scheduled Bank in current account	—	—
Other Liabilities	<u>50,631.00</u>	12,191.00		<u>50,688.00</u>	
	7,333,391.00		B. LOANS AND ADVANCES		
B) PROVISIONS			(Unsecured & considered good)		
Provision for Income Tax	17,000.00	17,000.00	1. Advance recoverable in cash or in kind or for value to be received	490,571.00	380,711.00
			2. Advance Tax	360,479.00	271,209.00
			3. Deposits	<u>60,531.00</u>	60,531.00
TOTAL	<u>10,984,818.00</u>	<u>6,978,596.00</u>		911,581.00	
			MISCELLANEOUS EXPENDITURE		
			(To the extent not written off or adjusted)		
			Preliminary Expenses	—	696.00
			Profit & Loss Account	307,087.00	726,667.00
			TOTAL	<u>10,984,818.00</u>	<u>6,978,596.00</u>

Schedule 'B' of Notes forming part of the accounts annexed

As per our Annexed Report
For **S. M. Kabra & Co.**
Chartered Accountants

For Kishore Textile Mills Ltd.

Navin T. Gupta
Partner

(Kishore Biyani)
(Gopikishan Biyani)
Directors

Place : Mumbai
Dated : 29th August, 1996.

Profit and Loss Account for the year ended 31st March, 1996

PARTICULARS	For the year ended 31.03.96		PARTICULARS	For the year ended 31.03.95	
	Rupees	Rupees		Rupees	Rupees
To Opening Stock Cloth	—	139,795.00	By Sales	—	65,325.00
To Remuneration to Auditors Audit Fees	10,000.00	2,500.00	By Profit on Sale of Machinery	325,270.00	—
To Interest paid	9,713.00	136,577.00	By Rent (TDS 82800)	450,000.00	450,000.00
To Rent, Rates & Taxes	8,760.00	—	By Dividend (TDS 6470)	26,169.00	—
To Legal & Professional Charges	6,000.00	—			
To Filing Fees	3,300.00	100.00			
To Repairs to building	261,220.00	—			
To Depreciation	62,089.00	90,845.00			
To Preliminary Expenses Written Off	696.00	696.00			
To Miscellaneous Expenses	20,081.00	29,695.00			
To Net Profit carried down	419,580.00	115,117.00			
TOTAL	801,439.00	515,325.00	TOTAL	801,439.00	515,325.00
To Balance Brought Forward	726,667.00	841,784.00	By Net Profit brought down	419,580.00	115,117.00
TOTAL	726,667.00	841,784.00	By Net Loss carried to Balance Sheet	307,087.00	726,667.00
			TOTAL	726,667.00	841,784.00

Schedule 'B' of Notes forming part of the accounts annexed

As per our Annexed Report
For **S. M. Kabra & Co.**
Chartered Accountants

Navin T. Gupta
Partner

Place : Mumbai
Dated : 29th August, 1996.

For Kishore Textile Mills Ltd.

(Kishore Biyani)
(Gopikishan Biyani)
Directors

SCHEDULE 'A' OF FIXED ASSETS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 1996

	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS ON 31.03.95	Addition/ (Deduction)	AS ON 31.03.96	AS ON 31.03.95	On Revaluation	For the year	Adjustment for the year.	UPTO 31.03.96	As At 31.03.96	As at 31.03.95
Leasehold Land	345000.00	—	345000.00	—	—	—	—	—	345000.00	345000.00
Buildings	5417788.25	—	5417788.25	1766208.69	146004.84	36574.14	—	1948787.67	3469000.58	3651579.56
Plant & Machinery	1123337.41	(1123337.41)	NIL	883436.29	—	4171.00	(887607.29)	NIL	NIL	239901.12
Fire Fighting Equipment	2680.00	—	2680.00	1527.12	—	160.36	—	1687.48	992.52	1152.88
Electric Installation	121995.33	—	121995.33	87594.36	—	4785.17	—	92379.53	29615.80	34400.97
Office Equipment	10595.00	—	10595.00	5799.65	—	667.03	—	6466.68	4128.32	4795.35
Typewriter	6595.25	—	6595.25	4472.24	—	295.30	—	4767.54	1827.71	2123.01
Furniture & Fixtures	72726.59	646007	718733.59	42310.81	—	15436.00	—	57746.81	660986.78	30415.78
	7100717.83	(477330.41)	6623387.42	2791349.16	146004.84	62089.00	(887607.29)	2111835.71	4511551.71	4309368.67

SCHEDULE "B" OF NOTES FORMING PART OF THE ACCOUNT ANNEXURE AS ON 31.3.96

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

i) Basis Of Accounting

Mercantile system of accounting is followed.

ii) Fixed assets

a) Fixed Assets are stated at cost less depreciation except :

The Company has revalued the following fixed assets on 27.3.91 The details are as follows :

Description	Original Cost (Rs.)	Revalued Cost (Rs.)
Leasehold Land	1,64,265.00	3,45,000.00
Factory Building	12,56,289.26	52,50,812.28
	<u>14,20,554.26</u>	<u>55,95,812.28</u>

The Company has charged depreciation of Rs.146005/- (1995 : 153689/-) on revalued cost which has been debited to revaluation reserve amount. Consequently Fixed Assets and Reserve & Surplus of the Company are overstated by Rs.2954827/- (previous year Rs.3100832/-).

b) DEPRECIATION

Depreciation on fixed assets has been charged on written down value at the rates and in the manner prescribed under schedule XIV of the Companies Act 1956. Further depreciation on the increase in the value of Fixed Assets due to revaluation is charged to revaluation reserve.

iii) Revenue Recognition

Sales of goods is recognised on despatch to cutomers.

Sales (Net) exclude Sales Tax and are net of sales return rebate and discount.

iv) Investment is stated at cost and dividend on investment is treated on cash basis.

- Balance confirmation have not been obtained from Sundry Debtors, creditors and advances. Hence the said Balances are as per books of accounts only.
- Sundry Debtors & advances include Rs.159300(1995 : Rs. 69300) and Rs.304539 (1995 : Rs. 304539) respectively due from Companies in which directors of the company are interested.

	Amount in	
	Debtors	Advances
Pantaloon Textiles Indus.Ltd.	159300 (69300)	NIL NIL
Dhruv Synthetics Pvt.Ltd.	304539 (304539)	NIL NIL

Kishore Textile Mills Limited

4. Quantitative and Valuewise details in respect of each class of goods dealt in by the company.

a.	Opening Stock		Production	Sales		Closing Stock	
	Mtrs.	Rs.	No.	Mtrs.	Rs.	Mtrs.	Rs.
Cloth	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(1306.50)	(139795)	NIL	(1306.50)	(65325)	NIL	NIL

5. Provision for taxation has not been made due to unabsorbed losses & depreciation carried forward from last year.
6. Previous year figures have been regrouped and rearranged wherever necessary to make them comparable with current year figure.
7. The company has become deemed Public Limited Company pursuant to Section 43A(1) of the Companies Act, 1956 in the year 1991-92 and company has also applied for deletion of word "Private" to the Registrar of Companies vide letter dated.15.9.91 and the same has been approved by ROC on 8.8.96.
8. Figures which are in bracket pertains to previous year.

As per our Annexed Report
 For **S. M. Kabra & Co.**
 Chartered Accountants

For **Kishore Textile Mills Ltd.**

Navin T. Gupta
 Partner

(Kishore Biyani)
 (Gopikishan Biyani)
 Directors

Place : Mumbai
 Dated : 29th August, 1996.



Discount Coupon 1.

Please allow 10% (Ten Percent)
discount on the bill amount
(M.R.P) purchased against Cash
VALIDITY PERIOD SEP. 15th TO DEC. 31st., 1996

Discount Coupon 2

Please allow 10% (Ten Percent)
discount on the bill amount
(M.R.P) purchased against Cash
VALIDITY PERIOD JAN. 1st TO FEB. 28th., 1997

Discount Coupon 3

Please allow 10% (Ten Percent)
discount on the bill amount
(M.R.P) purchased against Cash
VALIDITY PERIOD MAR. 1st TO APR. 30th., 1997

Discount Coupon 4

Please allow 10% (Ten Percent)
discount on the bill amount against
Garment purchased by Cash
VALIDITY PERIOD MAY. 1st TO JUN. 30th., 1997

EXCLUSIVE RETAIL OUTLETS AT:

● **AHMEDABAD** - City Centre, C.G. Road, Navrangpura, Tel. 403679. ● **AMRITSAR** - 10, Dilwari Market, Lawrence Road. ● **BANGALORE** - 112, Brigade Road. ● Gem Plaza, Infantry Road. ● **BARODA** - GF-13, Centre Point, R.C. Dutt Road, Alkapuri. Tel 336745. ● **BHOPAL** - G - 19 Thadaram Complex, M.P.Nagar. Tel. 550330. ● **BHUBANESHWAR** - 56 - A, Buddha Nagar, Kalpana Square. Tel. 414282. ● **CALCUTTA** - 66, Bentick Street, opp. Orient Cinema. Tel. 277158. ● **CHANDIGARH** - No. 104/5, Sector 17 C. Tel. 705626. ● **ERNAKULAM** - Shayadri Bldg., M.G.Road. Tel. 380298. ● **HYDERABAD** - Model House, Punjagutta. Tel. 398894. ● Opp. Gandhi Medical College, Basheer Bagh. Tel. 240650. ● Nampally Stn. Road, Abid's. Tel. 201226. ● **INDORE** - G - 43/44, City Centre, 570 M.G.Road. Tel. 532 986. ● **JAIPUR** - 32/33 Raja Park. ● **LUCKNOW** - B-12 Janpath Market, Hazrat Gunj. Tel. 211822. ● **LUDHIANA** - 6/8 Nehru Siddhant Kendra Trust, Feroz Gandhi Market. Tel. 21793. ● **MADRAS** - Chhotabhai Centre, 140 N.H. Road. . Tel. 8277043. ● **MUMBAI** - Park Shopping Centre, Wodehouse Road, Colaba. Tel. 2187706. ● Shop no. 3, Dimple, L.J.Road, Mahim. Tel. 4460005. ● Hotel Metro Palace, Hill Road, Bandra. Tel. 6405006. ● Vertex Vikas, opp. Andheri Rly. Stn. (E). Tel. 8367923. ● Everest Shopping Centre, Phadke Road, Dombivli (E), Thane. Tel. 711 472224. ● M.G.Road, Opp. Naupada Police Stn. Thane. Tel. 5403679. ● Shop no. 7, Raikar Bhavan, Sector 17, New Bombay. Tel. 7633645. ● **MYSORE** - 107, D.Dhavraj Urs Road. Tel. 24555. ● **NAGPUR** - Shop no. 1, Gomati Apts. WHC Road, Dharampeth. Tel. 538197. ● **NASHIK** - 49, Satheya Baug, M.G.Road. Tel. 575411. ● **NEW DELHI** - Banglow Road, Kamla Nagar. ● **PATNA** - Om Vihar, Rajendra Path, Kadam Kaun. Tel. 658634. ● **PUNE** - 37, Sterling Apts., Opp. Hotel Aurora Towers, M.G.Road. Tel. 632677. ● **RAJKOT** - L - 1 Pooja Comm. Complex, Harihar Chowk, Near G.P.O. Tel. 24074. ● **SECUNDERABAD** - Minerva Complex, S.D.Road. Tel. 819291. ● **SOLAPUR** - South Sadar Bazar, Soni Chowk. ● **VISHAKHAPATNAM** - Daba Gardens, Main Road. Tel. 546595.

PANTALOON CONNECTIONS AT

● **AURANGABAD** - Nirala Bazar, Law College Road. ● **MADRAS** - Rex Fashions, 12 & 16 Luz Church Road, Mylapore. ● Manz Avenue, S5 A, Alsa Mall (Basement) Montieth Road, Egmore. ● **MUMBAI** - Shantinath Shopping Centre, S.V.Road, Malad (W). Tel. 8819753. **PUNE** - 771, Mayur Apts. Near Hotel Raviraj.

PANTALOON SHOPPES OPENING SHORTLY AT:

● Dehradun ● Rourkela

PANTALOON STORES OPENING SHORTLY AT:

● **NAGPUR** - Jagat Bldg. ● **VIJAYWADA** - Besant Road.

BARE STORES OPENING SHORTLY AT:

ERNAKULAM - Jose Junction, D.H.Road. ● **HYDERABAD** - Chirag Ali Lane. ● **MADRAS** - Chhotabhai Centre, 140 N.H.Road. ● **NASHIK** - Ruchik House, College Road.

JOHN MILLER STORE AT:

● **SECUNDERABAD** - 115, Park Lane, S.D. Road. Tel. 816892.

PFH DISCOUNT CLUB AT:

● **NEW DELHI** - Apsara Arcade, Pusa Road. Tel. 5740245. ● **NOIDA** - Sunheri Market, Atta Chowk. Tel. 8529781.

The company is pleased to announce a discount scheme to the Shareholders on the Garments purchased from any of the "THE PANTALOON SHOPPE" addresses listed above. At the time of the purchase of Garments the Shareholders are to handover the Discount Coupon against which they shall be entitled to one time discount of 10% (Ten percent) on the amount of the bill.

The Discount Coupons are valid only:

- If used within the validity period.
- If used at any of the above listed "PANTALOON SHOPPE".
- Against Cash Purchases only.
- Not to be used in conjunction with any other scheme prevailing at that time.
- Not valid for Manz trousers & John Miller shirts.

Regional Offices :

Calcutta : Ho Chi Minh Sarani, 12/4 Harrington Mansion.
Madras : No. 1, 5th Street, Dr.Thirumoorthy Nagar, Nungambakkam High Road.
New Delhi : 5/43 W.E.A. Ajmal Khan Road, Karol Baugh.
: E/78, NDSE - 1

PANTAL



MANZ
YOUR BUDGET TROUSER



KNIGHT
HOOD
SHIRTS
ENGINEERED, NOT DESIGNED



PANTALOON FASHIONS (INDIA) LIMITED

Regd. Office : Pantaloons House, G-11, M.I.D.C., Cross Road 'A',
Andheri (East), Mumbai 400 093.,

Folio No.
No. of Shares held

ATTENDANCE SLIP

I/We hereby record my/our presence at the Ninth Annual General Meeting of the Company to be held at the Registered Office of the Company at Pantaloons House, G-11, M.I.D.C., Cross Road 'A', Andheri (East), Mumbai 400 093., on Monday, the 30th September, 1996 at 4.00 p.m..

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

NOTES :

1. You are requested to sign and hand over this slip at the entrance.
2. If you intend to appoint a proxy to attend the meeting instead of yourself, the proxy form must be deposited at the Registered Office of the Company at Pantaloons House, G-11, M.I.D.C., Cross Road 'A', Andheri (East), Mumbai 400 093., not less than 48 hours before the time for holding the meeting.
3. If you are attending the meeting in person or by proxy, your copy of the Annual Report may please be brought by you/your proxy for reference at the meeting.



PANTALOON FASHIONS (INDIA) LIMITED

Regd. Office : Pantaloons House, G-11, M.I.D.C., Cross Road 'A',
Andheri (East), Mumbai 400 093.,

Folio No.
No. of Shares held

FORM OF PROXY

I/We.....of
.....in the district of..... being a member/
members of the above named Company hereby appoint..... of
..... in the district of..... or failing him,
.....of in the district of.....
as my/our proxy to vote for me/us on my/our behalf at the Ninth Annual General Meeting of the Company to be held on Monday the 30th September, 1996 at 4.00 p.m. and at any adjournment thereof.

Signed this.....day of1996.

Signature.....

Please Affix Re. 1/- Revenue Stamp
--

NOTE :

The Proxy form must be deposited at the Registered Office of the Company at Pantaloons House, G-11, M.I.D.C., Cross Road 'A', Andheri (East), Mumbai 400 093., not less than 48 hours before the time for holding the Meeting.





Sachin Tendulkar

*has been India's
driving force throughout.*

*At the Pantaloons Cup '96
he drove away with a Maruti Esteem VX
and the Pantaloons Best Indian Cricketer
of the World Cup Award.*

*The **surprising** shopping experience.*



Steve Official. Mark Unofficial.

Steve Waugh looks pretty neat in a *John Walker* Chambray Plain Blue Shirt Rs. 395/-
PANTALOON Hallmark Tie Rs. 225/-

PANTALOON Semi-formal Belt Rs. 375/-

Enzyme Washed **PANTALOON** Polycotton Chino Trousers in Italian Fit Rs. 550/-

Mark Waugh is quite at ease in a Rebel Denim Zip Shirt Rs. 595/-

BARE Classic Punic Stone 15.5 oz Jeans Rs. 850/-



Write in for a free catalogue to Pantaloon Fashions (I) Ltd. Pantaloon House, P.O. Box No. : 19401, Mumbai - 400 093.

The **PANTALOON** Shoppe
 FOR COMPLETE FASHION WEAR

The *surprising* shopping experience.

Pantaloon Shoppe at : Ahmedabad, Amritsar, Bangalore, Baroda, Bhopal, Bhubaneshwar, Calcutta, Chandigarh, Ernakulam, Hyderabad, Indore, Jaipur, Lucknow, Ludhiana, Madras, Mumbai, Thane, New Mumbai, Mysore, Nagpur, New Delhi, Patna, Rajkot, Secunderabad, Solapur and Vishakhapatnam.

PERCEPT

