



# BRANDHOUSE

R E T A I L S

4<sup>TH</sup> ANNUAL REPORT 2007-08

Report  junction.com

## **BOARD OF DIRECTORS**

**Nitin S. Kasliwal** – *Chairman*

**Tarun Joshi** – *Managing Director*

**Jyoti N. Kasliwal** – *Executive Director*

**Dr. A.C.Shah** – *Director*

**Dara D Avari** – *Director*

**Anish Modi** – *Director (Nominee of IDM)*

**Denys Firth** – *Director (Nominee of IDM)*

## **COMPANY SECRETARY**

Pulak Banerjee

## **BANKER**

HDFC Bank Ltd

## **JOINT AUDITORS**

Messers Haribhakti & Co.,

Messers Malpani and Associates

## **REGISTERED OFFICE**

'Avadh', Shree Ram Mills Premises,

G.K.Marg, Worli,

Mumbai – 400 018.

Website : [www.brandhouseretails.com](http://www.brandhouseretails.com)

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## DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of your company have pleasure in presenting the 4<sup>th</sup> Annual Report together with the Audited Accounts of your company for the year ended on 31<sup>st</sup> March, 2008

### FINANCIAL HIGHLIGHTS

<b>(Rs. In Lacs)</b>		
Particulars	<b>2007-08</b>	2006-07
1 Turnover	<b>31379.39</b>	5548.83
2 Other Income	<b>80.33</b>	2.01
3 Profit from Operations (PBDIT)	<b>3094.57</b>	75.97
Less: Interest	<b>360.90</b>	1.50
Less: Depreciation/Amortisation	<b>470.83</b>	27.41
4 Profit before Tax	<b>2262.84</b>	47.06
5 Provision for Current Tax	<b>922.44</b>	21.70
6 Profit after Current Tax	<b>1340.40</b>	25.36
7 Provision for Deferred Tax	<b>29.03</b>	16.33
8 Profit After Tax	<b>1311.37</b>	9.03
9 PAT brought forward from last year	<b>25.42</b>	16.39
10 Transferred to Debenture Redemption Reserve	<b>1336.79</b>	0.00
11 PAT carried forward to next year	<b>0.00</b>	25.42

### DIVIDEND

Your Directors do not recommend payment of dividend on equity capital for the year ended 31<sup>st</sup> March, 2008 in

order to build up reserves for future development and growth.

### CURRENT BUSINESS OUTLOOK AND PLANS

Your company in its fourth year of operation stands as a well established fashion retailer in India.

In line with the business plan, the stores set up by the company are spread all across the country. The company intends adding 461 stores in the current financial year and introduce a few new brands to its portfolio. These will include new brands from S. Kumars Nationwide Limited (SKNL) group as well as some international brands.

Additionally, your company has planned to introduce the Private Label format during this financial year. Around 180 stores will be established for this private label over the next five years. The offering will include high fashion at value-for-money prices for men, women and children. This value-for-money private label will address a huge existing gap in the Indian market.

### ALLOTMENT OF SHARES UNDER THE SCHEME OF ARRANGEMENT

The Scheme of Arrangement ("the Scheme") for Demerger of the Retail business of S. Kumars Nationwide Limited to the company was approved vide order of the Hon'ble High Court of Judicature at Bombay on 22<sup>nd</sup> February, 2008. Accordingly, 4,73,02,767 equity shares of Rs.10/- each of the company would be allotted to the eligible persons as per their entitlement as on the record date viz. 2<sup>nd</sup> May, 2008 under the Scheme. As a consequence, the paid up share capital of the company would increased to Rs. 53,60,27,670/- (comprising 5,36,02,767 equity shares of Rs.10/- each).

Your company would thereafter apply for listing of the said 5,36,02,767 equity shares of Rs.10/- each with the Bombay Stock Exchange Ltd., (BSE) and National Stock Exchange of India Ltd. (NSE).

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles 130 of the Articles of Association of the company, Mr. Nitin S. Kasliwal retires by rotation and being eligible, offers himself 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 31<sup>st</sup> March, 2008 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 31<sup>st</sup> March, 2008 on a going concern basis.

## DEPOSITS

Fixed deposits received from shareholders and public stood at NIL as on 31<sup>st</sup> March, 2008 (previous year

Rs.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.

## PROMOTER GROUP COMPANIES

As required under Clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeover) Regulations, 1997, persons constituting Group (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of the aforesaid SEBI Regulations are given in Annexure 'A' attached herewith and the said Annexure A forms part of this Annual Report.

## 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 Rs NIL (Previous year NIL) and there was no earning in foreign exchange (Previous year NIL)

**AUDITORS**

The Auditors, Messers Malpani and Associates and Messers Haribhakti & Co., Chartered Accountants have furnished the required certificate under section 224(1B) of the Companies Act, 1956 and are eligible for re-appointment.

associates. Your Directors also acknowledge the commitment and contribution of your company's employees.

**On behalf of the Board**

**ACKNOWLEDGMENT**

Your Directors wish to place on record their grateful appreciation of the assistance, guidance and support provided by the customers, suppliers and other business

**Nitin S. Kasliwal**  
**Chairman**

**Place : Mumbai**

**Date : 17<sup>th</sup> June, 2008**



## **Annexure A to the Directors' Report**

List of persons constituting "Group" as required under clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeover) Regulations, 1997.

1. Mr. Nitin S. Kasliwal
2. Mrs. Jyoti N. Kasliwal
3. Ms. Anjani N. Kasliwal
4. Mr. Kartikeya N. Kasliwal
5. S. Kumars Nationwide Ltd.
6. Tulja Enterprises Private Limited
7. Sansar Exim Private Limited
8. Chamundeshwari Mercantile Private Limited
9. Anjani Finvest Private Limited
10. Verve Properties & Investment Private Ltd
11. Reid & Taylor (India) Ltd.
12. Ingenious Finance & Investment Private Ltd
13. Natty Finance & Investment Private Ltd.
14. Maverick Mercantile Private Ltd.
15. S.K.Worsted's Pvt Ltd
16. Sansar Holdings (Mauritius) Limited
17. S. Kumars Textiles Limited

## 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 31<sup>st</sup> March 2008 and the Profit and Loss Account and the Cash Flow Statement of the Company 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 amount 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 by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company during the year under review.
4. Further to our comments in the Annexure referred to in 3 above, we report as follows:
  - (i) 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;
  - (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, the Profit and Loss Account 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, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956, to the extent applicable to the Company during the year under review.
  - (v) On the basis of written representations received from the directors of the Company as on 31<sup>st</sup> March 2008 and taken on record by the Board of Directors of the Company, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2008 from being appointed as a director in terms of clause (g) of subsection (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, read together with Significant Accounting Policies and Notes on Accounts give the information required by the Companies Act,

1956 in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March 2008;
- (b) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and

- (c) In the case of the Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

**For Malpani & Associates**  
Chartered Accountants

**Shyam Malpani**  
Proprietor  
Membership No. F- 34171

Place : Mumbai,  
Date : 17<sup>th</sup> June 2008

**For Haribhakti & Co.**  
Chartered Accountants

**Manoj Daga**  
Partner  
Membership No: 048523

