



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017; and
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. 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 those books.
 - iii. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with books of account.
 - iv. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - v. On the basis of written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - vi. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best information and according to the explanations given to us:
 - a. The Company has pending litigations with Income Tax Department and ESI Department which are disclosed in its standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. The Company has provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016, and these are in accordance with the books of accounts maintained by the company.

For: **K.AGRAWAL & CO.**
Chartered Accountants
 Firm Regn No. 306104E

K. C. Agrawal

(CA. K.C. AGRAWAL)
Partner

Membership No. 010277

Place: Kolkata
 Dated: The 18th day of May, 2017

**'ANNEXURE - A' TO THE INDEPENDENT AUDITORS' REPORT**


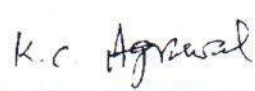
Referred to in Paragraph 1 under the heading "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS of our report of even date on the accounts for the year ended on **31st March, 2017** of **M/S. EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED.**

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified during the year by the management at reasonable intervals having regard to the size of the company; and no material discrepancies were noticed on such verification.
- (c) The title deeds of the Immoveable Properties are held in the name of the company.
- (ii) The company has no Inventories.
- (iii) The company has not granted any Secured or Unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) The Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) As explained to us, the company has not accepted any deposits, from public in the meaning of the directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under, and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal for the noncompliance of directive of the same.
- (vi) Maintenance of cost records has not been specified by the Central Government under sub - section (1) of section 148 of the Companies Act 2013 for any product of the company.
- (vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable to the company with the appropriate authorities and no undisputed amount payable in respect of any statutory dues were outstanding as at 31st March 2017 for a period of more than six months from the date they became payable.
- (b) According to information and explanation given to us, there are no such case where income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute other than as disclosed below:

Name of Statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income Tax	220070/-	A.Y. 2011-12	CIT (Appeals) Kolkata
Income Tax Act 1961	Income Tax	161870/-	A.Y. 2012-13	CIT (Appeals) Kolkata
E.S.I. Act, 1948	Employees State Insurance	39967/-	A.Y. 2007-08	Employees Insurance Court West Bengal Kolkata

- (viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) According to information and explanation give to us by the management, the company has not raised moneys by way of initial public offer or further public offer and the company has not applied for term loans during the year.
- (x) To the best of our knowledge and according to information and explanation given to us by the management, no fraud on or by the company was noticed or reported during the year.
- (xi) The company has not paid any managerial remuneration for the year under review. Therefore the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company.
- (xii) The company is not a Nidhi Company.
- (xiii) The provisions of section 177 are not applicable to the company. However, all transactions with related parties are in compliance with section 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in Financial Statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanation given to us by the management the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For : **K. AGRAWAL & CO.**
Chartered Accountants
Firm Regn No. 306104E



(CA. K.C. AGRAWAL)
Partner
Membership No. 010277

Place : Kolkata.

Dated : The 18th day May , 2017.



'ANNEXURE - B' TO THE AUDITORS' REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')

We have audited the internal financial controls over financial reporting of **EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED** ('the Company') as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For: K. AGRAWAL & CO.
Chartered Accountants
Firm Regn No. 306104E

K. C. Agrawal

(CA. K.C. AGRAWAL)

Partner

Membership No. 010277

Place: Kolkata
Dated: The 16th day of May, 2017

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EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED

Balance Sheet as at 31st March, 2017

	Note	As At	
		March 31, 2017	March 31, 2016
Equity & Liabilities			
Shareholders' Funds			
Share Capital	3	4,10,00,000	4,10,00,000
Reserves & Surplus	4	(2,16,795)	3,44,971
Total Shareholders' Funds (i)		4,07,83,205	4,13,44,971
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	5	39,99,664	37,86,395
Total Non -Current liabilities (ii)		39,99,664	37,86,395
Current Liabilities			
Trade Payables	6	12,79,752	12,17,982
Other Current Liabilities	7	12,10,571	6,91,037
Total Current Liabilities (iii)		24,90,323	19,09,019
Total Equity & Liabilities (i)+(ii)+(iii)		4,72,73,192	4,70,40,386
Assets			
Non Current Assets			
Fixed Assets			
Tangible Assets	8	2,95,75,596	3,02,17,016
Intangible Assets	9	-	49,955
Non Current Investments	10	-	3,000
Long Term Loans & Advances	11	-	96,15,000
Total Non Current Assets (iv)		2,95,75,596	3,98,84,971
Current Assets			
Trade Receivables	12	96,129	10,00,852
Cash & Cash Equivalents	13	1,14,88,922	89,065
Short Term Loans & Advances	14	61,12,545	60,65,498
Total Current Assets (v)		1,76,97,596	71,55,415
Total Assets (iv)+(v)		4,72,73,192	4,70,40,386

The notes are an integral part of these financial statements

As per our Report of even date.

For K.AGRAWAL & CO.

Chartered Accountants

Firm Registration No. 306104E

Sd/-

(CA. K.C.AGRAWAL)

Partner

Membership No.010277

Place: Kolkata

Date: 18th May, 2017

Sd/-

RAMESH AGARWAL

Director

DIN: 00230702

Sd/-

RAJNISH AGARWAL

Director

DIN: 00250271

EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED

Statement of Profit and Loss for the period ended 31st March, 2017

	Note	March 31, 2017	March 31, 2016
Revenue			
Revenue From Operations	15	7,49,543	6,84,253
Other Income	16	-	46,887
Total Revenue		7,49,543	7,31,140
Expenses			
Finance Cost	17	55,505	42,513
Depreciation & Amortisation expense	18	6,91,375	6,95,415
Other expenses	19	3,51,160	4,47,109
Total Expenses		10,98,040	11,85,037
Profit before exceptional and extraordinary items and tax		(3,48,497)	(4,53,897)
Exceptional Items		-	-
Profit before extraordinary items and tax		(3,48,497)	(4,53,897)
Extraordinary Item		-	-
Profit before tax		(3,48,497)	(4,53,897)
Tax Expense			
Current Tax		-	-
Deferred Tax		2,13,269	86,539
Adjustment of Earlier year provision/taxes		-	2,34,271
Profit/(Loss) for the period from continuing operations		(5,61,766)	(7,74,707)
Profit/(Loss) for the period		(5,61,766)	(7,74,707)
Earnings per Equity Share:			
(Nominal value per equity share Rs 10/-)			
Basic & Diluted		(0.14)	(0.19)

As per our Report of even date.

For K.AGRAWAL & CO.

Chartered Accountants
Firm Registration No. 306104E

Sd/-

(CA. K.C.AGRAWAL)

Partner
Membership No.010277
Place: Kolkata
Date: 18th May, 2017

Sd/-

RAMESH AGARWAL

Director
DIN: 00230702

Sd/-

RAJNISH AGARWAL

Director
DIN: 00250271

EURO FASHIONS INNERS INTERNATIONAL (P) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2017

Particulars	March 31, 2017	March 31, 2016
CASH FLOW ARISING FROM OPERATING ACTIVITIES		
Net Profit Before Taxation & Extra Ordinary Items	(3,48,497)	(4,53,897)
Add: Loss on sale of Fixed assets	-	-
Add: Depreciation	6,91,375	6,95,415
Less Interest Income	-	-
Add Interest Expense	55,505	42,513
Add: Bad Debts Written Off	-	-
Less: Liability Written back	-	(46,887)
	3,98,383	2,37,144
<u>Adjustments For Working Capital Changes</u>		
(Increase)/ Decrease in Short Term Loans & Advances	27,907	(31,44,784)
(Increase)/ Decrease in Inventories	-	-
(Increase)/ Decrease in Trade Receivables	9,04,723	15,47,16,010
Increase/(Decrease) in Other current liabilities	5,19,533	(14,82,49,974)
Increase/(Decrease) in Trade and Other Payables	61,770	(4,61,420)
Net Cash Inflow/(Outflow) from Operating Activities	19,12,316	30,96,977
Add: Interest received from operating activities	-	-
Less: Direct Tax Paid	(74,954)	(32,14,430)
	18,37,362	(1,17,453)
CASH FLOW ARISING FROM INVESTMENT ACTIVITIES		
Sale of Non - Current Investments	3,000	-
Purchase of Investments	-	-
Decrease in Capital Advances	96,15,000	-
Purchase of fixed asset	-	-
Net Cash Inflow / (Outflow) from Investment Activities	96,18,000	-
CASH FLOW ARISING FROM FINANCING ACTIVITIES		
Interest Expense	(55,505)	(42,513)
Increase/Decrease in Short Term Borrowings	-	-
Net Cash Inflow /(Outflow) From Financing Activities	(55,505)	(42,513)
Net Increase / (Decrease) in Cash and Cash Equivalent	1,13,99,857	(1,59,966)
Cash & Cash Equivalents at the beginning of the year	89,065	2,49,031
Cash & Cash Equivalents at the end of the year	1,14,88,922	89,065

1. The Above Cash Flow has been prepared has been pursuant to clause 32 of Listing Agreement with stock exchange and under the indirect method set out in As-3 issued by the Institute of Chartered Accountants of India.
2. Significant Accounting Policies and other Notes to Accounts form an intergal part of the Cash Flow Statement.
3. Previous Year figures have been regrouped/reclassified to cinfirm to current year's classification.

For K.AGRAWAL & CO.
Chartered Accountants
Firm Registration No. 306104E

Sd/-
RAMESH AGARWAL
Director
DIN: 00230702

Sd/-
(CA. K.C.AGRAWAL)
Partner
Membership No.10277
Place: Kolkata
Dated: 18th May, 2017

Sd/-
RAJNISH AGARWAL
Director
DIN: 00250271

NOTES TO THE FINANCIAL STATEMENTS

1 General Information:

Euro Fashion Inners International Private Limited (the Company) is a 100% subsidiary of Rupa & Company Limited and is engaged in manufacture of premium men's knitted inner wear products under the brand name "EURO". It caters to high end premium segment across the whole country. The Company has manufacturing Plants in Tirupur, India and also gets various manufacturing done at Domjur Plant. The company primarily sells its product in India through own retail outlets as well as independent retailers upto 31st March, 2014. The company has transferred its Business Operations to its Holding Company "Rupa and Company Limited" with effect from 1st April, 2014 through a Business Collaboration Agreement executed on 18th day of August, 2014.

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial statements have been prepared to comply with all material aspects with the accounting standards notified under Section 133 and the other relevant provisions of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

2.3 Tangible Asset

Fixed assets are stated at cost less accumulated depreciation. Cost of an asset comprises its purchase price and incidental expenses related thereto.

2.4 Depreciation

Depreciation is provided on a pro-rata basis on the straight-line method over the useful life of the assets as per the life prescribed under Schedule II of the Companies Act, 2013.

2.5 Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization. Intangible Assets are amortised on a straight line basis over their estimated useful lives.

The life of Copyrights and Trademarks are considered to be ten years and amortised accordingly.

2.6 Investments

Investments are classified as Long Term Investments. They are carried at Cost. However provision for diminution is made to recognise a decline, other than temporary, in the value of investments, such reduction being determined and made for each investment individually.

2.6 Impairments

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

2.7 Borrowing Costs

Borrowing Cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

2.8 Revenue Recognition

The Company has given the Right to Use its Trade Mark "EURO" to its Holding Company Rupa and Company Limited and it earns Royalty Income which is recognised on goods sold under the brand.

2.9 Other Income

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive dividend is established.

2.10 Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.11 Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

2.12 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.13 Prior Period Adjustments

Prior period items which arise in the current period as a result of error or omission in preparation of prior period's financial statement are separately disclosed in the current statement of Profit or Loss. However, differences in actual Income/expenditure arising out of over/under estimation pertaining to prior periods are not treated as "Prior Period Adjustment".

As per our Report of even date.

For K.AGRAWAL & CO.

Chartered Accountants

Firm Registration No. 306104E

Sd/-

(CA. K.C.AGRAWAL)

Partner

Membership No.010277

Place: Kolkata

Date: 18th May, 2017

Sd/-

RAMESH AGARWAL

Director

DIN: 00230702

Sd/-

RAJNISH AGARWAL

Director

DIN: 00250271

NOTES TO THE FINANCIAL STATEMENTS

	Year Ended			
	March 31, 2017		March 31, 2016	
3 Share Capital				
Authorised: 5000000 Equity Shares of ₹ 10/- each		5,00,00,000		5,00,00,000
Issued: 4100000 Equity Shares of ₹ 10/- each fully Paid up		4,10,00,000		4,10,00,000
Subscribed and paid up: 4100000 Equity Shares of ₹ 10/- each Fully Paid up		4,10,00,000		4,10,00,000
		4,10,00,000		4,10,00,000
(a) Reconciliation of number of shares				
Balance as at the beginning of the year		41,00,000		41,00,000
Balance as at the Close of the year		41,00,000		41,00,000
(b) Rights, preferences and restrictions attached to shares				
Equity Shares: The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
(c) Shares held by holding company, its ultimate holding company or any subsidiary of the holding company/ultimate holding company and subsidiary of holding company		41,00,000		41,00,000
(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
	March 31, 2017		March 31, 2016	
	No of Shares	%	No of Shares	%
Promoter & Promoter Group: Rupa & Company Limited	41,00,000	100.00	41,00,000	100.00
4 Reserves & Surplus	Year Ended			
	March 31, 2017		March 31, 2016	
Surplus in Statement of Profit & Loss:				
Balance as at the beginning of the year	3,44,971		11,19,678	
Add: Profit for the year	(5,61,766)	(2,16,795)	(7,74,707)	3,44,971
Total		(2,16,795)		3,44,971
5 Deferred Tax Liabilities (Net)	Year Ended			
	March 31, 2017		March 31, 2016	
Deferred Tax Liabilities (related to fixed assets)		39,99,664		37,86,395
Total		39,99,664		37,86,395
6 Trade Payables	Year Ended			
	March 31, 2017		March 31, 2016	
Trade payables		12,79,752		12,17,982
Total		12,79,752		12,17,982

7	Other Current Liabilities	Year Ended			
		March 31, 2017		March 31, 2016	
	Statutory dues		9,405		18,258
	Other Liabilities		12,01,166		6,72,779
	Total		12,10,571		6,91,037
10	Non Current Investments	Year Ended			
		March 31, 2017		March 31, 2016	
	Unquoted Equity Shares:				
	Investment in Joint Stock companies				
	West Bengal Hosiery Park Infrastructure Ltd.	-	-	300	3,000
	of Face Value of Rs. 10/-		-		3,000
11	Long-term loans and advances	Year Ended			
		March 31, 2017		March 31, 2016	
	Unsecured, considered good (unless otehrwise stated):				
	Capital Advances		-		96,15,000
	Total		-		96,15,000
12	Trade Receivables	Year Ended			
		March 31, 2017		March 31, 2016	
	Unsecured, considered good				
	Outstanding for a period exceeding 6 months from the date they are due for payment		96,129		10,00,852
	Total		96,129		10,00,852
13	Cash and Cash Equivalents	Year Ended			
		March 31, 2017		March 31, 2016	
	Bank balances				
	In current accounts		1,14,71,153		71,296
	Cash and Cash equivalents				
	Cash in hand		17,769		17,769
	Total		1,14,88,922		89,065
14	Short-term loans and advances	Year Ended			
		March 31, 2017		March 31, 2016	
	Unsecured considered good, unless otherwise stated:				
	Loans and advances: Considered good				
	Advance recoverable in cash or Kind		54,43,325		54,71,232
	Other Loans and Advances				
	Advance income tax net of provision		6,69,220		5,94,266
	Total		61,12,545		60,65,498

NOTES TO THE FINANCIAL STATEMENTS

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Tangible Assets	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Block							
As at 1st April 2015	46,88,520	2,71,25,308	22,32,173	96,261	7,09,041	3,47,252	3,51,98,555
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at 31st March 2016	46,88,520	2,71,25,308	22,32,173	96,261	7,09,041	3,47,252	3,51,98,555
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at 31st March 2017	46,88,520	2,71,25,308	22,32,173	96,261	7,09,041	3,47,252	3,51,98,555
Depreciation:							
As at 1st April 2015	-	26,31,029	7,42,733	35,866	5,79,198	3,47,252	43,36,078
Additions	-	4,28,304	1,58,890	11,208	47,059	-	6,45,461
Disposals	-	-	-	-	-	-	-
As at 31st March 2016	-	30,59,333	9,01,623	47,074	6,26,257	3,47,252	49,81,539
Additions	-	4,28,304	1,54,056	10,638	48,422	-	6,41,420
Disposals	-	-	-	-	-	-	-
As at 31st March 2017	-	34,87,637	10,55,679	57,712	6,74,680	3,47,252	56,22,959
Net Block							
As at 31st March 2017	46,88,520	2,36,37,671	11,76,494	38,549	34,361	-	2,95,75,596
As at 31st March 2016	46,88,520	2,40,65,975	13,30,550	49,187	82,784	-	3,02,17,016
Note: All assets are own assets.							

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Intangible Assets:	Copyrights and Trademarks
Gross Block:	
As at 1st April 2015	5,00,000
Purchase	-
As at 31st March 2016	5,00,000
Purchase	-
As at 31st March 2017	5,00,000
Amortisation:	
As at 1st April 2015	4,00,091
Addition	49,954
As at 31st March 2016	4,50,045
Addition	49,955
As at 31st March 2017	5,00,000
Net Block	
As at 31st March 2016	49,955
As at 31st March 2017	-

Note: All assets are own assets.

15	Revenue	Year Ended			
		March 31, 2017		March 31, 2016	
	Revenue from Operations:				
	Royalty Income		7,49,543		6,84,253
	Revenue from Operations		7,49,543		6,84,253
16	Other Income	Year Ended			
		March 31, 2017		March 31, 2016	
	Liability Written Back		-		46,887
	Total		-		46,887
17	Finance Costs	Year Ended			
		March 31, 2017		March 31, 2016	
	Interest Paid		-		2,619
	Bank Charges		55,505		39,894
	Total		55,505		42,513
18	Depreciation and Amortization Expense	Year Ended			
		March 31, 2017		March 31, 2016	
	Depreciation on Tangible assets		6,41,420		6,45,461
	Amortisation of Intangible assets		49,955		49,954
	Total		6,91,375		6,95,415
19	Other Expenses	Year Ended			
		March 31, 2017		March 31, 2016	
	Rates and Taxes		1,64,472		2,54,669
	Legal and Professional fees		84,700		1,21,340
	Payment to auditor (refer note below)		69,000		68,700
	Miscellaneous Expenses		32,988		2,400
	Total		3,51,160		4,47,109
	Payment to Auditor:	Year Ended			
		March 31, 2017		March 31, 2016	
	As auditor:				
	Audit fees & Tax audit fees		69,000		68,700
	Total		69,000		68,700

20.1 In the absence of any confirmation from vendors regarding the status of their registration under the "Micro, Small and Medium Enterprises Development Act 2006" the Company is unable to make provision wherever required under the said Act.

20.2	Contingent Liabilities	Year Ended	
		March 31, 2017	March 31, 2016
	Income Tax Demand (Under CIT Appeal Kolkata)) AY: 2011-12	2,20,070	2,20,070
	Income Tax Demand (Under CIT Appeal Kolkata)) AY: 2012-13	1,61,870	1,61,870
	ESI (F.Y 2007-08) (Under Appeal)	39,967	39,967
	(a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.		

20.3	Calculation of Deferred Tax Liabilities:	Deferred tax Liabilities as on 31.03.2017	Deferred tax Liabilities as on 31.03.2016
	Arising on account of difference between Book Value of Depreciable assets as per books of Account and Written Down value for tax purpose	39,99,664	37,86,395
	Net Impact taken into Profit & Loss Account	2,13,269	86,539

20.4	Earnings Per Share	Year Ended	
		March 31, 2017	March 31, 2016
	(a) Basic		
	i). Number of Equity Shares at the beginning of the year.	4100000	4100000
	ii) Number of Equity Shares at the end of the year.	4100000	4100000
	iii) Weighted average number of Equity Shares Outstanding during the year	4100000	4100000
	iv) Face Value of Equity Shares ₹	10.00	10.00
	v) Profit after Tax for Equity Shareholders ₹	(5,61,766)	(7,74,707)
	vi) Basic & Diluted Earnings Per Share (v/iii) ₹	(0.14)	(0.19)

20.5 Related Party Disclosures:
As Per Accounting Standard -18 on 'Related Party Disclosure' notified under Section 133 of the Companies Act, 2013, the related Parties of the Companies as Follows:

Holding Company :	Rupa & Company Limited			
Other Associates:	Nil			
Particulars	Holding Company		Other Associates	
	2016-17	2015-16	2016-17	2015-16
Royalty Income	7,49,543	6,84,253	-	-
Dividend Paid	-	12,29,99,820	-	-
Other Liabilities	4,09,230	-	-	-
Trade Receivables	-	9,04,723	-	-
Sale of Non Current Investment	3,000	-	-	-
Relinquishment of Right of Land*	1,14,00,000	-	-	-

* Hitherto Shown under capital advance pending for registration

20.6 Business Collaboration with Holding Company

The company has transferred its Business Operations to its Holding Company "Rupa and Company Limited" with effect from 1st April, 2014 through a Business Collaboration Agreement executed on 18th day of August, 2014. However, it has not transferred some assets to the holding company which includes the following :

- All Claims against vendors or suppliers for refunds or credits with respect to goods delivered or services performed prior to the date of signing of this Agreement date.
- Receivables.
- Fixed Assets.
- Investments.
- Stock including raw materials, work in progress and finished goods.

The Company has allowed its holding company to use its brand name "EURO" on sale of their product and the holding company will pay Royalty Income at 0.15% of the Bill Value of goods sold.

20.7 Disclosure on holding and dealings of Specified Bank Notes during Demonetization is shown in the table below:-

Particulars	Specified Bank Notes	Other Denominati on Notes	Total
Closing cash in hand as on 08.11.2016	-	17,769	17,769
Permitted receipts	-	-	-
Amount Withdrawn from Bank	-	-	-
Permitted payments	-	-	-
Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016			17,769

20.8 Previous Year Figures

Figures of previous year have been regrouped/re-arranged wherever considered necessary to confirm to current year's groupings and classifications.

As per our Report of even date.

For **K.AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 306104E

Sd/-
RAMESH AGARWAL
Director
DIN: 00230702

Sd/-
(CA. K.C.AGRAWAL)
Partner
Membership No.010277
Place: Kolkata
Date: 18th May, 2017

Sd/-
RAJNISH AGARWAL
Director
DIN: 00250271