

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OBAN FASHION PRIVATE LIMITED

Report on the Standalone Indian Accounting Standard (Ind AS) Financial Statements

1. We have audited the accompanying Standalone Ind AS Financial Statements of Oban Fashion Private Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2018, the Statement of Changes in Equity, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income) and cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rule, 2015 (as amended) under Section 133 of the Act. 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 judgements 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 standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act and Rule made thereunder including 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 Ind AS Financial Statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Ind AS Financial Statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS Financial Statements.

Opinion

6. In our opinion and to the best of our information and according to the explanation given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018 and its loss (including other Comprehensive Income), its cash flows and the Changes in equity for the year ended on that date.

Other Matter

The financial information of the Company for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 1, 2016 included in these standalone Ind AS Financial Statements, are based on previously issued statutory financial statements for the year ended March 31, 2017 and March 31, 2016 prepared in accordance with Companies (Accounting Standards) Rule, 2006 (as amended) which were audited by other auditors on which unmodified opinion was expressed dated May 7, 2017 and May 13, 2016 respectively. The adjustments to those financial statements for the difference in accounting principles adopted by the Company on transition have been audited by us.

Report on Other Legal and Regulatory Requirements

7. 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 the paragraph 3 and 4 of the Order.
8. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement of change in Equity dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
 - e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) 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



g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations as at 31st March, 2018 which may impact financial statement of the company for the year.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts, which are required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8th November 2016 to 30th December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Singhi & Co .

Chartered Accountants

Firm Registration Number : 302049E


Nikhil Singhi

Partner

Membership No: 061567

Date: 18th May 2018

Place: Mumbai



Annexure – A to the Independent Auditor's Report

(Referred to in paragraph 7 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We report that:

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, fixed assets of the Company have been physically verified during the year by the management as informed, no material discrepancies have been noticed on such physical verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property in possession and accordingly the provision of this sub clause is not applicable to the Company.
- ii. As explained to us, physical verification of inventories has been conducted by the management at reasonable intervals during the year. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- iii. As informed to us, the Company has not granted any loan secured or unsecured to Companies, firm or other parties covered in the register maintained under Section 189 of the Companies Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan, provided guarantees or security to the parties covered under section 185 of the Act. The Company has not granted loan, provided guarantee and made investment under section 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.
- v. According to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the rules framed thereunder.
- vi. To the best of our knowledge and according to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act for any of the products of the company.
- vii. According to the information and explanations given to us and the records of the Company examined by us:
 - a) The Company is generally regularly in depositing the dues in respect of undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service Tax, Goods and Service Tax, Custom Duty, cess and other statutory dues, as applicable, to the appropriate authorities.
 - b) According to the records and information and explanations given to us no undisputed amount payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues is outstanding as at 31st March 2018, for a period of more than six months from the date they became payable.
 - c) There are no dues of Income tax, sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute.



- viii. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company is a Private Limited Company. Hence, provisions of Section 197 read with Schedule V to the Act are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Singhi & Co .

Chartered Accountants

Firm Registration Number : 302049E


Nikhil Singhi

Partner

Membership No: 061567

Date: 18th May 2018

Place : Mumbai



Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 8 (f) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. We have audited the internal financial controls over financial reporting of Oban Fashions Private Limited ('the Company') as of 31st March 2018 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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

6. 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:
- I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - II. 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 management and directors of the Company; and
 - III. 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

7. 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.

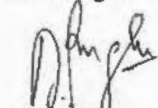
Opinion

8. 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 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co .

Chartered Accountants

Firm Registration Number : 302049E



Nikhil Singhi
Partner

Membership No: 061567

Date: 18th May 2018

Place: Mumbai



OBAN FASHIONS PRIVATE LIMITED

CIN: U18204MH2015PTC271385

Balance Sheet as at March 31, 2018

		(Amount in Rs)		
Particulars	Note No.	March 31, 2018	March 31, 2017	April 01, 2016
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	1,88,30,067	71,83,798	40,687
(b) Intangibles assets	5	8,13,90,456	9,09,59,018	51,829
(c) Intangible assets under development	5(a)	2,14,200	-	-
(d) Financial assets				
(i) Other Financial Assets	6	58,000	58,000	-
(e) Deferred tax assets/ (Liabilities) (Net)	15	4,67,40,168	(47,72,037)	(7,257)
(f) Other non- current assets	7	-	-	-
		14,72,32,891	9,34,28,779	85,259
Current assets				
(a) Inventories	8	16,98,32,849	4,70,41,169	-
(b) Financial assets				
(i) Trade receivable	9	21,69,16,418	3,26,56,794	-
(ii) Cash and cash equivalents	10	20,05,860	36,037	1,00,000
(iii) Other Financial Assets	6	27,69,286	-	-
(c) Other current assets	7	2,62,09,249	72,57,046	-
		41,77,33,662	8,69,91,046	1,00,000
TOTAL ASSETS		56,49,66,553	18,04,19,825	1,85,259
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	11	9,91,00,000	4,01,00,000	1,00,000
(b) Other equity	12	(14,18,67,970)	(5,25,25,240)	(18,09,456)
		(4,27,67,970)	(1,24,25,240)	(17,09,456)
Non-current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	18	5,06,44,125	48,00,000	-
(b) Provisions	14	36,30,159	3,78,986	-
		5,42,74,284	51,78,986	-
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	45,59,81,410	13,52,79,048	17,89,927
(ii) Trade payables	17	7,54,48,073	4,86,12,993	-
(iii) Other financial liabilities	18	1,18,985	6,29,793	1,04,788
(b) Provisions	14	1,62,89,411	672	-
(c) Income tax liabilities (net)	19	-	-	-
(d) Other current liabilities	16	56,22,360	31,43,572	-
		55,34,60,239	18,76,66,078	18,94,715
TOTAL EQUITY & LIABILITIES		56,49,66,553	18,04,19,825	1,85,259

Significant accounting policies

2

Other notes to Financial Statements

1-39

The notes referred to above form integral part of these financial statements

As per our Report annexed.

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

For and on behalf of the Board of Directors

Sd/-

Nikhil Singhi

Partner

Membership No.061567

Mumbai

Date: 18/05/2018

Sd/-

Ramesh Agarwal**Director**

Sd/-

Siddhant Agarwal**Director**

Sd/-

Neha Sarawagi
Company Secretary

OBAN FASHIONS PRIVATE LIMITED

CIN: U18204MH2015PTC271385

Statement of Profit and Loss for the year ended March 31, 2018**(Amounts in Rs)**

Particulars	Note No.	For the year ending March 31, 2018	For the year ending March 31, 2017
I Revenue from operations	20	29,18,30,562	7,50,86,969
II Other income	21	37,00,117	71,649
III Total Income (I+II)		29,55,30,679	7,51,58,618
IV Expenses			
Trading Purchase of Goods	22	31,90,48,599	8,37,44,350
Changes in inventories of traded finished goods	23	(12,27,91,680)	(4,70,41,169)
Employee benefits expense	24	7,17,38,841	2,92,30,736
Finance costs	25	2,05,71,203	89,17,323
Depreciation and amortisation expense	26	1,31,54,094	1,08,99,579
Other expenses	27	13,47,13,289	3,54,53,988
Total Expenses (IV)		43,64,34,346	12,12,04,805
V Profit before Exceptional items & tax (III-IV)		(14,09,03,666)	(4,60,46,187)
VI Add/Less: Exceptional Items		-	-
VII Profit/(Loss) Before Tax (V-VI)		(14,09,03,666)	(4,60,46,187)
VIII Tax expense			
a) Current tax		-	-
b) Deferred tax		(5,15,12,205)	47,64,780
IX Profit for the year (VII- VIII)		(8,93,91,461)	(5,08,10,967)
X Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
-Remeasurements of defined benefit plans		65,631	1,37,748
(ii) Income tax relating to items that will not be reclassified to profit or loss		(16,900)	(42,564)
XI Other Comprehensive Income for the year (i-ii)		48,731	95,184
XII Total Comprehensive Income for the year (IX+XI)		(8,93,42,730)	(5,07,15,784)
XIII Earnings per equity share			
Basic earnings per share (₹)		(11.13)	(21.67)
Diluted earnings per share (₹)		(11.13)	(21.67)

Significant accounting policies

2

Other notes to Financial Statements

1-39

The notes referred to above form integral part of these financial statements

As per our Report annexed.

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

For and on behalf of the Board of Directors

Sd/-

Nikhil Singhi

Partner

Membership No.061567

Mumbai

Date: 18/05/2018

Sd/-

Ramesh Agarwal
Director

Sd/-

Siddhant Agarwal
Director

Sd/-

Neha Sarawagi
Company Secretary

OBAN FASHIONS PRIVATE LIMITED

CIN: U18204MH2015PTC271385

Cash Flow Statement for the year ended 31st March, 2018

	March 31, 2018	March 31, 2017
<u>A. CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit Before Tax	(14,09,03,666)	(4,60,46,187)
Adjustment for:		
(a) Depreciation and Amortisation	1,31,54,094	1,08,99,579
(b) Finance Cost	2,05,71,203	89,17,323
(c) Employee benefit transfer to other comprehensive income	48,731	95,184
(d) Interest Income	(1,89,727)	3,35,84,301
	(65,997)	1,98,46,088
Operating Profit / (Loss) before Working Capital Changes	(10,73,19,365)	(2,62,00,100)
Changes in Working capital		
(a) Increase/(Decrease) in Trade Payables	2,68,35,080	4,86,12,993
(b) Increase/(Decrease) in Other Current Liabilities	4,78,12,105	84,68,577
(c) Increase/(Decrease) in Short Term Provisions	1,95,39,912	3,79,658
(d) (Increase) / Decrease in Short-term Loans & Advances	(27,69,286)	(58,000)
(e) (Increase)/ Decrease in Inventories	(12,27,91,680)	#####
(f) (Increase) / Decrease in Trade Receivables	(18,42,59,624)	#####
(g) (Increase) / Decrease in Other Current Assets	(1,89,52,203)	(72,57,046)
Cash Generated from Operations	(34,19,05,061)	(5,57,51,881)
Net Cash from Operating Activities	(34,19,05,061)	(5,57,51,881)
<u>B.CASH FLOW ARISING FROM INVESTING ACTIVITIES</u>	-	-
(a) Purchase of Property, Plant and Equipment, other Intangible Assets and Intangible assets under development	(1,54,46,002)	(10,89,49,878)
(b) Interest Received	1,89,727	65,997
Net Cash used in Investing Activities	(1,52,56,275)	(10,88,83,881)
<u>C. CASH FLOW ARISING FORM FINANCING ACTIVITIES</u>		
(a) Finance Cost	(2,05,71,203)	(89,17,323)
(b) Proceeds from Initial Share Capital	5,90,00,000	4,00,00,000
(c) Proceed of Short Term Borrowings	32,07,02,362	13,34,89,121
Net Cash from Financing Activities	35,91,31,160	16,45,71,798
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	19,69,824	(63,963)
Cash & Cash Equivalents at the beginning of the year	36,037	1,00,000
Cash & Cash Equivalents at the end of the year	20,05,860	36,037

Note:

1. Property, Plant & Equipment and other Intangible Assets inclusive of movement in Intangible assets under development.
2. Previous year's figures have been re-grouped / reassessed whenever necessary.
3. The accompanying notes are on integral part of the Financial Statement.

As per our Report annexed.

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

Sd/-

Nikhil Singhi

Partner

Membership No.061567

Mumbai

Date: 18/05/2018

For and on behalf of the Board of Directors

Sd/-

Ramesh Agarwal
Director

Sd/-

Siddhant Agarwal
Director

Sd/-

Neha Sarawagi
Company Secretary

OBAN FASHIONS PRIVATE LIMITED

CIN: U18204MH2015PTC271385

Statement of Change in Equity for the year ended 31st March, 2018**a) Equity Share Capital****(Amounts in Rs)**

Balance as at April 01, 2016	1,00,000
Add/(Less): Changes in Equity Share Capital during the year	4,00,00,000
Balance as at March 31, 2017	4,01,00,000
Add/(Less): Changes in Equity Share Capital during the year	5,90,00,000
Balance as at March 31, 2018	9,91,00,000

b) Other Equity**(Amount In Rs)**

Particulars	Reserves & Surplus	Item of other Comprehensive Income	
	Retained Earnings	Remesurements of Defined Benefit Plans	Total
Balance as at 1st April, 2016	(18,09,456)	-	(18,09,456)
Profit / (loss)for the Year	(5,08,10,967)	-	(5,08,10,967)
Remesaurements of Gain / (Loss)		1,37,748	1,37,748
Impact of Tax		(42,564)	(42,564)
Total Comprehensive Income	(5,26,20,423)	95,184	(5,25,25,240)
Balance as at 31st March, 2017	(5,26,20,423)	95,184	(5,25,25,240)

(Amount In Rs)

Particulars	Reserves & Surplus	Item of other Comprehensive Income	
	Retained Earnings	Remesurements of Defined Benefit Plans	Total
Balance as at 31st March, 2017	(5,26,20,423)	95,184	(5,25,25,240)
Profit / (loss)for the Year	(8,93,91,461)	-	(8,93,91,461)
Remesaurements of Gain / (Loss)		65,631	65,631
Impact of Tax		(16,900)	(16,900)
Total Comprehensive Income	(14,20,11,885)	1,43,915	(14,18,67,970)
Balance as at 31st March, 2018	(14,20,11,885)	1,43,915	(14,18,67,970)

The Notes are an integral part of the Financial Statements

As per our Report annexed.

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

For and on behalf of the Board of Directors

Sd/-

CA. Nikhil Singhi

Partner

Membership No.061567

Mumbai

Date: 18/05/2018

Sd/-

Ramesh Agarwal

Director

Sd/-

Siddhant Agarwal

Director

Sd/-

Neha Sarawagi
Company Secretary

OBAN FASHIONS PRIVATE LIMITED
CIN: U18204MH2015PTC271385
Notes to the Financial Statements as at and for the year ended March 31, 2018
4. Property, plant and equipment
(Amount In Rs)

Particulars	Furniture and Fixtures	Computer	Office Equipment	Total
Cost				
As at 1st April 2016 *	-	40,900	-	40,900
Additions	59,63,296	16,91,285	2,93,606	79,48,187
On Disposals/ Withdrawals	-	-	-	-
As at March 31, 2017	59,63,296	17,32,185	2,93,606	79,89,087
Additions	1,23,40,351	12,72,185	8,75,267	1,44,87,803
On Disposals/ Withdrawals	-	-	-	-
As at March 31, 2018	1,83,03,647	30,04,370	11,68,873	2,24,76,890
Depreciation				
As at 1st April 2016	-	213	-	213
Charge for the year	4,72,084	3,02,685	30,308	8,05,077
On Disposals/ Withdrawals	-	-	-	-
As at March 31, 2017	4,72,084	3,02,898	30,308	8,05,290
Charge for the year	20,01,586	7,32,433	1,07,514	28,41,533
On Disposals/ Withdrawals	-	-	-	-
As at March 31, 2018	24,73,670	10,35,332	1,37,821	36,46,823
Net Block				
At 1st April , 2016*	-	40,687	-	40,687
As at March 31, 2017	54,91,212	14,29,287	2,63,298	71,83,797
As at March 31, 2018	1,58,29,977	19,69,038	10,31,052	1,88,30,067

* Represents deemed cost on the date of transition to IndAS.

5 Intangible Assets:

Particulars	Business Rights	Computer Software	Total
Cost			
As at 1st April , 2016*		52,000	52,000
Additions	10,00,00,000	10,01,691	10,10,01,691
As at March 31, 2017	10,00,00,000	10,53,691	10,10,53,691
Additions		7,43,999	7,43,999
As at March 31, 2018	10,00,00,000	17,97,690	10,17,97,690
Amortisation			
As at 1st April , 2016*	-	171	171
Charge for the year	1,00,00,000	94,502	1,00,94,502
As at March 31, 2017	1,00,00,000	94,673	1,00,94,673
Charge for the year	1,00,00,000	3,12,561	1,03,12,561
As at March 31, 2018	2,00,00,000	4,07,234	2,04,07,234
Net Block			
As at 1st April , 2016*	-	51,829	52,000
As at March 31, 2017	9,00,00,000	9,59,018	9,09,59,018
As at March 31, 2018	8,00,00,000	13,90,456	8,13,90,456

*Represents deemed cost on the date of transition to IndAS.

5(a) Intangible Assets Under Development
(Amount In Rs)

At 1st April , 2016*	-
As at March 31, 2017	-
As at March 31, 2018	2,14,200

*Represents deemed cost on the date of transition to IndAS.

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Notes to the Financial Statements as at and for the year ended March 31, 2018
(Amount In Rs)
6. Other Financial Assets
(Unsecured, considered good unless otherwise stated)

	Non- Current			Current		
	March 31 2018	March 31 2017	April 01 2016	March 31 2018	March 31 2017	April 01 2016
Security deposits	58,000	58,000	-	9,50,000	-	-
Advance to Employees	-	-	-	18,19,286	-	-
	58,000	58,000	-	27,69,286	-	-

7. Other Assets
Advances Other than Capital Advances

	Non- Current			Current		
	March 31 2018	March 31 2017	April 01 2016	March 31 2018	March 31 2017	April 01 2016
Prepaid Expenses	-	-	-	55,58,127	66,42,080	-
Balances with Government Authorities	-	-	-	2,06,51,122	-	-
Other advances-Advance against expenses	-	-	-	-	6,14,966	-
	-	-	-	2,62,09,249	72,57,046	-

8. Inventories
(Valued at cost, unless otherwise stated)
Stock in Trade

	Current		
	March 31 2018	March 31 2017	April 01 2016
Finished Goods	16,98,32,849	4,70,41,169	-
	16,98,32,849	4,70,41,169	-

9. Trade receivable
Secured,considered good
Unsecured,considered good

	Current		
	March 31 2018	March 31 2017	April 01 2016
Secured,considered good	5,06,44,125	48,00,000	-
Unsecured,considered good	16,62,72,293	2,78,56,794	-
	21,69,16,418	3,26,56,794	-

10. Cash and cash equivalents
Cash in hand
Cheque in hand
Balances with banks :
Current accounts

	Current		
	March 31 2018	March 31 2017	April 01 2016
Cash in hand	10,323	36,037	-
Cheque in hand	-	-	1,00,000
Balances with banks :			
Current accounts	19,95,537	-	-
	20,05,860	36,037	1,00,000

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Notes to the Financial Statements as at and for the year ended March 31, 2018
11. Equity share capital

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised capital						
Equity shares of Rs 10 each	1,00,00,000	10,00,00,000	50,00,000	5,00,00,000	1,00,000	1,00,00,000
	1,00,00,000	10,00,00,000	50,00,000	5,00,00,000	1,00,000	1,00,00,000
Issued and subscribed capital & fully paid-up						
Equity shares of Rs. 10 each	99,10,000	9,91,00,000	40,10,000	4,01,00,000	10,000	1,00,000
	99,10,000	9,91,00,000	40,10,000	4,01,00,000	10,000	1,00,000

a) Reconciliation of the number of shares at the beginning and at the end of the year

	No. of shares	Amount
Outstanding at 1st April,2016	10,000	1,00,000
Equity share during the year	40,00,000	4,00,00,000
Outstanding at 1st April,2017	40,10,000	4,01,00,000
Equity share during the year	59,00,000	5,90,00,000
Outstanding at 31st March,2018	99,10,000	9,91,00,000

b) Terms/ Rights attached to Equity Shares :

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company . The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Share held by Holding or Ultimate Holding Company

Name	Nature of relationship	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
		Numbers	Amount	Numbers	Amount	Numbers	Amount
Rupa & Company Limited	Holding Company	99,10,000	9,91,00,000	40,10,000	4,01,00,000	10,000	1,00,000

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

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of <u>10/- each</u> , <u>fully paid up</u>						
Rupa & Company Limited	99,10,000	100%	40,10,000	100%	10,000	100%

e) The company has neither issued bonus shares nor has bought back any shares during last 5 years

f) No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

g) No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

h) No calls are unpaid by any Director or Officer of the Company during the year.

12. Other Equity

	Ref. Note	March 31 2018	March 31 2017	April 01 2016
Retained earnings	12.1	(14,20,11,885)	(5,26,20,423)	(18,09,456)
Other Comprehensive Income	12.2	1,43,915	95,184	-
		<u>(14,18,67,970)</u>	<u>(5,25,25,240)</u>	<u>(18,09,456)</u>

Changes in Other Equity	March 31 2018	March 31 2017
12.1 Retained earnings		
Opening balance	(5,26,20,423)	(18,09,456)
Add: Loss for the year	(8,93,91,461)	(5,08,10,967)
	<u>(14,20,11,885)</u>	<u>(5,26,20,423)</u>
12.2 Other Comprehensive Income		
Opening balance	95,184	-
Remeasurement of Defined benefit plans	65,631	1,37,748
Tax on above	(16,900)	(42,564)
	<u>1,43,915</u>	<u>95,184</u>

OBAN FASHIONS PRIVATE LIMITED

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Notes to the Financial Statements as at and for the year ended March 31, 2018

13. Borrowings
Loan Repayable on demand

From banks:

Cash Credit

Current		
March 31, 2018	March 31, 2017	April 01, 2016
4,90,42,916	19,81,473	-
4,90,42,916	19,81,473	-
40,69,38,494	13,32,97,575	17,89,927
45,59,81,410	13,52,79,048	17,89,927

Unsecured Loan -Holding Company
Terms & conditions :

a) Cash Credit are secured by hypothecation of other current assets of the Company and further Corporate Guarantee given by Rupa & Co. Limited.

b) Cash Credit are repayable on demand and carries interest @10% (31st March, 2018)

	Non Current			Current		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
14. Provisions						
Provision for gratuity	11,16,315	3,78,986	-	3,945	672	-
Provision for Leave Encashment	25,13,844	-	-	1,92,673	-	-
Other provisions	-	-	-	1,60,92,793	-	-
	36,30,159	3,78,986	-	1,62,89,411	672	-

15 Deferred Tax Assets / (Liabilities) (net)
Deferred Tax Liabilities

Arising on account of :

Depreciation

Non Current		
As at	As at	As at
March 31, 2018	March 31, 2017	April 01, 2016
(71,71,963)	(48,90,278)	(8,493)
-71,71,963	-48,90,278	-8,493

Less: Deferred Tax Assets

Arising on account of :

C/F Unabsorbed Depreciation

C/F Business Loss

Expenses related to Increase in Share Capital

Leave Encashment Provision

Provision for gratuity

Others -Preliminary Expenses

Non Current		
As at	As at	As at
March 31, 2018	March 31, 2017	April 01, 2016
1,25,43,758	-	-
4,02,52,359	-	-
97,850	-	-
6,96,928	-	-
3,20,567	1,17,314	1,236
669	927	-
5,39,12,131	1,18,241	1,236

Deferred Tax Liabilities/Assets (Net)

4,67,40,168	(47,72,037)	(7,257)
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Note:

Based on the future prospect, Company is confident of recovering the losses in coming years. Hence, the Company is calculating Deferred Tax on the unabsorbed losses.

16. Other Liabilities

Statutory dues payable

Payable to employees

Non Current			Current		
March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
-	-	-	39,34,125	31,43,572	-
-	-	-	16,88,235	-	-
-	-	-	56,22,360	31,43,572	-

17. Trade payables

Due to micro and small enterprises

Due to Creditors other than micro and small enterprises

Current		
March 31, 2018	March 31, 2017	April 01, 2016
36,12,017	-	-
7,18,36,056	4,86,12,993	-
7,54,48,073	4,86,12,993	-

18. Other Financial Liabilities

Security Deposits from customers

Capital Creditors

Non Current			Current		
March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
5,06,44,125	48,00,000	-	-	-	-
-	-	-	1,18,985	6,29,793	1,04,788
5,06,44,125.00	48,00,000.00	-	1,18,985	6,29,793	1,04,788

19. Income Tax Liabilities (Net)

Provisions for Taxation (Net of Payments)

Current		
March 31, 2018	March 31, 2017	April 01, 2016
-	-	-
-	-	-

OBAN FASHIONS PRIVATE LIMITED

CIN: U18204MH2015PTC271385

Notes to the Financial Statements as at and for the year ended March 31, 2018

	(Amount In Rs)	
	March 31, 2018	March 31, 2017
20. Revenue from operations		
Sale of products :		
Traded Finished Goods	29,18,30,562	7,50,86,969
	29,18,30,562	7,50,86,969
21. Other income		
Interest income :		
On Bank deposits	1,88,939	63,842
On receivable	788	2,155
	1,89,727	65,997
Other Non-operating income		
Export Incentive	36,000	5,652
Other Income	34,74,390	-
	35,10,390	5,652
	37,00,117	71,649
22. Trading Purchase of Goods		
Purchases goods	31,90,48,599	8,37,44,350
	31,90,48,599	8,37,44,350
23. Changes in Inventories of Traded Finished Goods		
Opening stock		
Finished Goods	4,70,41,169	-
	4,70,41,169	-
Closing stock		
Finished Goods	16,98,32,849	4,70,41,169
	16,98,32,849	4,70,41,169
	(12,27,91,680)	(4,70,41,169)
24. Employee benefit expense		
Salaries, Wages and Bonus	6,55,94,039	2,78,19,185
Contribution to Provident and Other Funds	21,33,727	7,73,156
Gratuity	7,89,333	4,74,842
Leave Encashment	27,06,517	-
Staff Welfare Expenses	5,15,225	1,63,553
	7,17,38,841	2,92,30,736

OBAN FASHIONS PRIVATE LIMITED**CIN: U18204MH2015PTC271385****Notes to the Financial Statements as at and for the year ended March 31, 2018**

Particulars	(Amount In Rs)	
	March 31, 2018	March 31, 2017
25. Finance costs		
Interest Expenses		
Loan from Holding Company	1,56,53,714	87,20,357
On Deposits and Others	49,17,489	1,59,388
Other		
Other Financial Charges	-	37,578
	2,05,71,203	89,17,323
26. Depreciation & Amortisation Expense		
Depreciation of Tangible assets	28,41,533	8,05,077
Amortisation of Intangible assets	1,03,12,561	1,00,94,502
	1,31,54,094	1,08,99,579
27. Other expenses		
Advertising	8,66,17,202	53,12,215
Business Promotion	2,57,861	9,69,058
Scheme & Discount	3,52,265	11,38,813
Commission	6,33,816	35,00,000
Communication costs	21,80,707	5,33,622
Computer & Software Maintenances	13,11,616	-
Electricity Expenses	21,770	-
Foreign Exchange Diff. Charges	35,776	-
Freight outwards and Forwarding expenses	47,47,001	37,06,764
Inspection Expenses	2,81,924	-
Insurance	2,05,957	85,021
Legal and Professional fees	20,02,171	69,95,514
Miscellaneous expenses	19,43,792	30,48,108
Packing Material	14,11,026	-
Payment to auditor (refer note below)	3,00,000	12,650
Printing & Stationery Expenses	12,55,644	-
Rates and taxes	2,12,067	9,23,715
Rent	95,84,658	4,13,306
Royalty on Sales	62,14,088	37,48,967
Sales Promotion	6,00,000	-
Sample Expenses	10,37,849	-
Travelling and Conveyance	1,35,06,099	50,66,234
	13,47,13,289	3,54,53,988
Remuneration to Auditors		
Audit Fees	2,40,000	8,625
Tax Audit Fees	60,000	4,025
In other Services	-	-
Out of Pocket Expenses	-	-
	3,00,000	12,650

28 Capital and other commitments

(Amount in Rs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Estimated amount of contracts remaining to be executed and not provided for (net of advances)	37,30,900	-	-

29 Contingent Liabilities & Contingent Assets

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Contingent Liabilities	Nil	Nil	Nil
Contingent Assets	Nil	Nil	Nil

30 Going Concern

Due to the initial launch operation, equity fund of the company is eroded but on the basis of future expectation and continuous support of Holding Co., the Company is treated as going concern. Hence, the annual accounts of the Company have been prepared on a 'going concern' basis.

31 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 included in Trade payables*

Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained and as per notification number GSR 679 (E) dated 4th September, 2015

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.			
a. Principal	36,12,017	-	-
b. Interest	-	-	-
ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the	-	-	-
iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small	-	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to	-	-	-

32 Employee Benefit (Defined Benefit Plan)

The Company has a defined benefit gratuity plan and has recognised gratuity of Rs. 8,06,233. (PY - 5,17,406) in this statement of Profit & Loss Account for the year ended 31st March 2018.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

	31-Mar-18	31-Mar-17	01-Apr-16
Change in defined benefit obligations			
Obligations at beginning of the year	3,79,658	1,60,390	-
Service cost	7,76,810	3,44,987	1,60,390
Interest Cost	29,423	12,029	-
Benefits settled	-	-	-
Actuarial (gain) /loss (through OCI)	(65,631)	(1,37,748)	-
Obligations at end of the year	11,20,260	3,79,658	1,60,390
Change in plan assets			
Plan assets at beginning of the year, at fair value	-	-	-
Interest income	-	-	-
Actuarial gain / (loss) (through OCI)	-	-	-
Contributions	-	-	-
Benefits settled	-	-	-
Plan assets at end of the year	-	-	-
Present value of defined benefit obligation at the end of the year	11,20,260	3,79,658	1,60,390
Fair value of plan assets at the end of the year	-	-	-
Net liability/(asset) recognised in the balance sheet	11,20,260	3,79,658	1,60,390
Expenses recognised in statement of profit and loss			
Service cost	7,76,810	3,44,987	1,60,390
Interest cost (net)	29,423	12,029	-
Net gratuity cost	8,06,233	3,57,016	1,60,390
Re-measurement gains / (losses) in OCI	65,631	-	-
Actuarial (gain) / loss due to financial assumption changes	3,18,140	28,839	-
Actuarial (gain) / loss due to experience adjustments	(3,83,771)	(1,66,587)	-
Return on plan assets (greater)/less than discount rate	-	-	-
Total expenses routed through OCI	(65,631)	(1,37,748)	-

The major categories of plan assets of the fair value of the total plan assets are as follows:

	31-Mar-18	31-Mar-17
Investments with insurer	0	0%

The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below:

	31-Mar-18	31-Mar-17	31-Mar-16
Discount Rate	7.75%	7.50%	8.00%
Future salary increases	6.00%	6.00%	6.00%
Mortality	IAM (2006-08) Table		
Normal Age of Retirement	56 Years	56 Years	56 Years
Estimated rate of return on Plan assets	0.00%	0.00%	0.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

	Sensitivity Level	Defined benefit obligations			
		31-Mar-18		31-Mar-17	
		Increase	Decrease	Increase	Decrease
Discount Rate	1% Increase/ Decrease	9,80,618	12,88,842	3,24,378	4,45,483
Further salary increase	1% Increase/ Decrease	12,96,220	9,72,675	4,45,825	3,23,177
Withdrawal Rate	1% Increase/ Decrease	11,00,769	11,36,651	3,83,834	3,76,241

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

The following payments are expected contributions to the defined benefit plan in future years:

	31-Mar-18	31-Mar-17
Within the next 12 months	-	-
Between 2 and 5 years	-	-
Between 6 and 10 years	-	-
Beyond 10 years	-	-
Contribution likely to be made for the next 10 year	-	-

33 Earning per share

	(Amount in Rs.)	
	2017-18	2016-17
Profit as per Statement of Profit & Loss attributable to Equity Shareholders (a)	(8,93,91,461)	(5,08,10,967)
Weighted average number of Equity Shares (in number) (b)	80,34,932	23,44,247
Basic & Diluted Earnings Per Share (a/b) (Nominal Value - ₹ 1 per share)	(11.13)	(21.67)

34 Leases

a) Operating lease commitments - Company as lessee

The Company has entered into operating leases on buildings for office, factory and other premises with lease term between 24 and 36 months and which are renewable on a periodic basis at the option of the Company or lessor. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss.

Future minimum rentals payable under non-cancellable operating leases are as follows:

As at 31st March, the future minimum lease rent payments to be made is presented in the table as under:

Particulars	As at March'18	As at March'17	As at 1st April'16
Payable within One Year	1,37,29,728	22,08,000	
Payable later than One Year but not later than 5 Years	47,77,542	16,56,000	
Payable later than 5 Years	-	-	

The Company has paid Rs. 80,04,186 during the year towards minimum lease payments.

35 Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term.

36 Disclosure on Financial Instrument

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

a) Financial Asset and Liabilities (Non Current and Current)

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

As at 31st March, 2018

Particulars	Fair value Through statement of Profit & Loss	Amortised Cost	Carrying Value
Financial Assets :			
(i) Trade receivable	-	21,69,16,418	21,69,16,418
(ii) Cash and cash equivalents	-	20,05,860	20,05,860
(iii) Loans	-	27,69,286	27,69,286
(iv) Deposits With maturity of more than 12 months	-	58,000	58,000
	-	22,17,49,564	22,17,49,564

Financial Liability			
(i) Borrowings		45,59,81,410	45,59,81,410
(ii) Trade payables		7,54,48,073	7,54,48,073
(iii) Capital Creditors		1,18,985	1,18,985
(iv) Payable to employees		44,61,739	44,61,739
(v) Others financial liabilities		5,06,44,125	5,06,44,125
	-	58,66,54,332	58,66,54,332

As at 31st March'17

	Fair value Through statement of Profit & Loss	Amortised Cost	Total Carrying Value
Financial Assets :			
(i) Trade receivable		3,26,56,794	3,26,56,794
(ii) Cash and cash equivalents		36,037	36,037
(iii) Loans		58,000	58,000
(iv) Deposits With maturity of more than 12 months		-	-
		3,27,50,831	3,27,50,831

Financial Liability			
(i) Borrowings		13,52,79,048	13,52,79,048
(ii) Trade payables		4,86,12,993	4,86,12,993
(iii) Capital Creditors		6,29,793	6,29,793
(iv) Payable to employees		31,85,072	31,85,072
(v) Others financial liabilities		48,00,000	48,00,000
		19,25,06,906	19,25,06,906

As at 1st April, 2016

Amount in Rs

Particulars	Fair value Through statement of Profit & Loss	Amortised Cost	Total Carrying Value
Financial Assets :			
(i) Trade receivable		-	-
(ii) Cash and cash equivalents		1,00,000	1,00,000
(iii) Loans		-	-
(iv) Deposits With maturity of more than 12 months		-	-
		1,00,000	1,00,000
Financial Liability			
(i) Borrowings		-	-
(ii) Trade payables		17,89,927	17,89,927
(iii) Capital Creditors		1,04,788	1,04,788
(iv) Payable to employees		-	-
(v) Others financial liabilities		-	-
	-	18,94,715	18,94,715

b) Financial Risk Management

The Group has a Risk Management Policy which covers risk associated with the financial assets and liabilities. The different types of risk impacting the fair value of financial instruments are as below:

a) Credit Risk

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels.

i) Trade receivables:

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally secured by obtaining security deposits/bank guarantee or other forms of credit insurance.

b) Liquidity risk

The Company determines its liquidity requirement in the short term and long term. The Company manage its liquidity risk in a manner so as to meet its financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis

(i) Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31st March 2018.

Particulars	On Demand	0 to 6 Months	More than	More than 1	Total
Non-derivative					-
Trade payables		7,54,48,073			7,54,48,073
Borrowings	45,59,81,410				45,59,81,410
Other financial liabilities					-
Finance Lease Liability					-
Interest Accrued but not due on borrowings					-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when					-
Security Deposits from customers				5,06,44,125	5,06,44,125
Capital Creditors		1,18,985			1,18,985
Dealers Incentive payable					-
Payable to employees		44,61,739			44,61,739
Others					-
Total	45,59,81,410	8,00,28,797	-	5,06,44,125	58,66,54,332

The following are the remaining contractual maturities of financial liabilities as at 31st March 2017.

Particulars	On Demand	0 to 6 Months	More than	More than 1	Total
Non-derivative					-
Trade payables		4,86,12,993			4,86,12,993
Borrowings	13,52,79,048				13,52,79,048
Other financial liabilities					-
Security Deposits from customers				48,00,000	48,00,000
Capital Creditors		6,29,793			6,29,793
Dealers Incentive payable					-
Payable to employees		31,85,072			31,85,072
Others					-
Total	13,52,79,048	5,24,27,858	-	48,00,000	19,25,06,906

The following are the remaining contractual maturities of financial liabilities as at 1st April 2016

Particulars	On Demand	0 to 6 Months	More than	More than 1	Total
Non-derivative					-
Trade payables		-			-
Borrowings	17,89,927				17,89,927
Other financial liabilities					-
Security Deposits from customers					-
Capital Creditors		1,04,788			1,04,788
Dealers Incentive payable					-
Payable to employees					-
Others					-
Total	17,89,927	1,04,788	-	-	18,94,715

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include borrowings, trade receivable and trade payable.

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary.

The Company is also exposed to interest rate risk on surplus funds parked in fixed deposits. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds.

a) Exposure to interest rate risk

Particulars	31st March 2018	31st March 2017	1st April 2016
Fixed Rate Instruments			
Financial Assets			
Financial Liabilities	40,69,38,494	13,32,97,575	17,89,927
Variable Rate Instruments			
Financial Assets		-	
Financial Liabilities	4,90,42,916	19,81,473	-

Interest rate Sensitivity

A Change in 50 bps in interest rate would have following impact on PBT and Other Equity.

Particulars	31st March 2018			31st March 2017		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit before Tax	Other Equity		Profit before	Other Equity
Interest Rate Increase by	0.50%	2,45,215	2,45,215	0.50%	9,907	9,907
Interest Rate Decrease by	0.50%	2,45,215	2,45,215	0.50%	9,907	9,907

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

37 Related Party Disclosures:

i) List of related parties and relatives with whom transaction taken place: (As per IND AS 29)

	Name of Related Parties	Nature of Relationship
Key Management Personnel:	Mr. Ramesh Agarwal	Director
	Mr. Mukesh Agarwal	Director
	Mr. Vikash Agarwal	Director
	Mr. Siddhant Agarwal	Director

Holding Company : Rupa & Company Limited

Related party transactions

Particulars	Related party	Holding Company	
		2017-18	2016-17
Loan Taken	Rupa & Company Limited	25,95,52,577	12,36,59,326
Commission Paid	Rupa & Company Limited	82,500	-
Interest Expense	Rupa & Company Limited	1,56,53,714	87,20,356

Balance Outstanding at the year end

Particulars	Related party	Holding Company	
		2017-18	2016-17
Loan Payable	Rupa & Company Limited	40,69,38,494	13,32,97,575
Commission Payable	Rupa & Company Limited	93,225	-

38 Business Combination:

The Company has acquired Business undertaking from BMI Wholesale Trading Pvt. Ltd. The following disclosure as per Ind AS 103 "Business Combination" :

Pursuant to the Purchase Agreement ("Agreement") between Oban Fashion Private Limited and BMI Wholesale Trading Pvt. Ltd., the Company has acquired Business Undertaking as going concern for consideration of Rs. 10,73,87,945/- as on 1st April, 2016 which may be further adjusted based on terms & conditions of the agreement. The Company does not envisage any material impact on account of above and there will not be any impact on the financial statement. The acquisition provides the Company the right to use of the license of French Connection (FCUK) in India for distribution of FCUK Branded apparel, including underwear/innerwear, Socks etc.

Details of purchase consideration, the net assets acquired are as follows :

Purchase consideration	
Cash & Cash equivalent	10,73,87,945
Total Purchase consideration	<u>10,73,87,945</u>

The assets and Liabilities recognised as a result of acquisition are as follows on the acquisition date :

Particulars Amount	
Other Intangible assets	10,00,00,000
Inventories	<u>73,87,945</u>
	<u>10,73,87,945</u>

Significant Estimate: Contingent Consideration

As per agreement, in the event of fulfilment of certain predetermined conditions by the Company beyond an agreed amount, contingent consideration is not payable to the BMI Wholesale private Limited during the year.

Acquired Assets

As on date of acquisition, Gross contractual amount of acquired Business right and Inventories was Rs. 10,73,87,945/-. Fair value of the acquired assets was Rs. 10,73,87,945/-.

39 First time adoption- Transition to Ind AS

Basis for Preparation

For all period up to and including the year ended 31st March, 2017, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the Company's first annual IND AS financial statements and have been prepared in accordance with Ind AS.

The accounting policies set out in Note No.3 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the date of transition). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Exceptions and Exemptions Applied

IND AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain mandatory exceptions and optional exemptions from the retrospective application of certain IND AS, effective for 1st April, 2016 opening balance sheet. In preparing these Standalone financial statements, the Company has applied the below mentioned mandatory exceptions and optional exemptions.

A Mandatory exceptions to retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards".

i Estimates

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below:

- Fair Valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortized cost.

ii De-recognition of financial assets and liabilities

As per para B2 of Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, "Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS. However, para B3 gives an option to the entity to apply the derecognition requirements from a date of its choice if the information required to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the initially accounting for those transactions. The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

iii Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of facts and circumstances that existed on the date of transition to Ind AS.

B Optional exemptions from retrospective application

Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Company has accordingly on transition to Ind AS availed the following key exemptions:

i Property Plant and Equipment, Intangible Assets

As permitted by para D5-D8B of Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

ii Determining whether an arrangement contains a Lease

Para D9-D9AA of Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 "Leases" for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has applied the above transitional provision and has assessed all the arrangements at the date of transition.

C Transition to IND AS - Reconciliations

The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards".

- (I) Reconciliation of material items of Balance sheet as at 1st April, 2016 (Transition Date) and as at 31st March, 2017
- (II) Reconciliation of Statement of Profit & Loss for the year ended 31st March, 2017
- (III) Reconciliation of total equity as at April 1, 2016 and March 31, 2017
- (IV) Reconciliation of total comprehensive income for the year ended March 31, 2017.
- (V) Reconciliation of statement of cash flows for the year ended March 31, 2017.

As per our Report annexed.

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

Sd/-
Nikhil Singhi
Partner
Membership No.061567
Mumbai
Date: 18/05/2018

For and on behalf of the Board of Directors

Sd/-
Ramesh Agarwal
Director

Sd/-
Siddhant Agarwal
Director

Sd/-
Neha Sarawagi (Company Secretary)

S/1 No. Transition to Ind AS - Reconciliations
I Effect Of Ind AS adoption on the Balance Sheet as at 31st March 2017 and 1st April 2016

Amount In Rs

Particulars	Notes	Balance sheet as at 31 March 2017			Opening balance sheet as at 01-Apr-2016		
		Previous GAAP	Effect of Transition to Ind	Ind AS	Previous GAAP	Effect of Transition to Ind	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		71,83,797	-0	71,83,798	40,687	-0	40,687
Capital Work In Progress		-	-	-	-	-	-
Other Intangible Asset		9,09,59,018	-	9,09,59,018	51,829	-	51,829
Intangible Asset under development		-	-	-	-	-	-
Investments in Subsidiaries		-	-	-	-	-	-
Financial assets		-	-	-	-	-	-
(i) Investments		-	-	-	-	-	-
(ii) Loans		58,000	-	58,000	-	-	-
(iii) Other Financial Assets		-	-	-	-	-	-
Deferred Tax Assets		(47,72,037)	-	(47,72,037)	-	-	-
Other non current assets		-	-	-	-	-	-
		9,34,28,779	-0	9,34,28,779	92,516	-0	92,516
Current Assets							
Inventories		4,70,41,169	0	4,70,41,169	-	-	-
Financial Asset		-	-	-	-	-	-
(i) Trade receivable		3,26,56,794	-	3,26,56,794	-	-	-
(ii) Cash and cash equivalents		36,037	-	36,037	1,00,000	-	1,00,000
(iii) Other bank balances (other than above)		-	-	-	-	-	-
(iv) Loans		-	-	-	-	-	-
(v) Other Financial Assets		-	-	-	-	-	-
Other Current Asset		72,57,046	-0	72,57,046	-	-	-
Total Assets		18,04,19,825	-0	18,04,19,825	1,92,516	-0	1,92,516
EQUITY AND LIABILITIES							
Equity							
Equity share capital		4,01,00,000	-	4,01,00,000	1,00,000	-	1,00,000
Other equity		(5,25,25,240)	0	(5,25,25,240)	(18,09,456)	-0	(18,09,456)
Total equity		(1,24,25,240)	0	(1,24,25,240)	(17,09,456)	-0	(17,09,456)
Non-current liabilities							
Financial Liabilities							
(i) Borrowings		-	-	-	-	-	-
(ii) Other Financial Liabilities		48,00,000	-	48,00,000	-	-	-
Provisions		3,78,986	-	3,78,986	-	-	-
Deferred tax liabilities (Net)		-	-	-	7,257	-	7,257
Other non-current liabilities		-	-	-	-	-	-
		51,78,986	-	51,78,986	7,257	-	7,257
Current Liabilities							
Financial Liabilities							
(i) Borrowings		13,52,79,048	-0	13,52,79,048	17,89,927	-	17,89,927
(ii) Trade payables		4,86,12,992	-	4,86,12,993	-	-	-
(iii) Other financial liabilities		6,29,793	-0	6,29,793	1,04,788	-	1,04,788
Provisions		672	-	672	-	-	-
Current tax liabilities (net)		-	-	-	-	-	-
Other current liabilities		31,43,572	0	31,43,572	-	-	-
Total liabilities		18,76,66,077	-0	18,76,66,078	18,94,715	-	18,94,715
Total equity and liabilities		18,04,19,825	0	18,04,19,825	1,92,516	-0	1,92,516
		-	0	-0	-	-0	-0

II Effect Of Ind AS adoption on the Statement of Profit & Loss for the year ended 31st March 2017.

Amount In Rs

Particulars	Notes	Year ended 31 March 2017		
		Previous GAAP	Effect of transition to Ind AS	IND AS
Income				
Revenue from operations		7,50,86,969	-	7,50,86,969
Other income		71,649	-	71,649
TOTAL		7,51,58,618	-	7,51,58,618
Expenses				
Trading Purchase of Goods		8,37,44,350	-	8,37,44,350
(Increase)/decrease in inventories		(4,70,41,169)	0	(4,70,41,169)
Employee benefits expense		2,91,35,552	(95,184)	2,92,30,736
Depreciation and amortisation expense		1,08,99,579	-	1,08,99,579
Finance costs		89,17,323	0	89,17,323
Other expenses		3,54,53,988	(0)	3,54,53,988
TOTAL		12,11,09,622	(95,184)	12,12,04,805
Profit before tax		(4,59,51,004)	95,184	(4,60,46,187)
Tax expense				
Current tax			-	
Deferred tax		47,64,780	-	47,64,780
Income tax expense		47,64,780	-	47,64,780
Profit for the year		(5,07,15,784)	95,184	(5,08,10,967)
Other Comprehensive Income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		-	-	-
Re-measurement gains/ (losses) on defined benefit plans		-	1,37,748	1,37,748
Income tax effect		-	(42,564)	(42,564)
Other comprehensive income for the year, net of tax		-	(95,184)	95,184
Total comprehensive income for the year, net of tax		(5,07,15,784)	(0)	(5,07,15,784)

III Reconciliation of Total Equity

Particular	Refer Note No.	As at 31st March,2017	As at 1st April,2016
Equity under Previous Indian GAAP		4,01,00,000	1,00,000
Retained Earning Total		(5,25,26,594)	(18,09,456)
Less Adjustment from Balance Sheet		-	-
Less: Tax Adjustments on above			
Total Equity as per Ind AS		(1,24,25,240)	(17,09,456)

IV Reconciliation of Total Comprehensive Income

Particulars	Note	As at 31st March,2017
Net Profit as per Previous GAAP		(5,07,17,138)
Reclassification of actuarial gains/losses, arising in respect of employee benefit schemes to Other Comprehensive Income (OCI) (net of tax)		(95,184)
Others		-
Tax adjustments on above		-
Net Profit for the period as reported under Ind AS		(5,08,12,322)
Other Comprehensive Income (net of tax)		95,184
Total Comprehensive Income as reported under Ind AS		(5,07,17,138)

V Effect of Ind AS adoption on the statement of cashflows for the year ended March 31, 2017

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flow from operating activities	(5,58,47,065)	95,184	(5,57,51,881)
Net cash flow from / (used in) investing activities	(10,88,83,881)	-	(10,88,83,881)
Net cash flow used in financing activities	16,45,71,798	-	16,45,71,798
Net (decrease) / increase in cash and cash equivalents.	(1,59,147)	95,184	(63,963)
Cash and cash equivalents as at beginning of the Year	1,00,000	-	1,00,000
Cash and cash equivalents as at end of the Year	(59,147)	95,184	36,037

Footnotes:

1 Employee benefits

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

The figures of the previous year as at and for the year ended 31 March 2017 and as at 1 April 2016 have been regrouped/reclassified, wherever necessary.