

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of **EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March, 2018, 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 IND AS 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 Ind AS 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 Indian Accounting Standards (Ind AS) 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 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

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, 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of 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 and fair presentation 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.

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

In our opinion and to the best of our information and according to the explanations 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:

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- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2018; and
- b) in the case of the Statement of Profit and Loss, of the Profit 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 REQUIREMENTS

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 Ind AS financial statements comply with the Indian 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, 2018, and 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;
 - 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 Ind AS 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.

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

Sd/-

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

Place: Kolkata
Dated: The 17th day of May, 2018

‘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, 2018** of **M/S. EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED, WE REPORT THAT -**

- (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 2018 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 value added tax or Goods and Service 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	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

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- (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

Sd/-

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

Place: Kolkata
Dated: The 17th day of May, 2018

‘ANNEXURE – B’ TO THE INDEPENDENT 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 2018 in conjunction with our audit of the standalone Ind AS 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.

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

Sd/-

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

Place: Kolkata
Dated: The 17th day of May, 2018

EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED

CIN: U17120MH2005PTC152837

Balance Sheet as at 31st March 2018

(Amount in Rs)

Particulars	Note No.	31st March 2018	31st March 2017	1st April 2016
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	2,89,82,598	2,95,75,596	3,02,17,016
(b) Intangibles assets	5	-	-	49,955
(c) Financial assets				
(i) Investments	6	-	-	3,000
		2,89,82,598	2,95,75,596	3,02,69,971
Current assets				
(a) Financial assets				
(i) Trade Receivable	7	-	96,129	10,00,852
(ii) Cash and cash equivalents	8	1,25,30,890	1,14,88,922	89,065
(b) Other Financial assets	9	61,067	-	-
(c) Other assets	10	47,26,166	54,43,325	1,50,86,232
(d) Income Tax Asset (Net)	11	7,83,220	6,69,220	5,94,266
		1,81,01,344	1,76,97,596	1,67,70,415
TOTAL ASSETS		4,70,83,942	4,72,73,192	4,70,40,386
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	12	4,10,00,000	4,10,00,000	4,10,00,000
(b) Other equity	13	18,31,436	(2,16,795)	3,44,971
		4,28,31,436	4,07,83,205	4,13,44,971
Non-current liabilities				
(c) Deferred tax liabilities	14	34,98,505	39,99,664	37,86,395
		34,98,505	39,99,664	37,86,395
Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	15	1,74,207	12,79,752	12,17,982
(b) Other current liabilities	16	3,62,735	12,10,571	6,91,037
(c) Current Tax Liabilities (Net)	17	2,17,059	-	-
		7,54,001	24,90,323	19,09,019
TOTAL EQUITY & LIABILITIES		4,70,83,942	4,72,73,192	4,70,40,386

Basis of Accounting 2

Significant accounting policies 3

Significant Judgements and key estimates 3.2

The notes are the integral part of these financial statements

As per our report of even date

For K.AGRAWAL & CO.

Chartered Accountants

Firm Registration No. 306104E

For and on behalf of the Board of Directors

Sd/-

(CA. K.C.AGRAWAL)

Partner

Membership No.010277

Place: Kolkata

Date: 17-05-2018

Sd/-

RAMESH AGARWAL

Director

DIN: 00230702

Sd/-

RAJNISH AGARWAL

Director

DIN: 00250271

EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED

CIN: U17120MH2005PTC152837

Statement of Profit and Loss for the year ended 31st March 2018

Particulars	Note No.	(Amounts in Rs)	
		For The Year Ending 31st March 2018	For The Year Ending 31st March 2017
I Revenue from Operation	18	8,29,210	7,49,543
II Other income	19	18,24,740	-
III Total Income (I+II)		26,53,950	7,49,543
IV Expenses			
Finance costs	20	56,280	55,505
Depreciation and amortisation expense	21	5,92,998	6,91,375
Other expenses	22	93,409	3,51,160
Total Expenses (IV)		7,42,687	10,98,040
V Profit before Exceptional items & Tax (III-IV)		19,11,263	(3,48,497)
VI Exceptional Items			
VII Profit/(Loss) Before Tax (V-VI)		19,11,263	(3,48,497)
VIII Tax expense			
a) Current tax		3,64,191	-
b) Deferred tax		(5,01,159)	2,13,269
IX Profit for the year (VII- VIII)		20,48,230	(5,61,766)
X Other Comprehensive Income		-	-
XI Total Comprehensive Income for the year (IX+X)		20,48,230	(5,61,766)
XII Earnings per equity share			
Basic earnings per share (₹)	25	0.50	(0.14)
Diluted earnings per share (₹)	25	0.50	(0.14)
Basis of Accounting	2		
Significant accounting policies	3		
Significant Judgements and key estimates	3.2		
The notes are the integral part of these financial statements			

As per our report of even date

For K.AGRAWAL & CO.

Chartered Accountants

Firm Registration No. 306104E

For and on behalf of the Board of Directors

Sd/-

(CA. K.C.AGRAWAL)

Partner

Membership No.010277

Place: Kolkata

Date: 17-05-2018

Sd/-

RAMESH AGARWAL

Director

DIN: 00230702

Sd/-

RAJNISH AGARWAL

Director

DIN: 00250271

EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED

CIN: U17120MH2005PTC152837

CASH FLOW STATEMENT for the year ended March 31, 2018

Particulars	March 31, 2018	March 31, 2017
CASH FLOW ARISING FROM OPERATING ACTIVITIES		
Net Profit Before Taxation & Extra Ordinary Items	19,11,263	(3,48,497)
Add: Depreciation	5,92,998	6,91,375
Add Interest Expense	56,280	55,505
Less: Balances Written off	(11,82,641)	-
	13,77,900	3,98,383
<u>Adjustments For Working Capital Changes</u>		
(Increase)/ Decrease in Trade Receivables	-	9,04,723
(Increase)/ Decrease in Other Financial Assets	(61,067)	-
(Increase)/Decrease in Other Current Assets	5,45,999	27,907
Increase/(Decrease) in Trade Payables	(69,670)	61,770
Increase/(Decrease) in Other Current Liabilities	(5,47,782)	5,19,533
	12,45,380	19,12,316
Less: Direct Tax Paid	(1,47,132)	(74,954)
Net Cash Inflow/(Outflow) from Operating Activities	10,98,248	18,37,362
CASH FLOW ARISING FROM INVESTMENT ACTIVITIES		
Sale of Non - Current Investments	-	3,000
Decrease in Capital Advances	-	96,15,000
Net Cash Inflow / (Outflow) from Investment Activities	-	96,18,000
CASH FLOW ARISING FROM FINANCING ACTIVITIES		
Interest Expense	(56,280)	(55,505)
Net Cash Inflow /(Outflow) From Financing Activities	(56,280)	(55,505)
Net Increase / (Decrease) in Cash and Cash Equivalent	10,41,968	1,13,99,857
Cash & Cash Equivalents at the beginning of the year	1,14,88,922	89,065
Cash & Cash Equivalents at the end of the year	1,25,30,890	1,14,88,922

1. Previous Year figures have been regrouped/reclassified to confirm to current year's classification.

For K.AGARWAL & CO.

Chartered Accountants

Firm Registration No. 306104E

Sd/-

(CA. K.C.AGARWAL)

Partner

Membership No.10277

Place: Kolkata

Dated:

Sd/-

RAMESH AGARWAL

Director

DIN: 00230702

Sd/-

RAJNISH AGARWAL

Director

DIN: 00250271

EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED
CIN: U17120MH2005PTC152837
Standalone Statement of Change in Equity for the year ended 31st March, 2018

a) Equity Share Capital

Amounts in Rs

Balance as at 1st April 2016	4,10,00,000
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2017	4,10,00,000
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2018	4,10,00,000

b) Other Equity

(Amount In Rs)

	Retained Earnings	Total
Balance as at 1st April, 2016	3,44,971	3,44,971
Profit / (Loss) for the Year	(5,61,766)	(5,61,766)
Total Comprehensive Income	(5,61,766)	(5,61,766)
Balance as at 31st March, 2017	(2,16,795)	(2,16,795)

(Amount In Rs)

Reserves & Surplus	Retained Earnings	Total
Balance as at 31st March, 2017	(2,16,795)	(2,16,795)
Profit / (Loss) for the Year	20,48,230	20,48,230
Total Comprehensive Income	20,48,230	20,48,230
Balance as at 31st March, 2018	18,31,435	18,31,435

The Notes are an integral part of the Standalone Financial Statements

As per our report of even date
For K.AGRAWAL & CO.
Chartered Accountants
Firm Registration No. 306104E

For and on behalf of the Board of Directors

Sd/-
(CA. K.C.AGRAWAL)
Partner
Membership No.010277
Place: Kolkata
Date: 17-05-2018

Sd/-
RAMESH AGARWAL
Director
DIN: 00230702

Sd/-
RAJNISH AGARWAL
Director
DIN: 00250271

EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED

CIN: U17120MH2005PTC152837

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

4. Property, plant and equipment

(Amount In Rs `)

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Total
Cost						
As at 1st April 2016 *	46,88,520	2,40,65,975	13,30,550	49,187	82,784	3,02,17,016
Additions	-	-	-	-	-	-
On Disposals/ Withdrawals			-	-	-	-
As at March 31, 2017	46,88,520	2,40,65,975	13,30,550	49,187	82,784	3,02,17,016
Additions						-
On Disposals/ Withdrawals						-
As at March 31, 2018	46,88,520	2,40,65,975	13,30,550	49,187	82,784	3,02,17,016
Depreciation						
As at 1st April 2016	-	-	-	-	-	-
Charge for the year	-	4,28,304	1,54,056	10,638	48,422	6,41,420
On Disposals/ Withdrawals /adjustm	-	-	-	-	-	-
As at March 31, 2017	-	4,28,304	1,54,056	10,638	48,422	6,41,420
Charge for the year	-	4,28,304	1,54,056	10,638	-	5,92,998
On Disposals/ Withdrawals	-	-	-	-	-	-
As at March 31, 2018	-	8,56,608	3,08,112	21,276	48,422	12,34,418
Net Block						
At 1st April , 2016*	46,88,520	2,40,65,975	13,30,550	49,187	82,784	3,02,17,016
As at March 31, 2017	46,88,520	2,36,37,671	11,76,494	38,549	34,362	2,95,75,596
As at March 31, 2018	46,88,520	2,32,09,367	10,22,438	27,911	34,362	2,89,82,598

Note:

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

EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED

CIN: U17120MH2005PTC152837

Notes to the Financial Statements for the year ended 31st March 2018

Note : 5 Intangible Assets:

Particulars	Copyrights and Trademarks	Total
Cost		
As at 1st April , 2016*	49,955	49,955
Additions		-
As at March 31, 2017	49,955	49,955
Additions	-	-
As at March 31, 2018	49,955	49,955
Amortisation		
As at 1st April , 2016*	-	-
Charge for the year	49,955	49,955
As at March 31, 2017	49,955	49,955
Charge for the year		
As at March 31, 2018	49,955	49,955
Net Block		
As at 1st April , 2016*	49,955	49,955
As at March 31, 2017	-	-
As at March 31, 2018	-	-

EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED

CIN: U17120MH2005PTC152837

Notes to the Financial Statements for the year ended 31st March 2018

6. Investments	Number of shares			Amount in Rs		
	31st March 2018	31st March 2017	1st April 2016	31st March 2018	31st March 2017	1st April 2016
In Equity Instruments (at cost unless otherwise stated) (Unquoted)						
West Bengal Hosiery Park Infrastructure Limited (Equity Shares of Rs 10 each)	-	-	300	-	-	3,000
Total Investments				-	-	3,000
Aggregate Carrying value of Unquoted Investments				-	-	3,000

7. Trade Receivable	Non Current			Current		
	31st March 2018	31st March 2017	1st April 2016	31st March 2018	31st March 2017	1st April 2016
Unsecured, considered good	-	-	-	-	96,129	10,00,852
	-	-	-	-	96,129	10,00,852

a) Trade receivables are measured at amortised cost

b) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.

8. Cash and cash equivalents	31st March 2018	31st March 2017	1st April 2016
Cash in hand	17,769	17,769	17,769
Balances with banks			
Current accounts	6,06,139	1,14,71,153	71,296
Deposits with original maturity for less than 3 months	1,19,06,982	-	-
	1,25,30,890	1,14,88,922	89,065

9. Other Financial Asset	Non Current			Current		
	31st March 2018	31st March 2017	1st April 2016	31st March 2018	31st March 2017	1st April 2016
Interest Accrued on deposits	-	-	-	61,067	-	-
	-	-	-	61,067	-	-

10. Other Assets	Non Current			Current		
	31st March 2018	31st March 2017	1st April 2016	31st March 2018	31st March 2017	1st April 2016
Capital advances	-	-	-	-	-	96,15,000
Advances Other than Capital Advances						
Advance against supply of goods & services	-	-	-	18,97,243	26,14,402	26,42,309
Balance with Govt Authorities	-	-	-	28,28,923	28,28,923	28,28,923
	-	-	-	47,26,166	54,43,325	1,50,86,232

11. Income Tax Assesst (Net)	Current		
	31st March 2018	31st March 2017	1st April 2016
Advance income tax (net of provision)	7,83,220	6,69,220	5,94,266
	7,83,220	6,69,220	5,94,266

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Notes to the Financial Statements for the year ended 31st March 2018

12. Equity share capital

	As at 31 st March 2018		As at 31 st March 2017		As at 1st April 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised share capital						
Equity shares of Rs 10 each	50,00,000	5,00,00,000	50,00,000	5,00,00,000	50,00,000	5,00,00,000
	50,00,000	5,00,00,000	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued share capital						
Equity shares of Rs 10 each	41,00,000	4,10,00,000	41,00,000	4,10,00,000	41,00,000	4,10,00,000
	41,00,000	4,10,00,000	41,00,000	4,10,00,000	41,00,000	4,10,00,000
Subscribed & Paid-up share capital						
Equity shares of Rs. 1 each	41,00,000	4,10,00,000	41,00,000	4,10,00,000	41,00,000	4,10,00,000
	41,00,000	4,10,00,000	41,00,000	4,10,00,000	41,00,000	4,10,00,000

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

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

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 31st March,2018		As at 31st March,2017		As at 31st March,2016	
		No.	Amount	No.	Amount	No.	Amount
Rupa & Company Limited	Holding Company	41,00,000	4,10,00,000	41,00,000	4,10,00,000	41,00,000	4,10,00,000

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

	As at 31 st March 2018		As at 31 st March 2017		As at 1st April 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of Rs 10/- each, fully paid up						
Rupa & Company Limited	41,00,000	100.00%	41,00,000	100.00%	41,00,000	100.00%

As per records of the Company, including its register of shareholders / members as on 31st March, 2018, the above shareholding represents legal ownership of

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.

Particulars	Ref. Note	31st March 2018	31st March 2017	1st April 2016
13. Other equity				
Retained earnings	13.1	18,31,436	(2,16,795)	3,44,971
		18,31,436	(2,16,795)	3,44,971

Particulars	31st March 2018	31st March 2017
13.1 Retained earnings		
Opening balance		(2,16,795)
Add: Profit/ (Loss) for the period	20,48,230	(5,61,766)
	18,31,436	(2,16,795)

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Notes to the Financial Statements for the year ended 31st March 2018

(Amount In Rs)

14. DEFERRED TAX LIABILITIES	Non Current		
	As at	As at	As at
	31st March 2018	31st March 2017	1st April 2016
Deferred Tax Liabilities			
Arising on account of :			
Depreciation	34,98,505	39,99,664	37,86,395
	34,98,505	39,99,664	37,86,395
Deferred Tax Liabilities	34,98,505	39,99,664	37,86,395

14.1 Movement in deferred tax assets and liabilities during the year ended 31st March, 2017 and 31st March, 2018

Particulars	As at 1st April, 2016	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2017
Deferred Income Tax Liabilities				
Depreciation*	37,86,395	2,13,269	-	39,99,664
	37,86,395	2,13,269	-	39,99,664

Particulars	As at 1st April, 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2018
Deferred Income Tax Liabilities				
Depreciation	39,99,664	(5,01,159)	-	34,98,505
	39,99,664	(5,01,159)	-	34,98,505

(Amount In Rs)

Particulars	Current		
	31st March 2018	31st March 2017	1st April 2016
15. Trade payables			
Due to Creditors other than micro, small and medium-	1,74,207	12,79,752	12,17,982
	1,74,207	12,79,752	12,17,982

Particulars	Non Current			Current		
	31st March 2018	31st March 2017	1st April 2016	31st March 2018	31st March 2017	1st April 2016
16. Other Liabilities						
Statutory dues payable	-	-	-	6,000	9,405	18,258
Others	-	-	-	3,56,735	12,01,166	6,72,779
	-	-	-	3,62,735	12,10,571	6,91,037

17. Current Tax Liabilities (Net)

Provisions for Taxation (Net of Payments)	Current		
	31st March 2018	31st March 2017	1st April 2016
	2,17,059	-	-
	2,17,059	-	-

Particulars	31st March 2018	31st March 2017
18. Revenue from Operation		
Royalty Income	8,29,210	7,49,543
	8,29,210	7,49,543
19. Other Income		
Interest Income	6,42,099	-
Balance Written Off	11,82,641	-
	18,24,740	-
20. Finance costs		
Bank Charges	56,280	55,505
	56,280	55,505
21. Depreciation & Amortisation Expense		
Depreciation of Tangible assets	5,92,998	6,41,420
Amortisation of Intangible Assets	-	49,955
	5,92,998	6,91,375
22. Other expenses		
Rates and taxes	10,580	1,64,472
Legal and Professional fees	11,800	84,700
Payment to auditor (refer note below)	70,800	69,000
Miscellaneous expenses	229	32,988
	93,409	3,51,160
Payment to Auditor		
Audit fees	70,800	69,000
	70,800	69,000

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Notes to the Financial Statements for the year ended 31st March 2018

23 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.

24 Contingent Liabilities

	(Amount in Rs.)	
	2017-18	2016-17
Income Tax Demand (Under CIT Appeal Kolkata) AY: 2011-12	-	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

25 Earning per share

	(Amount in Rs.)	
	2017-18	2016-17
Profit as per Statement of Profit & Loss attributable to Equity Shareholders (a)	20,48,230	(5,61,766)
Weighted average number of Equity Shares (in number) (b)	41,00,000	41,00,000
Basic & Diluted Earnings Per Share (a/b) (Nominal Value - ` 1 per share)	0.50	(0.14)

26 Related Party Disclosures:

Names of related parties and related party relationship

- Related parties where control exists Rupa & Company Limited

Details of transactions entered into with related parties along with balances as at year end are as given below:

Nature of Transaction	Name of the party	2017-18	2016-17
Royalty	Rupa & Company Limited	8,29,210	7,49,543
Sale of Non Current Investment	Rupa & Company Limited	-	3,000
Relinquishment of Right of Land	Rupa & Company Limited	-	1,14,00,000

Balance As at year end

Particulars	Name of the party	31-Mar-18	31-Mar-17
Trade Payables	Rupa & Company Limited	1,18,141	4,09,230

27 Capital Management

The Company's objective is to maintain a strong capital base to ensure sustained growth in business. The Capital Management focusses to maintain an optimal structure that balances growth and maximizes shareholder value. The Company is wholly equity financed. Further, the Company has sufficient cash, cash equivalents and financial assets which are liquid to meet the debts.

28 Disclosure on Financial Instrument and Fairvalue Hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the three levels as disclosed in accounting Policy no. 3(IX)

There are no transfer between levels during the year.

The carrying value of trade receivables, trade payables, cash and cash equivalents and other current financial assets and liabilities approximate their fair values largely due to the short-term maturities. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

29 Financial Risk Management

The Company's activities expose it to the following risks:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

a) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions

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Notes to the Financial Statements for the year ended 31st March 2018

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. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable disclosed in note 8

ii) Bank deposit

Credit risk is limited as the Company generally invest in deposits with banks.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected short term operational expenses.

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 does not have any debt obligations with floating interest rates, hence, is not exposed to any interest rate risk.

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 any foreign currency exposure and hence, is not exposed to any foreign currency risk.

30 First time adoption

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in India (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1 April 2016, the Company's date of transition to Ind AS.

In restating its Previous GAAP financial statements as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017, there has been no adjustments.

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.

Estimates:

Ind AS 101 requires an entity's estimates in accordance with Ind ASs at the date of transition to Ind AS to be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

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.

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Notes to the Financial Statements for the year ended 31st March 2018

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		2,95,75,596	-	2,95,75,596	3,02,17,016	-	3,02,17,016
Intangible Asset					49,955	-	49,955
Financial assets							
(i) Investments					3,000	-	3,000
Income Tax Asset (Net)		6,69,220	-	6,69,220	5,94,266	-	5,94,266
		3,02,44,816		3,02,44,816	3,08,64,237	-	3,08,64,237
Current Assets							
Financial Asset			-			-	
(i) Trade receivable		96,129	-	96,129	10,00,852	-	10,00,852
(ii) Cash and cash equivalents		1,14,88,922	-	1,14,88,922	89,065	-	89,065
Other Current Asset		54,43,325	-	54,43,325	1,50,86,232	-	1,50,86,232
Total Assets		4,72,73,192	-	4,72,73,192	4,70,40,386	-	4,70,40,386
EQUITY AND LIABILITIES							
Equity							
Equity share capital		4,10,00,000	-	4,10,00,000	4,10,00,000	-	4,10,00,000
Other equity		(2,16,795)	-	(2,16,795)	3,44,971	-	3,44,971
Total equity		4,07,83,205	-	4,07,83,205	4,13,44,971	-	4,13,44,971
Non-current liabilities							
Deferred tax liabilities (Net)		39,99,664	-	39,99,664	37,86,395	-	37,86,395
		39,99,664	-	39,99,664	37,86,395	-	37,86,395
Current Liabilities							
Financial Liabilities							
(i) Trade payables		12,79,752	-	12,79,752	12,17,982	-	12,17,982
Other current liabilities		12,10,571	-	12,10,571	6,91,037	-	6,91,037
Total liabilities		24,90,323	-	24,90,323	19,09,019	-	19,09,019
Total equity and liabilities		4,72,73,192	-	4,72,73,192	4,70,40,386	-	4,70,40,386

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Notes to the Financial Statements for the year ended 31st March 2018

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				
Other income		7,49,543	-	7,49,543
TOTAL		7,49,543	-	7,49,543
Expenses				
Finance costs		55,505	-	55,505
Depreciation and amortisation expense		6,91,375	-	6,91,375
Other expenses		3,51,160	-	3,51,160
TOTAL		10,98,040	-	10,98,040
Profit before tax		(3,48,497)	-	(3,48,497)
Tax expense				
Current tax		-	-	-
Deferred tax		2,13,269	-	2,13,269
Income tax expense		2,13,269	-	2,13,269
Profit for the year		(5,61,766)	-	(5,61,766)
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		-	-	-
Income tax effect		-	-	-
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive income for the year, net of tax		(5,61,766)	-	(5,61,766)

EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED

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Notes to the Financial Statements for the year ended 31st March 2018

III Reconciliation of Total Equity

Particular	Refer Note No.	As at 31st March,2017	As at 1st April,2016
Equity under Previous Indian GAAP	12	4,10,00,000	4,10,00,000
Adjustment pursuant to transition to Ind AS		-	-
Retained Earning Total	13	(2,16,795)	3,44,971
Total Equity as per Ind AS		4,07,83,205	4,13,44,971

IV Reconciliation of Total Comprehensive Income

Particulars	Note	As at 31st March,2017
Net Profit as per Previous GAAP	13.1	(5,61,766)
Adjustment pursuant to transition to Ind AS		-
Net Profit for the period as reported under Ind AS		(5,61,766)
Other Comprehensive Income (net of tax)		-
Total Comprehensive Income as reported under Ind AS	13.1	(5,61,766)

V Effect of Ind AS adpotion 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	18,37,362	-	18,37,362
Net cash flow from / (used in) investing activities	96,18,000	-	96,18,000
Net cash flow used in financing activities	(55,505)	-	(55,505)
Net (decrease) / increase in cash and cash equivalents.	1,13,99,857	-	1,13,99,857
Cash and cash equivalents as at beginning of the Year	89,065		89,065
Cash and cash equivalents as at end of the Year	1,14,88,922		1,14,88,922

Footnotes to the reconciliation of equity as at 1 April 2016 and 31 March 2017 and profit and loss for the year ended 31 March 2017

1 Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

2 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.

31 Previous years figures have been regrouped/ reclassified, wherever necessary to conform to current year's classification.

As per our report of even date

For K.AGRAWAL & CO.

Chartered Accountants

Firm Registration No. 306104E

For and on behalf of the Board of Directors

Sd/-

(CA. K.C.AGRAWAL)

Partner

Membership No.010277

Place: Kolkata

Date: 17-05-2018

Sd/-

RAMESH AGARWAL

Director

DIN: 00230702

Sd/-

RAJNISH AGARWAL

Director

DIN: 00250271