



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

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

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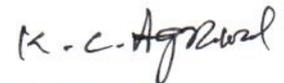
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016; and
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a 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:
 - a) 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;
 - b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
 - c) 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.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on 31st March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act; and
 - f) 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:
 - i. The Company has pending litigations with Income Tax Department and ESI Department which are disclosed in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Kolkata
Dated: The 13th day of May, 2016

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



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



ANNEXURE 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, 2016** of **M/S. EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED.**

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified during the year by the management at reasonable intervals having regard to the size of the company; and no material discrepancies were noticed on such verification.
- (c) The title deeds of the Immoveable Properties are held in the name of the company.
- (ii) The company has no Inventories.
- (iii) The company has not granted any Secured or Unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) The Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) As explained to us, the company has not accepted any deposits, from public in the meaning of the directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under, and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal for the noncompliance of directive of the same.
- (vi) Maintenance of cost records has not been specified by the Central Government under sub - section (1) of section 148 of the Companies Act 2013 for any product of the company.
- (vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable to the company with the appropriate authorities and no undisputed amount payable in respect of any statutory dues were outstanding as at 31st March 2016 for a period of more than six months from the date they became payable.
- (b) According to information and explanation given to us, there are no such case where income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute other than as disclosed below:

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



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

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

K. C. Agrawal

(CA. K.C. AGRAWAL)
Partner

Membership No. 010277

Place : Kolkata.

Dated : The 13th day May , 2016.

EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED

Balance Sheet as at 31st March , 2016

	Note	As At	
		March 31, 2016	March 31, 2015
Equity & Liabilities			
Shareholders' Funds			
Share Capital	3	41,000,000	41,000,000
Reserves & Surplus	4	344,971	1,119,678
Total Shareholders' Funds (i)		41,344,971	42,119,678
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	5	3,786,395	3,699,856
Total Non -Current liabilities (ii)		3,786,395	3,699,856
Current Liabilities			
Trade Payables	6	1,217,982	1,726,289
Other Current Liabilities	7	691,037	3,881,264
Short Term Provisions	8	-	148,039,906
Total Current Liabilities (iii)		1,909,019	153,647,459
Total Equity & Liabilities (i)+(ii)+(iii)		47,040,386	199,466,993
Assets			
Non Current Assets			
Fixed Assets			
Tangible Assets	9	30,217,016	30,862,477
Intangible Assets	10	49,955	99,909
Non Current Investments	11	3,000	3,000
Long Term Loans & Advances	12	9,615,000	9,615,000
Total Non Current Assets (iv)		39,884,971	40,580,386
Current Assets			
Trade Receivables	13	1,000,852	155,716,862
Cash & Cash Equivalents	14	89,065	249,031
Short Term Loans & Advances	15	6,065,498	2,920,714
Total Current Assets (v)		7,155,415	158,886,607
Total Assets (iv)+(v)		47,040,386	199,466,993

The notes are an integral part of these financial statements

As per our Report of even date.

For K.AGRAWAL & CO.
Chartered Accountants
Firm Registration No. 306104E
K.C. Agrawal
(CA. K.C.AGRAWAL)
Partner
Membership No.010277
Place: Kolkata
Dated: The 13th Day Of May 2016



EURO FASHION INNERS INTERNATIONAL PVT. LTD.

Ran

RAJNISH AGARWAL
Director

EURO FASHION INNERS INTERNATIONAL PVT. LTD.

Ran

RAMESH AGARWAL
Director

EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED

Statement of Profit & Loss for the period ended 31 st March, 2016

	Note	March 31, 2016	March 31, 2015
Revenue			
Revenue From Operations	16	684,253	191,068,100
Other Income	17	46,887	118,375
Total Revenue		731,140	191,186,475
Expenses			
Cost of materials consumed	18	-	-
Changes in inventories of Finished Goods, Work -in-progres and stock-in-trade	19	-	163,577,020
Finance Cost	20	42,513	1,414,926
Depreciation & Amortisation expense	21	695,415	717,933
Other expenses	22	447,109	738,762
Total Expenses		1,185,037	166,448,641
		(453,897)	24,737,834
Profit before exceptional and extraordinary items and tax			
Exceptional Items		-	-
Profit before extraordinary items and tax		(453,897)	24,737,834
Extraordinary Item		-	-
Profit before tax		(453,897)	24,737,834
Tax Expense			
Current Tax		-	8,050,000
Deferred Tax		86,539	331,852
Adjustment of Earlier year provision/taxes		234,271	110,000
Profit/(Loss) for the period from continuing operations		(774,707)	16,245,982
Profit/(Loss) for the period		(774,707)	16,245,982
Earnings per Equity Share:			
(Nominal value per equity share Rs 10/-)			
Basic & Diluted		(0.19)	3.96

As per our Report of even date.

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

K. C. Agrawal
(CA. K.C.AGRAWAL)

Partner
Membership No.010277
Place: Kolkata

Dated: The 13th Day of May, 2016



EURO-FASHION INNERS INTERNATIONAL PVT. LTD.

Rajnish Agarwal
RAJNISH AGARWAL Signatory
Director

EURO FASHION INNERS INTERNATIONAL PVT. LTD.

Ramesh Agarwal
RAMESH AGARWAL Signatory
Director

EURO FASHIONS INNERS INTERNATIONAL (P) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2016

Particulars	31.03.2016 (RS)	31.03.2015 (RS)
CASH FLOW ARISING FROM OPERATING ACTIVITIES		
Net Profit Before Taxation & Extra Ordinary Items	(453,897)	24,737,834
Add: Loss on sale of Fixed assets		
Add: Depreciation	695,415	717,933
Less Interest Income	-	(37,441)
Add Interest Expense	42,513	1,414,926
Add: Bad Debts Written Off	-	-
Less Liability Written back	(46,887)	(80,934)
	237,144	26,752,318
<u>Adjustments For Working Capital Changes</u>		
(Increase)/ Decrease in Loans & Advances	(3,144,784)	(6,286)
(Increase)/ Decrease in Inventories	-	193,058,443
(Increase)/ Decrease in Trade Receivables	154,716,010	(93,733,448)
Increase/(Decrease) in long term and current liabilities	(148,249,974)	(41,775,382)
Increase/(Decrease) in Trade and Other Payables	(461,420)	(14,854,801)
Net Cash Inflow/(Outflow) from Operating Activities	3,096,977	69,440,844
Add: Interest received from operating activities	-	37,441
Less: Direct Tax Paid	(3,214,430)	(11,079,842)
	(117,453)	58,398,443
CASH FLOW ARISING FROM INVESTMENT ACTIVITIES		
Purchase of Investments	-	-
Sale of Fixed Asset	-	-
Purchase of fixed asset	-	-
Net Cash Inflow / (Outflow) from Investment Activities	-	-
CASH FLOW ARISING FROM FINANCING ACTIVITIES		
Interest Expense	(42,513)	(1,414,926)
Increase/Decrease in Short Term Borrowings	-	(56,782,201)
Net Cash Inflow / (Outflow) From Financing Activities	(42,513)	(58,197,127)
Net Increase / (Decrease) in Cash and Cash Equivalent	(159,966)	201,316
Cash & Cash Equivalents at the beginning of the year	249,031	47,715
Cash & Cash Equivalents at the end of the year	89,065	249,031

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

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

K. C. Agrawal
(CA. K.C.AGRAWAL)
Partner
Membership No.10277
Place: Kolkata
Dated: The 13th Day Of May 2016



NOTES TO THE FINANCIAL STATEMENTS

1 General Information:

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

2 Summary of significant accounting policies

2.1 Basis of preparation

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

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

2.3 Tangible Asset

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

2.4 Depreciation

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

2.5 Intangible Assets

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

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

2.6 Investments

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

2.6 Impairments

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

2.7 Borrowing Costs

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



2.8 Revenue Recognition

Sale of goods: Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer and goods are unconditionally handed over to the transporters for delivery as per the terms of the contract and are recognised net of discounts, rebates, sales taxes and excise duties.

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

2.9 Other Income

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

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

2.10 Deferred Tax

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

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

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

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

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

2.11 Provisions and Contingent Liabilities

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

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



2.12 Earnings Per Share

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

2.13 Prior Period Adjustments

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

As per our Report of even date.

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

K.C. Agrawal
(CA. K.C.AGRAWAL)
Partner
Membership No.010277
Place: Kolkata
Dated: The 13th Day of May 2016



EURO FASHION INNERS INTERNATIONAL PVT. LTD.

Rajnish Agarwal

Director / Author
RAJNISH AGARWAL
Director

EURO FASHION INNERS INTERNATIONAL PVT. LTD.

Ramesh Agarwal

Director / Author
RAMESH AGARWAL
Director

NOTES TO THE FINANCIAL STATEMENTS

		Year Ended			
		March 31, 2016		March 31, 2015	
3	Share Capital				
	Authorised: 5000000 Equity Shares of ` 10/- each	50,000,000		50,000,000	
	Issued: 4100000 Equity Shares of ` 10/- each fully Paid up	41,000,000		41,000,000	
	Subscribed and paid up: 4100000 Equity Shares of ` 10/- each Fully Paid up	41,000,000		41,000,000	
		41,000,000		41,000,000	
(a)	Reconciliation of number of shares				
	Balance as at the beginning of the year	4,100,000		4,100,000	
	Balance as at the Close of the year	4,100,000		4,100,000	
(b)	Rights, preferences and restrictions attached to shares				
	Equity Shares: The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
(c)	Shares held by holding company, its ultimate holding company or any subsidiary of the holding company/ultimate holding company and subsidiary of holding company	March 31, 2016		March 31, 2015	
		4,100,000		4,100,000	
(d)	Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
		March 31, 2016		March 31, 2015	
		No of Shares	%	No of Shares	%
	Promoter & Promoter Group: Rupa & Company Limited	4,100,000	100.00	4,100,000	100.00
4	Reserves & Surplus	Year Ended			
		March 31, 2016		March 31, 2015	
	Surplus in Statement of Profit & Loss:				
	Balance as at the beginning of the year	1,119,678		132,913,603	
	Add: Profit for the year	- 763,711		16,245,982	
	Less Appropriation				
	Proposed Dividend On equity Shares for the year			123,000,000	
	Dividend distribution tax on proposed dividend			- 25,039,906	
	Total	355,967		1,119,678	
5	Deferred Tax Liabilities (Net)	Year Ended			
		March 31, 2016		March 31, 2015	
	Deferred Tax Liabilities (related to fixed assets)	3,791,312		3,699,856	
	Total	3,791,312		3,699,856	
6	Trade Payables	Year Ended			
		March 31, 2016		March 31, 2015	
	Trade payables	1,217,982		1,726,289	
	Total	1,217,982		1,726,289	



7	Other Current Liabilities	Year Ended			
		March 31, 2016		March 31, 2015	
	Advances from Customer				-
	Statutory dues		18,258		68,565
	Other Liabilities		672,779		832,540
	Provision of Income tax (Net of Payments)		-		2,980,159
	Total		691,037		3,881,264
8	Short Term Provisions	Year Ended			
		March 31, 2016		March 31, 2015	
	Provision For Proposed Equity Dividend	-		123,000,000	
	Provision For Tax on Proposed Equity Dividend	-	-	25,039,906	148,039,906
	Total		-		148,039,906
11	Non Current Investments Unquoted Equity Shares: Investment in Joint Stock companies West Bengal Hosiery Park Infrastructure Ltd. of Face Value of Rs. 10/-	Year Ended			
		March 31, 2016		March 31, 2015	
		300	3,000	300	3,000
	Total		3,000		3,000
12	Long-term loans and advances Unsecured, considered good (unless otehrwise stated):	Year Ended			
		March 31, 2016		March 31, 2015	
	Capital Advances		9,615,000		9,615,000
	Total		9,615,000		9,615,000



NOTES TO THE FINANCIAL STATEMENTS

9

Tangible Assets	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Block							
As at 1 April 2014	4,688,520	27,125,308	2,232,173	96,261	709,041	347,252	35,198,555
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at 31 March 2015	4,688,520	27,125,308	2,232,173	96,261	709,041	347,252	35,198,555
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As At 31st. March, 2016	4,688,520	27,125,308	2,232,173	96,261	709,041	347,252	35,198,555
Depreciation:							
As at 1 April 2014	-	2,202,725	569,949	24,351	523,822	347,252	3,668,099
Additions	-	428,304	172,784	11,515	55,376	-	667,979
Disposals	-	-	-	-	-	-	-
As at 31 March 2015	-	2,631,029	742,733	35,866	579,198	347,252	4,336,078
Additions	-	428,304	158,890	11,208	47,059	-	645,461
Disposals	-	-	-	-	-	-	-
As At 31st. March, 2016	-	3,059,333	901,623	47,074	626,257	347,252	4,981,539
Net Block							
At 31 March 2016	4,688,520	24,065,975	1,330,550	49,187	82,784	-	30,217,016
At 31 March 2015	4,688,520	24,494,279	1,489,440	60,395	129,843	-	30,862,477

Note: All assets are own assets.

10 Intangible Assets:

Copyrights and Trademarks

Gross Block:

As at 1 April 2014	500,000
Purchase	-
At 31 March 2015	500,000
Purchase	-
As At 31 March 2016	500,000

Amortisation:

As at 1 April 2014	350,137
Purchase	49,954
At 31 March 2015	400,091
Purchase	49,954
As At 31 st March 2016	450,045

Net Block

As At 31 March 2015	99,909
As At 31 st March 2016	49,955

Note: All assets are own assets.



13 Trade Receivables	Year Ended			
	March 31, 2016		March 31, 2015	
	Unsecured, considered good			
Outstanding for a period exceeding 6 months from the date they are due for payment		1,000,852		155,716,862
Others				
Total		1,000,852		155,716,862

Note: Out of Total Trade Receivables for F.Y 2015-16 Rs.9,04,723/- , F.Y 2014-15 Rs. Rs. 15,56,20,733/- belongs to Holding Company

14 Cash and Cash Equivalents	Year Ended			
	March 31, 2016		March 31, 2015	
	Bank balances			
In current accounts		71,296		231,262
Cash and Cash equivalents				
Cash in hand		17,769		17,769
Total		89,065		249,031

15 Short-term loans and advances	Year Ended			
	March 31, 2016		March 31, 2015	
	Unsecured considered good, unless otherwise stated:			
Loans and advances: Considered good				
Advance recoverable in cash or Kind		5,471,232		2,880,714
Other Loans and Advances				
Advance income tax net of provision		594,266		-
Advance to Employees		-		40,000
Total		6,065,498		2,920,714



16 Revenue	Year Ended			
	March 31, 2016		March 31, 2015	
Revenue from Operations:				
Sale of products				
Finished goods		-		190,369,693
Royalty Income		684,253		698,407
Revenue from Operations		684,253		191,068,100

Details of product sold	Year Ended			
	March 31, 2016		March 31, 2015	
Finished Goods Sold				
Knitwear		-		134,469,349
Semi Finished Goods Sold				
Fabric		-		55,900,344
		-		190,369,693
Total		-		190,369,693

17 Other Income	Year Ended			
	March 31, 2016		March 31, 2015	
Interest Income on- on Receivables				37,441
Liability Written Back		46,887		80,934
		-		
Total		46,887		118,375

18 Cost of materials consumed	Year Ended			
	March 31, 2016		March 31, 2015	
Raw material consumed*				
Opening inventory		-		25,866,972
Add : Purchases (net)		-		-
Less : Sale of Materials		-		25,866,972
Less : Inventory at the end of the year		-		-
Cost of raw materials consumed during the year	(A)	-		-
Packing material consumed				
Opening inventory		-		3,614,450
Add : Purchases (net)		-		-
Less : Sale of Materials		-		3,614,450
Less : Inventory at the end of the year		-		-
Cost of packing materials consumed during the year	(B)	-		-
Total	(A + B)	-		-

* Raw Material Consumed are of 100% Indigenous goods

Details of Raw Materials Consumed*	Year Ended			
	March 31, 2016		March 31, 2015	
Yarn /Than		-		-
Packing Material		-		-
Elastic ,Labels & Other Material		-		-
Total		-		-

19 Changes in inventory of finished goods and work in progress	Year Ended			
	March 31, 2016		March 31, 2015	
(Increase)/decrease in stocks				
Stock at the end of the year:				
Finished Goods		-		-
Work-in progress		-		-
Total A		-		-
Less: Stock at the beginning of the year:				
Finished Goods		-		123,496,126
Work-in progress		-		40,080,894
Total B		-		163,577,020
Increase/Decrease in Stocks (B-A)		-		163,577,020
Details of Inventory				
Work-in-Progress				
Knit wear		-		-
Finished Goods				
Knit wear		-		-



20 Finance Costs	Year Ended	
	March 31, 2016	March 31, 2015
Interest on Short Term borrowings	-	66,788
Interest on shortfall of advance tax	-	870,057
Interest on delay payment of VAT	-	164,375
Other Interest	2,619	286,740
Bank Charges	39,894	26,966
Total	42,513	1,414,926

21 Depreciation and Amortization Expense	Year Ended	
	March 31, 2016	March 31, 2015
Depreciation on Tangible assets	645,461	667,979
Amortisation of Intangible assets	49,954	49,954
Total	695,415	717,933

22 Other Expenses	Year Ended	
	March 31, 2016	March 31, 2015
Rates and Taxes	254,669	43,708
Advertisement Expenses	-	148,994
Legal and Professional fees	121,340	132,980
Payment to auditor (refer note below)	68,700	93,259
VAT/CST Expenses	-	201,665
Miscellaneous Expenses	2,400	118,156
Total	447,109	738,762

Payment to Auditor:	Year Ended	
	March 31, 2016	March 31, 2015
As auditor:		
Audit fees & Tax audit fees	68,700	84,270
In other capacity:		
Other services including certification fees	-	8,989
Total	68,700	93,259



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

23.2 Contingent Liabilities	Year Ended	
	March 31, 2016	March 31, 2015
Income Tax Demand (Under CIT Appeal (Kolkata)) AY: 2009-10	-	558,150
Income Tax Demand (Under CIT Appeal Kolkata)) AY: 2011-12	220,070	220,070
Income Tax Demand (Under CIT Appeal Kolkata)) AY: 2012-13	161,870	161,870
ESI (F.Y 2007-08) (Under Appeal)	39,967	39,967

(a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

23.3 Calculation of Deferred Tax Liabilities:	Deferred tax Liabilities as on 31.03.2016	Deferred tax Liabilities as on 31.3.2015
Arising on account of difference between Book Value of Depreciable assets as per books of Account and Written Down value for tax purpose	3,786,395	3,699,856
Net Impact taken into Profit & Loss Account	86,539	322,035

23.4 Earnings Per Share	Year Ended	
	March 31, 2016	March 31, 2015
(a) Basic		
i). Number of Equity Shares at the beginning of the year.	4100000	4100000
ii) Number of Equity Shares at the end of the year.	4100000	4100000
iii) Weighted average number of Equity Shares Outstanding during the year	4100000	4100000
iv) Face Value of Equity Shares ₹	10.00	10.00
v) Profit after Tax for Equity Shareholders ₹	774,707	16,245,982
vi) Basic & Diluted Earnings Per Share (v/iii) ₹	-0.19	3.96

23.5 Related Party Disclosures:

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

Holding Company : Rupa & Company Limited

Other Associates: Nil

Particulars	Holding Company		Other Associates	
	2015-16	2014-15	2015-16	2014-15
Purchase	-	-	-	-
Sale	-	220,404,817	-	-
Royalty Income	684,253	698,407	-	-

23.6 Business Collaboration with Holding Company

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

- All Claims against vendors or suppliers for refunds or credits with respect to goods delivered or services performed prior to the date of signing of this Agreement date.
- Receivables.
- Fixed Assets.



- d) Investments.
- e) Stock including raw materials, work in progress and finished goods.

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

23.7 Effect of change in depreciation

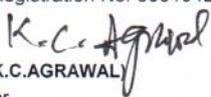
The transitional change of charging depreciation from the rates prescribed under Schedule XIV of the Companies Act, 1956 to the life prescribed under Schedule II of the Companies Act, 2013 had resulted in increase in depreciation by Rs. 46,356 and the profit from the same amount had been reduced for the preceding Financial Year 2014-15.

23.8 Previous Year Figures

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

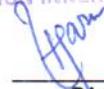
As per our Report of even date.

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


(CA. K.C.AGRAWAL)
Partner
Membership No.010277
Place: Kolkata
Dated: The 13th Day of May 2016

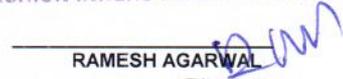


EURO FASHION INNERS INTERNATIONAL PVT. LTD.



RAJNISH AGARWAL
Director

EURO FASHION INNERS INTERNATIONAL PVT. LTD.



RAMESH AGARWAL
Director