

IMOOGI FASHIONS PVT .LTD.

ANNUAL REPORT 2011-2012

Fashion for li'l celebs



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Directors' Report

To the Members

The Directors have pleasure in presenting their 3rd Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2012.

FINANCIAL RESULTS

The highlights of the financial results for the year 2011-12 are as follows :

(Amount in ₹)

	Year Ended 31.03.2012	Year Ended 31.03.2011
Profit/(Loss) before Tax	39,164	59,403
Less : Provision for tax	12,102	14,736
Profit/(Loss) after Tax	27,062	44,667
Balance brought forward	32,953	(11,714)
Balance Carried to Balance Sheet	60,015	32,953

DIVIDEND

Considering that there was inadequate profit during the year under review and to conserve cash, your directors do not propose any dividend.

DEPOSITS

Your company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rule made there under. As such no amount was outstanding as on the Balance Sheet date.

DIRECTORS

Shri Ramesh Agarwal, director retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

AUDITORS

The Auditors M/s Mittal & Agarwal, Chartered Accountants retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors state that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures ;
- We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year 2011-2012, and of the profit of the Company for that period ;
- We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

No employee of the Company was in receipt of remuneration which requires disclosures under Section 217(2A) of the Companies Act, 1956 and the Rules made therein.

Directors' Report

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The Companies (Disclosure of Particulars in Report of the Board of Directors) Rule, 1988 do not apply and hence no disclosure has been made in this Report. The Company has had no foreign exchange earnings or outgo.

APPRECIATION

The Directors place on record their appreciation for the co-operation and assistance received from the Company's bankers, employees and other associates.

Place : Kolkata
Dated : The 26th day of May, 2012

For and on behalf of the Board of Directors

Ramesh Agarwal
Director

Vikash Agarwal
Director

Auditors' Report

TO THE MEMBERS OF
IMOOGI FASHIONS PRIVATE LIMITED

1. We have audited the attached Balance Sheet of IMOOGI FASHIONS PRIVATE LIMITED as at 31st March, 2012 and the related Statement of Profit & Loss on that date of which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. The Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 is not applicable to the Company, so we did not comment on this behalf.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 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 and the Statement of Profit & Loss dealt with by this report are in agreement with the books of accounts of the Company;
 - d. In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - e. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Statement of Profit & Loss together with the Notes thereon give in the prescribed manner the information required by the Companies Act, 1956 and also give respectively, a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and
 - (ii) in case of the Statement of Profit & Loss, of the profit of the Company for the year ended on that date.

Place : Kolkata
Dated : The 26th day of May, 2012

For Mittal & Agarwal
Chartered Accountants
Firm Registration No. 322461E

CA A. K. Mittal
Partner
Membership No. 056496

Balance Sheet as at 31st March, 2012

(Amount in ₹)

	Note	March 31, 2012	March 31, 2011
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	3	100,000	100,000
Reserves & Surplus	4	60,015	32,953
Total Shareholders' Funds (i)		160,015	132,953
Current Liabilities			
Short Term Borrowings	5	9,793,412	3,110,125
Trade Payables	6	53,342	425,184
Other Current Liabilities	7	1,515,326	509,924
Total Current Liabilities (ii)		11,362,080	4,045,233
Total Equity & Liabilities (i)+(ii)		11,522,095	4,178,186
ASSETS			
Non Current Assets			
Other Non Current Assets	8	13,428	20,142
Total Non Current Assets (iii)		13,428	20,142
Current Assets			
Inventories	9	10,462,590	3,776,568
Trade Receivables	10	931,503	-
Cash & Bank Balances	11	38,309	321,498
Short Term Loans & Advances	12	76,265	59,978
Total Current Assets (iv)		11,508,667	4,158,044
Total Assets (iii)+(iv)		11,522,095	4,178,186

The notes are an integral part of these financial statements

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As per our Report of even date
For **Mittal & Agarwal**
Chartered Accountants
Firm Registration No. 322461E
CA K. C. Agrawal
Partner
Membership No. 056496
Place : Kolkata
Date : The 26th day of May, 2012

For and on behalf of Board

Ramesh Agarwal
Director

Vikash Agarwal
Director

Statement of Profit & Loss for the year ended March 31, 2012

(Amount in ₹)

	Year Ended	
	March 31, 2012	March 31, 2011
Revenue		
Revenue From Operations (Gross)	1,592,509	102,959
Less: Excise Duty	118,015	-
Revenue From Operations (Net)	1,474,494	-
Other Income	4,000	-
Total Revenue	1,478,494	102,959
Expenses		
Cost of materials consumed	1,303,062	-
Purchases of Stock-in-Trade	-	52,728
Changes in Inventories of Finished Goods, Work -In-Progress and Stock-In-Trade		
16	(1,785,225)	(580,345)
Employee Benefits Expense	1,150,951	155,813
17		
18	2,283	2,592
Finance Cost	768,259	412,768
19		
Other expenses	1,439,330	43,556
Total Expenses	39,164	59,403
Profit before exceptional and extraordinary items and tax	-	-
Exceptional Items	39,164	59,403
Profit before extraordinary items and tax	-	-
Extraordinary Items	39,164	59,403
Profit before tax	39,164	59,403
Tax Expense		
Current Tax	12,102	14,736
Deferred Tax	-	-
Adjustment of Earlier year provision	-	-
Profit/(Loss) for the period from continuing operations	27,062	44,667
Profit/(Loss) for the period	27,062	44,667
Earnings per Equity Share		
(Nominal value per equity share ₹ 10/-)		
Basic and Diluted	2.71	4.47

The notes are an integral part of these financial statements.

As per our Report of even date
For **Mittal & Agarwal**
Chartered Accountants
Firm Registration No. 322461E
CA K. C. Agrawal
Partner
Membership No. 056496
Place : Kolkata
Date : The 26th day of May, 2012

For and on behalf of Board

Ramesh Agarwal
Director

Vikash Agarwal
Director

Notes to the Financial Statements

1 GENERAL INFORMATION :

Imoogi Fashions 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 "IMOOGI". 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.

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 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

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 VI to the Companies Act, 1956. 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.

2.2 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.

2.3 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.4 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 trade discounts, rebates, sales taxes and excise duties.

2.5 Other Income

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

Notes to the Financial Statements

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

2.6 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.

2.7 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.

2.8 Unamortized Expenditure

Preliminary Expenses have been equally amortized over the period of five years from the year in which the Company will start its operation.

Notes to the Financial Statements

(Amount in ₹)

	Year Ended	
	March 31, 2012	March 31, 2011
3 Share Capital		
Authorised :		
100000 Equity Shares of ₹ 10/- each	1,000,000	1,000,000
Issued :		
10000 Equity Shares of ₹ 10/- each fully Paid up	100,000	100,000
Subscribed and paid up :		
10000 Equity Shares of ₹ 10/- each Fully Paid up	100,000	100,000
	100,000	100,000
(a) Reconciliation of number of shares		
Balance as at the beginning of the year	10,000	10,000
Balance as at the Close of the year	10,000	10,000

(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, 2012	March 31, 2011
Rupa & Company Limited (Holding Company)	10000	10000

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	March 31, 2012		March 31, 2011	
	No of Shares	%	No of Shares	%
Promoter & Promoter Group :				
Rupa & Company Limited	10000	100	10000	100
*Includes sharers held as nominee				
(e) Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment		Nil		Nil
(f) Shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2012)		Nil		Nil
(g) Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding March 31, 2012)		Nil		Nil

Notes to the Financial Statements

		Year Ended			
		March 31, 2012		March 31, 2011	
4	Reserves & Surplus				
	Surplus in Statement of Profit & Loss:				
	Balance as at the beginning of the year	32,953			
	Add: Profit for the year	27,062	60,015	32,953	32,953
	Total Reserves & Surplus		60,015		32,953
		Year Ended			
		March 31, 2012		March 31, 2011	
5	Short-term Borrowings				
	Unsecured :				
	Loan From Related Parties		9,793,412		3,110,125
	Total Short term borrowings		9,793,412		3,110,125
(a) Nature of Security and terms of repayment for secured borrowings					
Borrowings			Terms of Repayments		
The Unsecured Loan is taken from Holding Company, Rupa & Company Limited.			Interest Free Loan Repayable on demand		
		Year Ended			
		March 31, 2012		March 31, 2011	
6	Trade Payables				
	Trade payables (including acceptances)		53,342		425,184
	Total Trade Payables		53,342		425,184
		Year Ended			
		March 31, 2012		March 31, 2011	
7	Other Current Liabilities				
	Advances from customers		140,254		400,000
	Provision of Income tax Net of Advance		12,102		14,736
	Statutory Dues		2,228		-
	Temporary Overdraft from Bank Due to Reconciliation		1,318,672		-
	Other Liabilities		42,070		95,188
	Total		1,515,326		509,924
		Year Ended			
		March 31, 2012		March 31, 2011	
8	Other Non-current Assets				
	Unamortized Expenses:				
	Miscellaneous Expenditure (To The extent not Written off)		13,428		20,142
	Total		13,428		20,142

Notes to the Financial Statements

(Amount in ₹)

	Year Ended			
	March 31, 2012		March 31, 2011	
9 Inventories				
Raw Materials		8,050,520		-
Work-in-Progress		2,365,570		3,185,406
Finished Goods		-		580,345
Packing Material		46,500		10,817
Total		10,462,590		3,776,568
	Year Ended			
	March 31, 2012		March 31, 2011	
10 Trade Receivables				
Unsecured, considered good				
Outstanding for a period exceeding 6 months from the date they are due for payment		-		-
Others		931,503		-
Total		931,503		-
	Year Ended			
	March 31, 2012		March 31, 2011	
11 Cash and Bank Balances				
Cash and Cash equivalents				
Cash on hand		38,309		55,619
Bank balances		-		265,879
In current accounts				
Total		38,309		321,498
	Year Ended			
	March 31, 2012		March 31, 2011	
12 Short-term Loans and Advances				
Advances Recoverable in Cash or kind		34,382		50,000
Others		41,883		9,978
Total		76,265		59,978
	Year Ended			
	March 31, 2012		March 31, 2011	
13 Revenue				
Revenue from Operations :				
Sale of products				
Finished goods	1,592,509	1,592,509	102,959	102,959
Other Operating Revenue		-		-
Revenue from Operations (Gross)		1,592,509		102,959
Less : Excise Duty		118,015		-
Revenue from Operations (Net)		1,474,494		102,959

Note : Excise Duty on sales amounting to ₹ 1,18,015 (March 31, 2011 ₹ Nil) has been reduced from sales in Statement of Profit & Loss.

Notes to the Financial Statements

(Amount in ₹)

	Year Ended	
	March 31, 2012	March 31, 2011
Details of product sold		
Finished Goods Sold		
Knitwear	1,438,974.08	54,844
Than	35,520	48,115
Total	1,474,494.08	102,959
	Year Ended	
	March 31, 2012	March 31, 2011
14 Other Income		
Miscellaneous Income	4,000	-
Total	4,000	-
	Year Ended	
	March 31, 2012	March 31, 2011
15 Cost of materials consumed		
Raw material consumed		
Opening inventory	3,185,406	-
Add : Purchases (net)	6,124,359	3,185,406
Less : Inventory at the end of the year	8,050,520	3,185,406
Cost of raw materials consumed during the year	1,259,245	-
Packing material consumed		
Opening inventory	10,817	-
Add : Purchases (net)	79,500	10,817
Less : Inventory at the end of the year	46,500	10,817
Cost of packing materials consumed during the year	43,817	-
Total	1,303,062	-
	Year Ended	
	March 31, 2012	March 31, 2011
Details of Raw Materials Consumed		
Yarn	1,259,245	-
Total	1,259,245	-
	Year Ended	
	March 31, 2012	March 31, 2011
16 Changes in inventory of finished goods and work in progress		
(Increase)/decrease in stocks		
Stock at the end of the year :		
Finished Goods	-	580,345
Work-in-Progress	2,365,570	-
Total A	2,365,570	580,345

Notes to the Financial Statements

(Amount in ₹)

	Year Ended	
	March 31, 2012	March 31, 2011
Less : Stock at the beginning of the year :		
Finished Goods	580,345	-
Work-in-Progress	-	-
Total B	580,345	-
Increase/Decrease in Stocks (B-A)	(1,785,225)	(580,345)
Details of Purchase of Traded Goods :		
Knitwear	-	52,728
Details of Inventory :		
Work-in-Progress		
Knitwear	2,365,570	-
Finished Goods		
Knitwear	-	580,345
	Year Ended	
	March 31, 2012	March 31, 2011
17 Employee Benefits Expenses		
Salaries, Wages and Bonus	1,150,951	155,813
Total	1,150,951	155,813
	Year Ended	
	March 31, 2012	March 31, 2011
18 Finance Costs		
Bank Charges	2,283	2,592
Total	2,283	2,592
	Year Ended	
	March 31, 2012	March 31, 2011
19 Other Expenses		
Sub-contracting /Jobbing expenses	642,863	236,565
Delivery charges	1,770	-
Freight and Forwarding expenses	1,795	16,947
Rates and Taxes	14,974	66,342
Advertising and Sales Promotion	7,500	51,405
Screen Charges	-	19,370
Legal and Professional Fees	-	1,000
Payment to Auditor (as Audit fees)	7,500	7,500
Quality Development expenses	84,144	-
General Expenses	1,000	6,925
Miscellaneous expenses written off	6,713	6,714
Total	768,259	412,768

Notes to the Financial Statements

- 20 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.

	Year Ended	
	March 31, 2012	March 31, 2011
21 Earnings Per Share		
i) Number of Equity Shares at the beginning of the year	10000	10000
ii) Number of Equity Shares at the end of the year	10000	10000
iii) Weighted average number of Equity Shares Outstanding during the year	10000	10000
iv) Face Value of Equity Shares	10	10
v) Profit after Tax for Equity Shareholders	27062	44667
vi) Basic/ Diluted Earnings Per Share (v/iii)	2.71	4.47

22 Related Party Disclosures :

As per Accounting Standard-18 on 'Related Party Disclosure' notified under sub-section 3(C) of Section 211 of the Companies Act, 1956, the related parties of the Companies Act, are as follows :

Holding Company : Rupa & Company Limited

Other Associates : NIL

Particulars	Holding Company		Other Associates	
	2011-12	2010-11	2011-12	2010-11
Interest free Loans & Advances	9,793,412	3,076,555	-	-

As per our Report of even date
For Mittal & Agarwal
Chartered Accountants
 Firm Registration No. 322461E
CA K. C. Agrawal
Partner
 Membership No. 056496
 Place : Kolkata
 Date : The 26th day of May, 2012

For and on behalf of Board

Ramesh Agarwal
Director

Vikash Agarwal
Director

