

MITTAL & AGARWAL

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
M/S IMOOGI FASHIONS PRIVATE LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of **M/S IMOOGI FASHIONS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of Companies Act, 2013 ("the Act") with respect to the preparation of these 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 the 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.

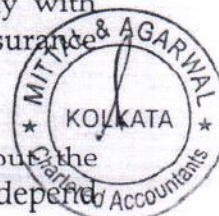
Auditor's Responsibility

Our responsibility is to express an opinion on these 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 there under.

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 misstatement.

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 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 control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the company's management, 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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,

(a) In the case of Balance Sheet of the state of affairs of the Company as at 31st March 2017;

(b) In the case of Statement of Profit and Loss, of the **profit** of the Company for the year ended on that date; *and*

(c) In the case of Cash Flow Statement, of the **cash flows** of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies(Auditors Report) Order, 2016 ("the order") issued by the Central Government of India in terms of subsection (11) of the section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes of our audit.

(b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of those books.

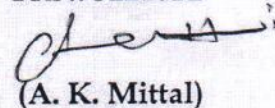
(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid 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 2017, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact on financial position in its financial statements ;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund.
 - iv. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.



For MITTAL & AGARWAL
Chartered Accountants
FRN: 322461E



(A. K. Mittal)
Partner

Membership Number: 056496

Place: Kolkata
Date : 17th May, 2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in our report of even date.)

IMOOGI FASHIONS PRIVATE LIMITED

Clause No.	Remarks
I	The Company does not have any Fixed Asset. Thus, paragraph 3 (i) of the Order is not applicable to the Company.
II	According to the information and explanations given to us and on the basis of our examination of the inventory of the company has been physically verified by the management at reasonable intervals. No material discrepancies more noticed on such verification.
III	According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loan, Secured or unsecured to any Companies, firm or to other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Thus sub clauses (a), (b) and (c) paragraph 3 (iii) are not applicable to the company.
IV	In our opinion and according to the information and explanation given to us, the Company has neither granted any loan nor made any investment under section 185 and 186 of Companies act, 2013. Thus paragraph 3 (iv) of the Order is not applicable to the Company.
V	The Company has not accepted any deposits from the public. Thus paragraph 3 (v) of the Order is not applicable to the Company.
VI	The Central Government has not prescribed the maintenance of the Cost records under section 148(1) of the Companies Act, 2013. Thus, paragraph 3 (vi) of the Order is not applicable to the Company.
VII	(a) According to the information and explanations given to us and on the basis of our examinations of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales tax, Service Tax, Custom Duty, Excise Duty, Value Add Tax, Cess to the extent applicable and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. (b) According to the information and explanations given to us, there are no dues of Income Tax and other material statutory dues which have not been deposited as on 31 st March, 2017 with the appropriate authorities on account of any dispute.
VIII	The Company does not have any loans or borrowings from any financial institution, bank, government, or debenture holders during the year. Thus, paragraph 3 (viii) of the Order is not applicable to the Company.



IX	The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Thus, paragraph 3 (ix) of the Order is not applicable to the Company.
X	According to the information and explanations given to us, no fraud on or by the Company or by its officers' or employees' has been noticed or reported during the course of our audit.
XI	According to the information and explanations provided to us, managerial remuneration has not been paid or provided by the Company during the year.
XII	According to the information and explanations provided to us, the Company is not a Nidhi Company as defined under section 406 of Companies Act, 2013.
XIII	In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
XIV	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
XV	According to the information and explanations provided to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Thus, paragraph 3 (xv) of the Order is not applicable to the Company.
XVI	The company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934. Hence, paragraph 3 (xvi) of the Order is not applicable to the company.

For MITTAL & AGARWAL

Chartered Accountants

Firm Registration Number 322461E



(Handwritten Signature)

(A. K. Mittal)

Partner

Membership No. : 056496

Place: KOLKATA

Date: 17th May, 2017.

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 Imoogi Fashions Private Limited ("the Company") as of 31 March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

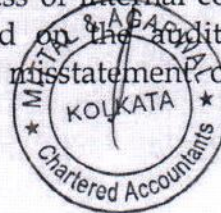
Management's Responsibility for Internal Financial Controls

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 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 was 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 auditor's 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 management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

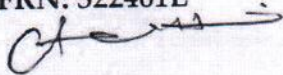
Opinion

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



For MITTAL & AGARWAL
Chartered Accountants

FRN: 322461E


(A. K. Mittal)
Partner

Membership Number: 056496

Place: Kolkata

Date : 17th May, 2017

IMOOGI FASHIONS PRIVATE LIMITED

Balance Sheet as at 31st March, 2017			
	Note	As At	
		March 31, 2017	March 31, 2016
Equity & Liabilities			
Shareholders' Funds			
Share Capital	3	1,00,000	1,00,000
Reserves & Surplus	4	1,93,45,248	1,66,44,910
Total Shareholders' Funds (I)		1,94,45,248	1,67,44,910
Current Liabilities			
Trade Payables	5	40,07,671	1,51,16,669
Other Current Liabilities	6	1,42,62,511	1,70,81,728
Short Term Provisions	7	3,81,395	29,72,409
Total Current Liabilities (ii)		1,86,51,577	3,51,70,806
Total Equity & Liabilities (I)+(ii)		3,80,96,825	5,19,15,716
Assets			
Non Current Assets			
Deferred Tax Asset	8	24,607	-
Total Non Current Assets (iii)		24,607	-
Current Assets			
Inventories	9	1,69,37,529	2,13,06,660
Trade Receivables	10	46,26,881	31,62,311
Cash & Bank Balances	11	1,59,85,552	2,72,65,339
Short Term Loans & Advances	12	5,22,256	1,81,406
Total Current Assets (iv)		3,80,72,218	5,19,15,716
Total Assets (iii)+(iv)		3,80,96,825	5,19,15,716
The notes are an integral part of these financial statements		1 - 2	

As per our Report of even date.

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


(CA. A. K. Mittal)
Partner
Membership No. 056496




Ramesh Agarwal
Director
DIN : 00230702


Vikash Agarwal
Director
DIN : 00230728

Place: Kolkata
Dated: May 17, 2017

IMOOGI FASHIONS PRIVATE LIMITED

Statement of Profit & Loss for the year ended 31st March, 2017

	Note	Year Ended	
		March 31, 2017	March 31, 2016
Revenue			
Revenue From Operations (Gross)	13	3,18,45,571	2,46,34,698
Less: Excise Duty		-	-
Revenue From Operations (Net)		3,18,45,571	2,46,34,698
Other Income	14	1,54,779	-
Total Revenue		3,20,00,350	2,46,34,698
Expenses			
Cost of materials consumed	15	1,71,03,469	72,23,031
Purchases of Stock in trade/Finished Goods		-	-
Changes in inventories of Finished Goods, Work -in-progress and stock-in-trade	16	29,43,110	24,34,405
Employee Benefits Expense	17	26,33,365	14,77,889
Finance Cost	18	2,07,634	1,79,698
Other expenses	19	51,16,041	42,40,457
Total Expenses		2,80,03,618	1,55,55,480
Profit before exceptional and extraordinary items and tax		39,96,732	90,79,218
Exceptional Items		-	-
Profit before extraordinary items and tax		39,96,732	90,79,218
Extraordinary Items		-	-
Profit before tax		39,96,732	90,79,218
Tax Expense			
Current Tax		13,21,000	31,00,000
Deferred Tax		(24,607)	-
Adjustment of Earlier year provision		-	6,56,108
Profit/(Loss) for the period from continuing operations		27,00,338	53,23,110
Profit/(Loss) for the period		27,00,338	53,23,110
Earnings per Equity Share:			
(Nominal value per equity share ₹ 10/-)		270	532
Basic (including Extraordinary Items)		270	532
Diluted (including Extraordinary Items)		270	532
Basic (excluding Extraordinary Items, net of tax expense)		270	532
Diluted (excluding Extraordinary Items, net of tax expense)		270	532
The notes are an integral part of these financial statements			

1 - 2

As per our Report of even date.

For Mittal & Agarwal

Chartered Accountants

Firm Registration No. 322461E


(C.A. A. K. Mittal)

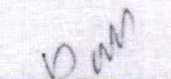
Partner

Membership No. 056496




Place: Kolkata

Dated: May 17, 2017


Ramesh Agarwal

Director

DIN : 00230702


Vikash Agarwal

Director

DIN : 00230728

IMOOGI FASHIONS PRIVATE LIMITED
CASH FLOW STATEMENT for the year ended 31st March, 2017

	31st March, 2017		31st March, 2016	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Profit Before Tax		39,96,732	-	90,79,218
Adjustment to reconcile profit before tax to net cash flows				
(a) Depreciation and Amortisation				
(b) Finance Cost			1,79,698	
(c) Loss/(Profit) on disposal of fixed assets (Net)	2,07,634			
(d) Bad debts / Expenses written off				
(e) Unspent Liabilities written back	27,119			
(f) Interest income	(1,54,609)	80,144		1,79,698
Operating Profit before Working Capital Changes		40,76,876		92,58,916
Changes in Working capital				
(a) Increase/(Decrease) in Other Long Term Liabilities				
(b) Increase/(Decrease) in Trade Payables	(1,11,08,998)		22,41,336	
(c) Increase/(Decrease) in Other Current Liabilities	(28,19,218)		(12,37,545)	
(d) Increase/(Decrease) in Short Term Provisions	79,633			
(e) (Increase) / Decrease in Short-term Loans & Advances	(3,40,851)		65,248	
(f) (Increase) / Decrease in Long-term Loans & Advances				
(g) (Increase)/ Decrease in Inventories	43,69,131		21,68,031	
(h) (Increase) / Decrease in Trade Receivables	(14,91,689)		26,82,141	
(i) (Increase) / Decrease in Other Current Assets		(1,13,11,991)		59,19,211
Cash Generated from Operations		(72,35,115)		1,51,78,127
Less: (a) Direct Taxes Paid		(39,91,647)		(42,96,301)
Add: (b) Interest received from Operating Activities				
Net Cash from Operating Activities		(1,12,26,762)		1,08,81,826
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES				
(a) Interest Received		1,54,609		
Net Cash used in Investing Activities		1,54,609		
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES				
(a) Finance Cost		(2,07,634)		(1,79,698)
Net Cash from Financing Activities		(2,07,634)		(1,79,698)
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)		(1,12,79,787)		1,07,02,128
Cash & Cash Equivalents at the beginning of the year		2,72,65,339		1,65,63,211
Cash & Cash Equivalents at the end of the year		1,59,85,552		2,72,65,339

As per our Report of even date

For Mittal & Agarwal
Chartered Accountants
Firm Registration No. 322461E
(C.A. A. K. Mittal)
Partner
Membership No. 056496



Rajesh Agarwal
Rajesh Agarwal
Director
DIN : 00230702

Vikash Agarwal
Vikash Agarwal
Director
DIN : 00230728

Place: Kolkata
Dated: May 17, 2017

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 manufacturing, processing and selling hosiery and outer fashion wear products, especially for children between the ages of 0-12 years under the brand name "IMOOGI". It caters to redefine the upscale children's clothing market by providing the freshest blend of unique wearable designs featuring a mix of urban chic and high end fashion for both boys and girls.

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.

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

2.6 Retirement and Other Employee Benefits

(i) **Gratuity:** The company operates defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses is recognized in full in the period in which they occur in the statement of profit and loss.

(ii) The leave balances of the employees are only encashable during the year and cannot be accumulated and carried forwarded to next year.



2.7 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.

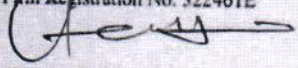
2.8 Earnings Per Share

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.

2.9 Unamortised Expenditure

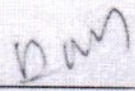
Preliminary Expenses have been equally amortised over the period of five years from the year in which the company will start its operation.


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


(CA. A. K. Mittal)
Partner
Membership No. 056496



Place: Kolkata
Dated: May 17, 2017


Ramesh Agarwal
Director
DIN : 00230702


Vikash Agarwal
Director
DIN : 00230728

NOTES TO THE FINANCIAL STATEMENTS

3 Share Capital	As At				
	March 31, 2017		March 31, 2016		
Authorised: 100000 Equity Shares of ₹ 10/- each		10,00,000		10,00,000	
Issued: 10000 Equity Shares of ₹10/- fully Paid Up in cash		1,00,000		1,00,000	
Subscribed and paid up: 10000 Equity Shares of ₹10/- fully Paid Up in cash		1,00,000		1,00,000	
		1,00,000		1,00,000	
(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 ₹ 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					
Rupa & Company Limited (Holding Company)*		March 31, 2017		March 31, 2016	
		10,000		10,000	
* Shares held in the name of Rupa & Company Ltd and/or its nominees					
(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company					
		March 31, 2017		March 31, 2016	
		No of Shares	%	No of Shares	%
Rupa & Company Limited*		10,000	100	10,000	100
Total		10,000	100	10,000	100
* Shares held in the name of Rupa & Company Ltd and/or its nominees					
(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
4 Reserves & Surplus					
		As At			
		March 31, 2017		March 31, 2016	
Surplus in Statement of Profit & Loss:					
Balance as at the beginning of the year		1,66,44,910		1,13,21,800	
Add: Profit for the year		27,00,338	1,93,45,248	53,23,110	1,66,44,910
Total Reserves & Surplus			1,93,45,248		1,66,44,910



5 Trade Payables		As At	
		March 31, 2017	March 31, 2016
Trade payables (including acceptances)		40,07,671	1,51,16,669
Total Trade Payables		40,07,671	1,51,16,669

6 Other Current Liabilities		As At	
		March 31, 2017	March 31, 2016
Advances from customers		1,11,47,889	1,44,80,480
Statutory Dues		62,989	2,06,653
Other Liabilities		30,51,633	23,94,595
Total		1,42,62,511	1,70,81,728

7 Short Term Provisions		As At	
		March 31, 2017	March 31, 2016
Provision of income tax Net of Advance		3,01,762	29,72,409
Provision for Gratuity		79,633	
Total		3,81,395	29,72,409

8 Deferred Tax Asset		As At	
		March 31, 2017	March 31, 2016
Deferred Tax Asset		24,607	
Total		24,607	

9 Inventories		As At	
		March 31, 2017	March 31, 2016
Raw Materials		67,04,452	85,62,717
Work in Progress		10,79,950	10,49,350
Finished Goods		83,82,455	1,13,56,165
Packing Material		7,70,672	3,38,428
Total		1,69,37,529	2,13,06,660

10 Trade Receivables		As At	
		March 31, 2017	March 31, 2016
Unsecured, considered good			
Outstanding for a period exceeding 6 months from the date they are due for payment			
Others		46,26,881	31,62,311
Total		46,26,881	31,62,311

11 Cash and Bank Balances		As At	
		March 31, 2017	March 31, 2016
Cash and Cash equivalents			
Cash in hand		41,667	37,304
Bank balances			
In current accounts		58,09,235	2,72,28,035
		58,50,902	2,72,65,339
Other Bank Balances			
Deposits with original maturity of less than 3 months		1,01,34,650	
		1,01,34,650	
Total		1,59,85,552	2,72,65,339

12 Short-term loans and advances		As At	
		March 31, 2017	March 31, 2016
Advances Recoverable in Cash or kind for value to be received		5,22,256	1,81,406
Total		5,22,256	1,81,406



13 Revenue	Year Ended			
	March 31, 2017		March 31, 2016	
Revenue from Operations:				
Sale of products				
Finished goods				
Semi Finished goods		3,06,73,165		2,29,33,702
Other Operating Revenue		5,85,568		4,48,357
Revenue from Operations (Gross)		5,86,837		12,52,638
Less: Excise Duty				
Revenue from Operations (Net)		3,18,45,571		2,46,34,698
		3,18,45,571		2,46,34,698
Details of product sold				
Knitwear		3,06,73,165		2,29,33,702
Than/Yarn		5,85,568		4,48,357
		3,12,58,734		2,33,82,060

14 Other Income	Year Ended			
	March 31, 2017		March 31, 2016	
Interest income on Fixed Deposit				
Miscellaneous income		1,54,609		
		170		
		1,54,779		

15 Cost of materials consumed	Year Ended			
	March 31, 2017		March 31, 2016	
Raw material consumed				
Opening inventory				
Add : Purchases (net)		85,62,716		83,10,731
Less : Inventory at the end of the year		1,21,40,137		61,48,003
Cost of raw materials consumed during the year		67,04,451		85,62,716
Packing material consumed		1,39,98,403		58,96,017
Opening inventory				
Add : Purchases (net)		3,38,428		3,24,038
Less : Inventory at the end of the year		35,37,310		13,41,404
Cost of packing materials consumed during the year		7,70,672		3,38,428
		31,05,066		13,27,014
Total		1,71,03,469		72,23,031
Details of Raw Materials Consumed				
Yarn & Than		1,39,98,403		58,96,017
		1,39,98,403		58,96,017

16 Changes in inventory of finished goods and work in progress	Year Ended			
	March 31, 2017		March 31, 2016	
(Increase)/Decrease in stocks				
Stock at the end of the year:				
Finished Goods				
Work-in progress		83,82,455		1,13,56,165
Total A		10,79,950		10,49,350
Less: Stock at the beginning of the year:		94,62,405		1,24,05,515
Finished Goods				
Work-in progress		1,13,56,165		1,34,01,450
Total B		10,49,350		14,38,470
Increase/Decrease in Stocks (B-A)		1,24,05,515		1,48,39,920
		29,43,110		24,34,405
Details of inventory				
Work-in-Progress				
Knit wear				
Finished Goods		10,79,950		10,49,350
Knit wear		83,82,455		1,13,56,165



17 Employee Benefits Expenses	Year Ended	
	March 31, 2017	March 31, 2016
	Salaries, Wages and Bonus	25,53,732
Gratuity	79,633	-
	26,33,365	14,77,889

18 Finance Costs	Year Ended	
	March 31, 2017	March 31, 2016
	Bank Charges	4,130
Interest	2,03,504	1,73,631
	2,07,634	1,79,698

19 Other Expenses	Year Ended	
	March 31, 2017	March 31, 2016
	Sub-Contracting Expenses	26,21,794
Freight and Forwarding expenses	1,06,383	599
Insurance	51,032	47,025
Rates and taxes	4,140	18,332
Advertising and Sales promotion	7,41,632	9,60,796
Brokerage & Commission	1,51,300	1,18,955
Travelling & Conveyance	10,31,547	8,13,856
Legal and professional fees	1,70,000	1,05,380
Payment to auditor	39,065	30,900
Balance written off	27,119	-
Miscellaneous Expenses	1,72,029	1,40,260
	51,16,041	42,40,457



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.

21 Earnings Per Share

	Year ended	
	March 31, 2017	March 31, 2016
(a) Basic		
(i) Number of Equity Shares at the beginning of the year.	10,000	10,000
(ii) Number of Equity Shares at the end of the year.	10,000	10,000
(iii) Weighted average number of Equity Shares Outstanding during the year	10,000	10,000
(iv) Face Value of Equity Shares	10	10
(v) Profit after Tax for Equity Shareholders	27,00,338	53,23,110
(vi) Basic/ Diluted Earnings Per Share (v/iii)	270	532

22 Employee Benefit (Defined Benefit Plan)

The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out

Description	Gratuity (Unfunded)
	(Rs.)
	2016-17
Changes in the present value of Defined Benefits Obligation during the year ended 31st March, 2017.	-
Opening Present Value of Obligation	-
Past Service Cost	-
Current Service Cost	79,633
Interest Cost	-
Actuarial (Gain) / Loss	-
Benefits Paid	-
Closing Present Value of Obligation	79,633
Changes in Fair Value of Plan Assets during the year ended 31st March, 2017.	-
Opening Fair Value of Plan Assets	-
Expected Return on Plan Assets	-
Employer Contribution	-
Benefits Paid	-
Appreciation / Depreciation of Plan Assets	-
Closing Fair Value of Plan Assets	-
Net Assets/(Liabilities) recognized in Balance Sheet as at 31st March 2017.	(79,633)
Closing Present Value of Obligation	-
Closing Fair Value of Plan Assets	-
Unrecognised past Service Cost	-
Net Asset/(Liability) recognized in the Balance Sheet	(79,633)
Expenses recognized in the Statement of Profit & Loss for the year ended 31st March, 2017	
Current Service Cost	79,633
Interest Cost	-
Expected Return on Plan Assets	-
Curtailment Cost	-
Settlement Cost	-
Past Service Cost	-
Appreciation/Depreciation of Plan Assets	-
Actuarial (Gain)/Loss	-
Total	79,633
Principal Actuarial Assumptions used :	
Mortality	IALM (2006 - 08)
Discount Rate	Ultimate Table
Expected Salary Increase	7.50% p.a.
Normal Age of Retirement	6% p.a.
Normal Age of Retirement	60 years
Withdrawal	1% to 8%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, such as supply



23 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

Related parties where control exists
Holding Company:

Related parties with whom transactions have taken place during the year
Private companies in which directors or relatives are director or members.

Rupa & Company Limited

Rupa Dyeing & Printing Pvt Ltd

Related party transactions

Particulars	Party	Nature of Relationship	(Amount in ₹)	
			2016-2017	2015-2016
Purchases	Rupa & Company Limited	Holding Company	1,10,92,589	53,38,642
	Rupa Dyeing & Printing Pvt Ltd	Private companies in which directors or relatives are director or members.	8,26,871	97,391
Sales	Rupa & Company Limited	Holding Company	14,05,94,830	13,09,51,857

Balance at end of the year

Particulars	Party	Nature of Relationship	(Amount in ₹)	
			2016-2017	2015-2016
Advance from Customers	Rupa & Company Limited	Holding Company	1,11,47,889	1,41,25,693
Trade Payables	Rupa Dyeing & Printing Pvt Ltd	Private companies in which directors or relatives are director or members.	4,593	80,680

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

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Add: Permitted receipts	-	36,275	36,275
Add: Amount withdrawn from Bank	-	-	-
Less: Permitted payments	-	26,118	26,118
Less: Amount deposited in Banks	-	11,622	11,622
Closing cash in hand as on 30.12.2016	-	47,461	47,461

25 Previous year figures including those given in brackets have been regrouped/re-arranged wherever necessary.

As per our report of even date

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

(CA. A. K. Mittal)
Partner
Membership No 056496

Place Kolkata
Dated: May 17, 2017



Dum

Ramesh Agarwal
Director
DIN : 00230702

Vikash

Vikash Agarwal
Director
DIN : 00230728