



OBAN FASHIONS PRIVATE LIMITED

**ANNUAL REPORT
2016-2017**



MITTAL & AGARWAL
Chartered Accountants
Kolkata

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of **M/S OBAN 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.

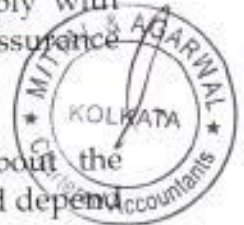
Auditor's Responsibility

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 **loss** 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

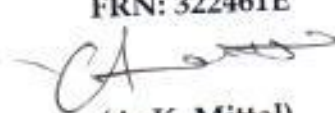
1. As required by the Companies(Auditors Report) Order, 2016 ('the order') issued by the Central Government of India in terms of subsection (11) of the section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
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 2016, 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 : 18th May, 2017

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

OBAN FASHIONS PRIVATE LIMITED

Clause No.	Remarks
I	<p>a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>b) The fixed assets have been physically verified by the Management at reasonable intervals. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No major discrepancies were noticed.</p> <p>c) The companies do not have any immovable property. Hence, Sub-clause 'c' is not applicable to the company.</p>
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	The Company has not granted any secured or unsecured loans person covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, sub-clauses (a), (b) and (c) of paragraph 3 (iii) of the Order is 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 Company is not required to maintain 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	<p>(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.</p> <p>(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 31st March, 2017 with the appropriate authorities on account of any dispute.</p>
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 the 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

(A. K. Mittal)

Partner

Membership No. : 056496

Place: KOLKATA

Date: 18th 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 **M/S Oban 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 : 18th May, 2017

OBAN 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	4,01,00,000	1,00,000
Reserves & Surplus	4	(5,25,26,594)	(18,09,456)
Total Shareholders' Funds		(1,24,26,594)	(17,09,456)
Non Current Liabilities			
Long Term Borrowings	5	13,32,97,575	17,89,927
Deferred Tax Liability (Net)	6	47,73,391	7,257
Other Long Term Liabilities	7	48,00,000	-
Total Current Liabilities		14,28,70,966	17,97,184
Current Liabilities			
Trade Payables	8	4,86,12,993	-
Other Current Liabilities	9	61,34,496	1,04,788
Total Current Liabilities		5,47,47,489	1,04,788
Total Equity & Liabilities		18,51,91,862	1,92,516
Assets			
Non Current Asset			
Tangible Assets	10	71,83,797	40,687
Intangible Assets		9,09,59,018	51,829
Non Current Assets		9,81,42,816	92,516
Current Assets			
Inventories	11	4,70,41,169	-
Trade Receivables	12	3,26,56,794	-
Short-term loans and advances	13	73,15,046	-
Cash & Cash Equivalents	14	36,037	1,00,000
Total Current Assets		8,70,49,046	1,00,000
Total Assets		18,51,91,862	1,92,516
General Information and Summary of Significant Accounting Policy		1-2	
The notes are an integral part of these financial statements			

As per our Report of even date.

For MITTAL & AGARWAL
Chartered Accountants
Firm Regn. No.: 322461E


(A. K. MITTAL)
Partner
Membership No. 056496



PLACE : Kolkata
Date: 18.05.2017

For and on behalf of Board
For OBAN FASHIONS PRIVATE LIMITED


.....
(Ramesh Agarwal) Authorized Signatory
Director
DIN : 00230702
For OBAN FASHIONS PRIVATE LIMITED


.....
(Siddhant Agarwal) Authorized Signatory
Director
DIN : 06941695

OBAN FASHIONS PRIVATE LIMITED

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

	Note	Year Ended	
		March 31, 2017	March 31, 2016
INCOME			
Revenue From Operations	15	7,50,86,969	-
Other Income	16	71,649	-
Total Revenue		7,51,58,618	-
Expenses			
Purchase of Goods	17	8,37,44,350	-
Changes in Inventories	18	(4,70,41,169)	-
Employee Benefit Expenses	19	2,91,35,552	-
Finance Expenses	20	89,23,571	-
Other expenses	21	3,54,47,740	18,01,815
Depreciation	10	1,08,99,579	384
Total Expenses		12,11,09,622	18,02,199
Profit/(Loss) before exceptional and extraordinary items and tax		(4,59,51,004)	(18,02,199)
Exceptional Items		-	-
Profit/(Loss) before extraordinary items and tax		(4,59,51,004)	(18,02,199)
Extraordinary Items		-	-
Profit/(Loss) before tax		(4,59,51,004)	(18,02,199)
Tax Expense			
Current Tax		-	-
Deferred Tax		(47,66,134)	(7,257)
Profit/(Loss) for the year from continuing operations		(5,07,17,138)	(18,09,456)
Profit/(Loss) for the year		(5,07,17,138)	(18,09,456)
Earnings per Equity Share: (Nominal value per equity share ₹ 10/-)			
Basic (including Extraordinary items)		(21.63)	(180.95)
Diluted (including Extraordinary items)		(21.63)	(180.95)
Basic (excluding Extraordinary items, net of tax expense)		(21.63)	(180.95)
Diluted (excluding Extraordinary items, net of tax expense)		(21.63)	(180.95)
		(21.63)	(180.95)
General Information and Summary of Significant Accounting Policy	1-2		
The notes are an integral part of these financial statements			

As per our Report of even date.

For and on behalf of Board

For MITTAL & AGARWAL
Chartered Accountants
Firm Regn. No.-322461E

(A. K. MITTAL)
Partner
Membership No. 056496



For OBAN FASHIONS PRIVATE LIMITED


(Ramesh Agarwal)
Director
DIN : 00230702

For OBAN FASHIONS PRIVATE LIMITED


(Siddhant Agarwal)
Director
DIN : 06941695

PLACE: Kolkata
Date: 18.05.2017

OBAN 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		(45,951,004)	-	(1,802,199)
Adjustment to reconcile profit before tax to net cash flows			384	
(a) Depreciation and Amortisation	10,899,579			
(b) Finance Cost	8,923,571			
(c) Interest Income	65,997	19,889,146		384
Operating Profit before Working Capital Changes		(26,061,857)		(1,801,815)
Changes in Working capital			104,788	
(a) Increase in Other Long Term Liabilities	4,800,000			
(b) Increase in Trade Payables	48,612,993			
(c) Increase in Other Current Liabilities	5,020,257			
(d) Increase in Short Term Provisions	379,658			
(e) (Increase) in Short-term Loans & Advances	(7,315,046)			
(f) (Increase) in Inventories	(47,041,169)			
(g) (Increase) in Trade Receivables	(32,656,794)	(28,200,100)		104,788
Cash Generated from Operations		(54,261,958)		(1,697,027)
Less: (a) Direct Taxes Paid				
Add: (b) Interest received from Operating Activities				
Net Cash from Operating Activities		(54,261,958)		(1,697,027)
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES				
(a) Purchase of Fixed Assets		(108,320,085)		(92,900)
(b) Interest Received		(65,997)		
Net Cash used in Investing Activities		(108,386,083)		(92,900)
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES				
(a) Finance Cost		(8,923,571)		
(b) Proceeds from Initial Share Capital		40,000,000		100,000
(c) Proceed of Loan from Holding Company		131,507,648		1,789,927
Net Cash from Financing Activities		162,584,077		1,889,927
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B-C)		(63,963)		100,000
Cash & Cash Equivalents at the beginning of the year		100,000		-
Cash & Cash Equivalents at the end of the year		36,037		100,000

As per our Report of even date.

For MITTAL & AGARWAL
Chartered Accountants
Firm Regn. No.-322461E


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



Place: Kolkata
Date: 18.05.2017

NOTES TO THE FINANCIAL STATEMENTS**1 General Information:**

The Company is a 100% Subsidiary of Rupa & Co. Ltd. under the Companies Act 2013. The Company was formed to carry on the main activities as manufacturer, importer and exporter, wholesale and retail dealer of and in hosiery goods of every kind, nature and description for men, women, and children including vest, underwears, socks, stockings, sweaters, laces and so on and of all or anything which is used in hosiery goods.

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. These financial statements have been prepared to comply with all material aspects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the companies (Accounts) Rule, 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.

2.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

2.3 Tangible Fixed Asset

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on fixed assets is provided under Straight Line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The company has used the following rates to provide depreciation on its fixed assets.

Class of Assets	Useful Lives estimated by the management (Years)
Computer and Data Processing Equipments	3
Furnitures and Fixtures	4 to 10
Office Equipments	5

The management has estimated, supported by independent assessment by professionals, the useful lives of certain Furniture & Fixture as 4 years. These lives are lower than those indicated in schedule II.



2.4 Intangible Fixed Asset

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful economic lives.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit & Loss. The useful lives over which intangible assets are amortised are as under:

Assets	Useful Life (in years)
Business Rights	10
Computer software	5

2.5 Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

2.6 Impairment

The carrying amount of assets (tangible and intangible) is reviewed at each balance sheet date, to determine if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount which is the greater of net selling price and value in use of the respective assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.7 Inventories

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of traded goods is determined on weighted average basis

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

2.8 Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the period in which they arise.



2.9 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods: Revenue from sale of goods is recognised upon passage of title to the customers, in accordance with the Sales of Goods Act, 1930. Sales are net of discounts, rebates and sales taxes. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenues.

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

2.10 Retirement and Other Employee Benefits

(i)**Provident & Pension Fund:** Retirement benefits in the form of Provident and Pension Funds are defined contribution schemes and are charged to the statement of profit and loss of the period when the contributions to the respective funds are due. The Company has no obligation other than contributions to the respective funds. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the selected service.

(ii)**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.

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

2.11 Taxes on Income

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.



2.12 Provisions and Contingent Liabilities

Provisions: A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liabilities: A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

2.13 Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

2.14 Segment Reporting

Based on the synergies, risks and returns associated with business operations and in terms of Accounting Standard – 17, the Company is predominantly engaged in a single segment of Garments & Hosiery goods and related services during the year. The analysis of geographical segments is based on the areas in which customers of the Company are located.

2.15 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

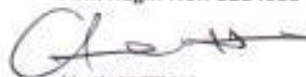
2.16 Earnings Per Share

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.

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 are adjusted for the effects of all dilutive potential equity shares.

As per our Report of even date.

For MITTAL & AGARWAL
Chartered Accountants
Firm Regn. No.-322461E

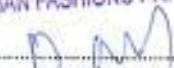


(A. K. MITTAL)
Partner
Membership No. 056496

PLACE : KOLKATA
Date: 18.05.2017




For and on behalf of Board
For OBAN FASHIONS PRIVATE LIMITED


.....
(Ramesh Agarwal)
Director/Authorised Signatory

DIN : 00230702

For OBAN FASHIONS PRIVATE LIMITED


.....
(Siddhant Agarwal) Director/Signatory
Director

DIN : 06941695

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

		As At			
		March 31, 2017		March 31, 2016	
3	Share Capital				
	Authorised: 50,00,000 (1,00,000) Equity Shares of ₹ 10/- each	5,00,00,000		10,00,000	
	Issued, Subscribed and paid up: 40,10,000 (10,000) Equity Shares of ₹ 10/- each fully Paid up	4,01,00,000		1,00,000	
(a) Reconciliation of number of shares					
	Balance as at the beginning of the year	10,000		-	
	Add: Issued During the Year	40,00,000		10,000	
	Balance as at the close of the year	40,10,000		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. 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, 2017		March 31, 2016	
		No of Shares	%	No of Shares	%
Rupa & Company Limited (Holding Company)		40,10,000	100	10,000	100
* Shares held in the name of Rupa & Company Ltd and 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		40,10,000	100	10,000	100
* Shares held in the name of Rupa & Company Ltd and its nominees					
		As at			
		March 31, 2017		March 31, 2016	
4	Reserves & Surplus				
	Surplus in Statement of Profit & Loss:				
	Opening Balance	(18,09,456)		-	
	Profit/Loss for the year	(5,07,17,138)		(18,09,456)	
	Total	(5,25,26,594)		(18,09,456)	
		As at			
		March 31, 2017		March 31, 2016	
5	Long Term Borrowings				
	Loan From Holding Company	13,32,97,575		17,89,927	
	Total	13,32,97,575		17,89,927	
		As at			
		March 31, 2017		March 31, 2016	
6	Deferred Tax Liability (Net)				
	Deferred Tax Liability	47,73,391		7,257	
	Total	47,73,391		7,257	
		As at			
		March 31, 2017		March 31, 2016	
7	Other Long Term Liabilities				
	Trade deposit from customers	48,00,000		-	
	Total	48,00,000		-	



8	Trade Payables	As at	
		March 31, 2017	March 31, 2016
	Trade payables (including acceptances)	4,86,12,993	-
	Total	4,86,12,993	-

9	Other Current Liabilities	As at	
		March 31, 2017	March 31, 2016
	Statutory Dues	31,43,572	-
	Provision for Gratuity	3,79,658	-
	Temporary Over Draft due to Reconciliation	19,81,473	-
	Capital Creditors	6,29,793	1,04,788
	Total	61,34,496	1,04,788



10 Tangible Assets

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As At March 31, 2016	Additions/ (Adjustments)	As At March 31, 2017	Upto March 31, 2016	For The Year	Upto March 31, 2017	As At March 31, 2017	As At March 31, 2016
Computer	40,900	16,91,285	17,32,185	213	3,02,685	3,02,898	14,29,287	40,687
Office Equipment	-	2,93,606	2,93,606	-	30,308	30,308	2,63,298	-
Furniture & Fixture	-	59,63,296	59,63,296	-	4,72,084	4,72,084	54,91,212	-
Total	40,900	79,48,187	79,89,087	213	8,05,077	8,05,290	71,83,797	40,687

Intangible Assets

PARTICULARS	GROSS BLOCK (AT COST)			AMORTIZATION			NET BLOCK	
	As At March 31, 2016	Additions/ (Adjustments)	As At March 31, 2017	Upto March 31, 2016	For The Year	Upto March 31, 2017	As At March 31, 2017	As At March 31, 2016
Computer Software	52,000	10,01,691	10,53,691	171	94,502	94,673	9,59,018	51,829
Business Rights	-	10,00,00,000	10,00,00,000	-	1,00,00,000	1,00,00,000	9,00,00,000	-
Total	52,000	10,10,01,691	10,10,53,691	171	1,00,94,502	1,00,94,673	9,09,59,018	51,829

92,900	10,89,49,878	10,90,42,778	384	1,08,99,579	1,08,99,962	9,81,42,816	92,516
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11 Inventories	As at		As at	
	March 31, 2017		March 31, 2016	
Finished Goods		4,70,41,169		-
Total		4,70,41,169		-

12 Trade Receivables	As at		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 Receivables		3,26,56,794		-
Total		3,26,56,794		-

13 Short-term loans and advances	As at		As at	
	March 31, 2017		March 31, 2016	
Deposits		58,000		-
Advances Recoverable in Cash or kind for value to be received		6,14,966		-
Prepaid Expenses Royalty FOTL		65,57,921		-
Prepaid Expenses		84,159		-
Total		73,15,046		-

14 Cash and Bank Balances	As at		As at	
	March 31, 2017		March 31, 2016	
Cash and Cash equivalents				
Cash in hand		36,037		-
Cheque In Hand		-		1,00,000
Balances with Bank				
In current accounts		-		-
Total		36,037		1,00,000



OBAN FASHIONS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15	Revenue	Year Ended	
		March 31, 2017	March 31, 2016
	Revenue from Operations:		
	Sale of products		
	Finished goods	7,50,86,969	-
	Revenue from Operations	7,50,86,969	-

16	Other Income	Year Ended	
		March 31, 2017	March 31, 2016
	Bank Interest	63,842	-
	Interest Received From Vendor	2,155	-
	Miscellaneous Income	5,652	-
		71,649	-

17	Purchase	Year Ended	
		March 31, 2017	March 31, 2016
	Purchase of products		
	Finished goods	8,37,44,350	-
		8,37,44,350	-

18	Changes in inventory of finished goods	Year Ended	
		March 31, 2017	March 31, 2016
	(Increase)/Decrease in stocks		
	Stock at the beginning of the year:		
	Finished Goods	-	-
	Stock at the end of the year:		
	Finished Goods	3,87,71,512	-
	Stock with Third Party	82,69,657	-
	Increase/Decrease in Stocks	(4,70,41,169)	-

19	Employee Benefits Expenses	Year Ended	
		March 31, 2017	March 31, 2016
	Salaries, Wages and Bonus	2,87,55,894	-
	Gratuity	3,79,658	-
		2,91,35,552	-

20	Finance Costs	Year Ended	
		March 31, 2017	March 31, 2016
	Interest	89,17,323	-
	Bank Charges	6,248	-
		89,23,571	-



21 Other Expenses	Year Ended			
	March 31, 2017		March 31, 2016	
Advertising		53,12,215		-
Sales Promotion		9,69,058		-
Freight & Forwarding expenses		37,06,764		-
Insurance		85,021		-
Rate & Taxes		9,23,715		400
Travelling & Conveyance		50,66,234		-
Communication Costs		5,33,622		-
Legal & Professional Fees		69,95,514		6,29,843
Dealer's Incentive		11,38,813		-
Commission		35,00,000		-
Royalty on Sales		37,48,967		-
Rent		4,13,306		-
Payment to auditor				
Audit Fee	8,625		6,870	
For Taxation Matter	4,025	12,650	1,718	8,588
Preliminary Expenses W/o		-		11,60,434
Miscellaneous Expenses		30,41,860		2,550
		3,54,47,740		18,01,815



NOTES TO THE FINANCIAL STATEMENTS

22.1 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.

Earnings Per Share	(Amount in ₹)	
	Year Ended	
	March 31, 2017	March 31, 2015
(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.	40,10,000	10,000
iii) Weighted average number of Equity Shares Outstanding during the year	23,44,247	10,000
iv) Face Value of Equity Shares ₹	10	10
v) Profit/(Loss) after Tax for Equity Shareholders ₹	(5,07,17,138)	(18,09,456)
vi) Basic & Diluted Earnings Per Share (v/iii) ₹	(21.63)	(180.95)

22.2 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:

Key Management Personnel: Mr. Ramesh Agarwal
Mr. Mukesh Agarwal
Mr. Vikash Agarwal
Mr. Siddhant Agarwal

Holding Company : Ilupa & Company Limited

Related party transactions

Particulars	Holding Company	
	2016-17	2015-16
Loan	13,32,97,575	17,89,927
Interest Expense	87,20,356	-

Capital and other commitments

Particulars	Holding Company	
	2016-17	2015-16
Estimated amount of contracts remaining to be executed and not provided for (net of advances)	6,00,00,000	-

Expenditure in foreign currency (on accrual basis)

Particulars	Holding Company	
	2016-17	2015-16
Royalty	37,48,967	-
Professional Fee	6,31,589	-
Advertisement	3,75,975	-

22.3 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
Closing cash in hand as on 08.11.2016	-	6,511	6,511
Add: Permitted receipts	-	-	-
Add: Amount withdrawn from Bank	-	80,000	-
Less: Permitted payments	-	77,593	77,593
Less: Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	8,918	8,918

22.4 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 at each Balance Sheet date.

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	3,79,658
Interest Cost	-
Actuarial (Gain) / Loss	-
Benefits Paid	-
Closing Present Value of Obligation	3,79,658



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) recognised in Balance Sheet as at 31st March 2017:	
Closing Present Value of Obligation	(3,79,658)
Closing Fair Value of Plan Assets	-
Unrecognised past Service Cost	-
Net Asset/(Liability) recognised in the Balance Sheet	(3,79,658)
Expenses recognised in the Statement of Profit & Loss for the year ended 31st March, 2017	
Current Service Cost	3,79,658
Interest Cost	-
Expected Return on Plan Assets	-
Curtailment Cost	-
Settlement Cost	-
Past Service Cost	-
Appreciation/Depreciation of Plan Assets	-
Actuarial (Gain)/Loss	-
Total	3,79,658
Principal Actuarial Assumptions used :	
Mortality	IAIM (2006 - 08) Ultimate Table
Discount Rate	7.50% p.a.
Expected Salary Increase	6% p.a.
Normal Age of Retirement	56 years
Morbidity	No explicit allowance
Withdrawal	1% to 8% depending on the age and length of service.
Inflation Rate	6%
The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.	


22.5 Previous Year Figures

Figures of previous year have been regrouped/re-arranged wherever considered necessary.

Figures have been rounded off to nearest rupees.

As per our Report of even date.

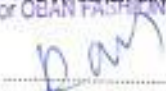
For MITTAL & AGARWAL
Chartered Accountants
Firm Regn. No. : 322461E


(J. K. MITTAL)
Partner
Membership No. 056496



PLACE: Kolkata
Date: 18.05.2017

For and on behalf of Board
For OBAN FASHIONS PRIVATE LIMITED


(Ramesh Chatterjee)
Director
DIN : 00230702

For OBAN FASHIONS PRIVATE LIMITED


(Siddha Ghosh)
Director
DIN : 06941695

