Singhi & Co.
Chartered Accountants
B2 402 B, Marathon Innova, 4th Floor, Off Ganpatrao Kadam Marg, Opp. Peninsula Corporate Park, Lower Parel, Mumbai - 400 013. India
Tel : +91 (0) 22-6662 5537 / 38 E-mail : mumbai@singhico.com website : www.singhico.com

INDEPENDENT AUDITOR'S REPORT

To the Members of OBAN FASHIONS PRIVATE LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

1. We have audited the accompanying Ind AS financial statements of **OBAN FASHIONS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss and including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act 2013 ("The Act" or "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its Loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of The Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Emphasis of Matter

3. Attention is drawn to Note No.15 (1) to the financial statements regarding recognition and carry forward of Deferred tax Assets amounting to Rs. 6,88,65,275 for the year ended 31st March, 2019 and Rs.11,55,11,772 as at 31st March, 2019 respectively. For the reasons stated therein and considering the future profitability projections, the management is hopeful of realizing the carry over Deferred Tax Asset amounting to Rs.11,55,11,772 as at 31st March, 2019. Our opinion is not modified in respect of the above matter.

Information Other than the Financial Statements and Auditor's Report Thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises of the Board's Report including its Annexures, and other report placed by the management before the members. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

SINGHI & CO. Chartered Accountants

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

7. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design

SINGHI & CO. Chartered Accountants

audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

8. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

   We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. 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 including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

SINGHI & CO. * Chartered Accountants *

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in Annexure B to this report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that no remuneration has been paid by the Company to its directors during the year to which the provisions of section 197 of the Act apply.

h) 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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note No. 29 to the financial statements;

   (ii). The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

   (iii). There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Singhi & Co.,
Chartered Accountants
Firm's Registration No.: 302049E

SINGHI & CO. * Chartered Accountants *

Sudesh Choraria
Partner
Membership no: 204936

Place: Mumbai
Date: May 18, 2019

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Oban Fashions Private Limited on the Ind AS financial Statements as of and for the year ended March 31, 2019)

We report that:

i. In respect of its fixed assets:

a) According to information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a specified period which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable properties are held in the name of the Company.

ii. As explained to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory of raw materials, work in progress, finished goods and by products. No discrepancies were noticed on physical verification of inventories as compared to book records.

iii. As informed to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act. Therefore, the provision of clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the company.

iv. As informed to us, the company has not granted any loans or made any investment, or provided any guarantees or security to the parties covered under section 185 and 186. Therefore the provision of clause 3(iv) of the said Order are not applicable to the company.

v. According to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the rules framed there under.

vi. To the best of our knowledge and according to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act 2013 for any of the products of the company.

vii. According to the information and explanations given to us and the records of the Company examined by us:

a) The Company is generally regular in depositing undisputed statutory dues in respect of Provident fund, Employees' state insurance, Income Tax, Sales tax, Service Tax, Goods and Service tax, Customs Duty, Cess and other material statutory dues, as applicable.

b) According to the records and information and explanations given to us no undisputed amount payable in respect of Provident fund, Employees' state insurance, Income Tax, Sales Tax, Service Tax, Goods and Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues is outstanding as at March 31, 2019, for a period of more than six months from the date they became payable.

Chartered Accountants

c) There are no dues of Income tax, Sales tax, Service tax, Goods and Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government . The Company had neither any outstanding debentures at the beginning of the year nor has it issued any debenture during the year.

ix. According to the information and explanation given to us by the management, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. The Company has not paid any managerial remuneration during the year to which the provisions of Section 197 read with Schedule V to the Act apply.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provision of clause 3(xii) of the Order are not applicable to the company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under the Indian Accounting Standards (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

xiv. According to the information and explanations give 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. Accordingly, the provisions of the clause 3(xiv) of the Order are not applicable to the company.

xv. According to the information and explanations given 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. Accordingly, the provisions of the clause 3(xv) of the Order are 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.Accordingly, the provisions of the clause 3(xvi) of the Order are not applicable to the company.

For Singhi & Co.
Chartered Accountants
Firm's registration number: 302049E

SINGHI & CO. ★ Chartered Accountants ★

Sudesh Choraria
Partner
Membership Number: 204936

Place: Mumbai
Dated: May 18, 2019

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 10(f) of the Independent Auditor's Report of even date to the members of Oban Fashions Private Limited on the Ind AS financial Statements as of and for the year ended March 31, 2019)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of **OBAN FASHIONS PRIVATE LIMITED** ("the Company") as of March 31, 2019 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

2. 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 Act.

AUDITOR'S RESPONSIBILITY

3. 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.

4. 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.

5. 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.

SINGHI & CO. * Chartered Accountants *

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. 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:

   a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

   b. 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

   c. 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

7. 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

8. 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 March 31, 2019, 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 Singhi & Co.
Chartered Accountants
Firm's registration number: 302049E

SINGHI & CO. ★ Chartered Accountants ★

Sudesh Choraria
Partner
Membership Number: 204936

Place: Mumbai
Dated: May 18, 2019

OBAN FASHIONS PRIVATE LIMITED
CIN: U18204MH2015PTC271385
Balance Sheet as at March 31, 2019

(Amount In Rs)

Particulars	Note No.	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	2,51,57,663	1,88,30,067
(b) Intangibles assets	5	7,10,25,440	8,13,90,456
(c) Intangible assets under development	5(a)	2,74,200	2,14,200
(d) Financial assets			
(i) Other Financial Assets	6	58,000	58,000
(e) Deferred tax assets/ (Liabilities) (Net)	15	11,55,11,772	4,67,40,168
(f) Other non- current assets	7	-	-
		21,20,27,075	14,72,32,891
Current assets			
(a) Inventories	8	26,98,68,868	16,98,32,849
(b) Financial assets			
(i) Trade receivable	9	27,28,05,261	21,69,16,418
(ii) Cash and cash equivalents	10	11,86,365	20,05,860
(iii) Other Financial Assets	6	29,02,314	27,69,286
(c) Other current assets	7	4,22,76,257	2,77,57,469
		58,90,39,065	41,92,81,882
TOTAL ASSETS		80,10,66,140	56,65,14,773
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	9,91,00,000	9,91,00,000
(b) Other equity	12	(33,79,41,619)	(14,18,67,970)
		(23,88,41,619)	(4,27,67,970)
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	44,00,00,000	-
(ii) Other financial liabilities	18	3,46,82,943	5,06,44,125
(b) Provisions	14	57,52,632	36,30,159
		48,04,35,575	5,42,74,284
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	35,45,64,721	44,18,93,070
(ii) Trade payables	17	11,75,85,636	7,25,34,555
(iii) Other financial liabilities	18	80,80,780	1,42,07,325
(b) Provisions	14	3,06,770	1,96,618
(c) Income tax liabilities (net)	19	-	-
(d) Other current liabilities	16	7,89,34,276	2,61,76,891
		55,94,72,183	55,50,08,459
TOTAL EQUITY & LIABILITIES		80,10,66,139	56,65,14,773

Significant accounting policies 3
Other notes to Financial Statements 1-38
The notes referred to above form integral part of these financial statements

As per our Report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
Membership No.204936
Mumbai
Date: 18th May, 2019

SINGHI & CO. Chartered Accountants

For and on behalf of the Board of Directors

Ramesh Agarwal
Director
DIN: 00230702

Siddhant Agarwal
Director
DIN: 06941695

Neha Sarawagi
Neha Sarawagi
Company Secretary

OBAN FASHIONS PRIVATE LIMITED
CIN: U18204MH2015PTC271385
Statement of Profit and Loss for the year ended March 31, 2019

(Amount In Rs)

	Particulars	Note No.	For the year ending March 31, 2019	For the year ending March 31, 2018
I	Revenue from operations	20	39,63,87,392	29,18,30,562
II	Other income	21	5,69,232	37,00,117
III	**Total Income (I+II)**		39,69,56,623	29,55,30,679
IV	**Expenses**			
	Trading Purchase of Goods	22	43,08,19,402	32,04,59,626
	Changes in inventories of traded finished goods	23	(10,00,36,020)	(12,27,91,680)
	Employee benefits expense	24	10,98,66,529	7,17,38,841
	Finance costs	25	5,32,77,556	2,05,71,203
	Depreciation and amortisation expense	26	1,77,84,070	1,31,54,094
	Other expenses	27	15,04,50,612	13,33,02,262
	Total Expenses (IV)		66,21,62,149	43,64,34,347
V	**Profit before Exceptional items & tax (III-IV)**		**(26,52,05,526)**	**(14,09,03,667)**
VI	**Add/Less: Exceptional Items**		-	-
VII	**Profit/(Loss) Before Tax (V-VI)**		(26,52,05,526)	(14,09,03,667)
VIII	Tax expense			
	a) Current tax		-	-
	b) Deferred tax		(6,88,65,275)	(5,15,12,205)
IX	**Profit for the year (VII- VIII)**		(19,63,40,251)	(8,93,91,462)
X	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	-Remeasurements of defined benefit plans		3,60,273	65,631
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(93,671)	(16,900)
XI	**Other Comprehensive Income for the year (i-ii)**		**2,66,602**	**48,731**
XII	**Total Comprehensive Income for the year (IX+XI)**		(19,60,73,649)	(8,93,42,731)
XIII	**Earnings per equity share**			
	Basic earnings per share (₹)		(19.81)	(11.13)
	Diluted earnings per share (₹)		(19.81)	(11.13)
	Significant accounting policies	3		
	Other notes to Financial Statements	1-38		

The notes referred to above form integral part of these financial statements

As per our Report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
Membership No.204936
Mumbai
Date: 18th May, 2019

SINGHI & CO. ★ Chartered Accountants ★

For and on behalf of the Board of Directors

Ramesh Agarwal
Director
DIN: 00230702

Siddhant Agarwal
Director
DIN: 06941695

Neha Sarawagi
Neha Sarawagi
Company Secretary

OBAN FASHIONS PRIVATE LIMITED
CIN: U18204MH2015PTC271385
Cash Flow Statement for the year ended 31st March, 2019

(Amount In Rs)

Particulars	March 31, 2019		March 31, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax		(26,52,05,526)		(14,08,99,736)
Adjustment for:				
(a) Depreciation and Amortisation	1,77,84,070		1,31,50,164	
(b) Finance Cost	5,32,77,556		2,05,71,203	
(c) Interest Income	(21,189)	7,10,40,437	(1,89,727)	3,35,31,640
Operating Profit / (Loss) before Working Capital Changes		(19,41,65,089)		(10,73,68,096)
Changes in Working capital				
(a) Increase/(Decrease) in Trade Payables	4,50,51,081		2,68,35,080	
(b) Increase/(Decrease) in Other Current Liabilities	3,06,69,657		4,78,12,105	
(c) Increase/(Decrease) in Short Term Provisions	25,92,898		1,95,88,643	
(d) (Increase) / Decrease in Short-term Loans & Advances	(1,33,028)		(27,69,286)	
(e) (Increase)/ Decrease in Inventories	(10,00,36,020)		(12,27,91,680)	
(f) (Increase) / Decrease in Trade Receivables	(5,58,88,842)		(18,42,59,624)	
(g) (Increase) / Decrease in Other Current Assets	(1,45,18,788)	(9,22,63,041)	(1,89,52,203)	(23,45,36,965)
Cash Generated from Operations		(28,64,28,130)		(34,19,05,061)
Net Cash from Operating Activities		(28,64,28,130)		(34,19,05,061)
B.CASH FLOW ARISING FROM INVESTING ACTIVITIES				
(a) Purchase of Property, Plant and Equipment, other Intangible Assets and Intangible assets under development		(1,38,06,650)		(1,54,46,002)
(b) Interest Received		21,189		1,89,727
Net Cash used in Investing Activities		(1,37,85,461)		(1,52,56,275)
C. CASH FLOW ARISING FORM FINANCING ACTIVITIES				
(a) Finance Cost		(5,32,77,556)		(2,05,71,203)
(b) Proceeds from Initial Share Capital		-		5,90,00,000
(c) Loan from Holding Company		5,39,30,074		25,95,52,579
(d) Proceed of Short Term Borrowings (Net)		29,87,41,577		6,11,49,783
Net Cash from Financing Activities		29,93,94,095		35,91,31,159
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)		(8,19,496)		19,69,823
Cash & Cash Equivalents at the beginning of the year		20,05,860		36,037
Cash & Cash Equivalents at the end of the year		11,86,364		20,05,860

Note

(1) The above statement of cash flows has been prepared under the "Indirect Method" as set out in IND AS - 7 "Statement of Cash Flows".

(2) Closing Cash and Cash Equivalents represent balances of cash and cash equivalents as indicated in Note 10 to the financial statements

(3) Statement of Reconciliation of Financing activities :

Particulars	Long Term Borrowings	Short Term Borrowings
Balance as at April 01, 2018 (including interest accrued thereon)	-	45,59,81,410
Cash Flow (Net)	-	35,26,71,651
Reclassification of Borrowings	44,00,00,000	(44,00,00,000)
Non Cash Changes		
Fair Value Changes	-	-
Others *	-	-
Interest Expense	-	5,32,77,556
Interest Paid	-	(5,94,28,927)
Total	44,00,00,000	36,25,01,690

(4) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

(5) Previous years figures have been regrouped / reclassified wherever necessary

As per our Report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

SINGHI & CO. Chartered Accountants

Sudesh Choraria
Partner
Membership No.204936
Mumbai
Date: 18th May, 2019

For and on behalf of the Board of Directors

Ramesh Agarwal
Director
DIN: 00230702

Siddhant Agarwal
Director
DIN: 06941695

Neha Sarawagi

Neha Sarawagi
Company Secretary

OBAN FASHIONS PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31stMarch 2019

1. **CORPORATE AND GENERAL INFORMATION**

Oban Fashions Private Limited (the Company) was incorporated in India in the year 2015 and has its registered office in Mumbai.

The Company is a Private Limited Company domicile in India and incorporated under the provision of the Companies Act applicable in India. The Company is a 100% Subsidiary of Rupa & Co. Ltd. under the Companies Act 2013. The Company as on date has acquired licenses of two international brands namely, "French Connection (FCUK)" & "Fruit of the Loom (FOTL)" and engage in trade, distribution & marketing of aforesaid brand.

2. **BASIS OF ACCOUNTING**

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements of the Company for the year ended 31st March, 2019 have been approved by the Board of Directors in their meeting held on May 18, 2019.

2.2 Basis of Measurement

The financial statements have been prepared on historical cost basis, except for following:

- Financial assets and liabilities that is measured at Fair value/ Amortised cost;
- Non-current assets held for sale – measured at the lower of the carrying amounts and fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value.

2.3 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency.

2.4 Use of Estimates and Judgements

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.5 Current Vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;

SINGHI & CO. ★ Chartered Accountants ★

- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.6. New Standard/Amendment to existing Standards issued:

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019: The Company will adopt new standard and amendment to existing standards with effect from April 1, 2019.

a. **Ind AS 116: Leases** - Ind AS 116 will supersede the existing Ind AS 17. The new standard provides a comprehensive model to identify lease-arrangements and the treatment thereof in the financial statements of both the lessee and lessor. The new standard requires entities to make more judgments and estimates (e.g., determining when a customer has the right to direct the use of an identified asset, estimating the incremental rate of borrowing) and make more disclosures (e.g., discount rate, weighted average lease term, other qualitative and quantitative information).

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Ind AS 17 required classifying leases as finance lease and operating lease, the same in not required under Ind AS 116. Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities.

On initial application the Company will recognize new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortization change for the right-to-use asset, and (b) interest accrued on lease liability.

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116 without adjusting the comparatives.

The Company is currently evaluating the effect of Ind AS 116 on the financial statements.

SINGHI & CO. ★ Chartered Accountants ★

b. **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:** Ministry of Corporate Affairs has notified Ind AS 12 Appendix 'C' Uncertainty over Income Tax Treatments on March 30, 2019. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or Company of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

   The Company has decided to adjust the cumulative effect in equity on the date of initial application without adjusting comparatives.

   The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

c. **Amendment to Ind AS 12** – Income taxes: Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes accordingly an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

   There is no impact of this amendment on the financial statements.

d. **Amendment to Ind AS 19** – plan amendment, curtailment or settlement- Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', On March 30, 2019, in connection with accounting for plan amendments, curtailments and settlements.

   The Company does not have any impact on account of this amendment. The Company will adopt the standard on April 1, 2019.

e. **Ind AS 23** – **Borrowing Costs** -The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. Company does not expect any significant impact from this amendment.

f. **Ind AS 28** – Long-term Interests in Associates and Joint Ventures

   The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

g. **Ind AS 103** – Business Combinations and Ind AS 111 – Joint Arrangements

   The amendments to Ind AS 103 relating to re-measurement clarifies that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. This amendment is currently not applicable to the Company.

h. **Ind AS 109** – Prepayment Features with Negative Compensation

   The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. Company does not expect this amendment to have any impact on its financial statements.

SINGHI & CO. Chartered Accountants

3. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1 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.

3.2 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

3.3 Income Tax

Income Tax comprises current and deferred tax. It is recognized in The Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

Deferred Tax

- Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

SINGHI & CO. ★ Chartered Accountants ★

- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.4 Property, Plant and Equipment

3.4.1. <u>Recognition and Measurement:</u>

- Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

- Cost of an item of property, plant and equipment acquired comprises its purchase price including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, borrowing cost, if capitalization criteria is met, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.

- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.2. <u>Subsequent Expenditure</u>

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

3.4.3. <u>Depreciation</u>

- Depreciation on Property Plant & Equipment 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 Property Plant & Equipment.

Class of Property Plant & Equipment	Useful Lives estimated by the management (Years)
Computer and Data Processing Equipments	3
Furniture and Fixtures	4 to 10
Office Equipments	5

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

- 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.

SINGHI & CO. ★ Chartered Accountants ★

- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).

- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.4. Capital Work In Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets

3.5 Leases

3.5.1. Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered prior to the date of transition, the company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

3.5.2. Company as Lessee

- Finance Lease

Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

- Operating Lease

Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the Company with expected inflationary costs.

SINGHI & CO. ★ Chartered Accountants ★

3.6 Revenue Recognition

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018. However, the application of Ind AS 115 does not have any significant impact on the recognition and measurement of revenue and related items.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received / receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

The specific recognition criteria for revenue recognition are as follows:

3.6.1. <u>Sale of Goods</u>

Sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

3.6.2. <u>Interest Income</u>

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.

3.7 Employee Benefits

3.7.1. <u>Short Term Benefits</u>

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

The leave balances of the employees are only encashable at the time of leaving the Company.

SINGHI & CO. ★ Chartered Accountants ★

3.7.2. Post -Employment Benefits

The Company operates the following post-employment schemes:

➤ **Defined Benefit Plans**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

➤ **Defined Contribution Plan**

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 recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the selected service."

3.8 Foreign Currency Transactions

➤ Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

➤ Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

➤ Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

SINGHI & CO. ★ Chartered Accountants ★

3.9 Borrowing Cost

- 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. The Company considers a period of twelve months or more as a substantial period of time.

- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.10.1. Financial Assets

- **Recognition and Initial Measurement:**

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Classification and Subsequent Measurement:**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments measured at Fair Value through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
  - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
  - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
  - The asset's contractual cash flows represent SPPI.

SINGHI & CO. ★ Chartered Accountants ★

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- Equity Instruments measured at FVTOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➢ **Derecognition**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

➢ **Impairment of Financial Assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.10.2.Financial Liabilities

➢ **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

➢ **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

SINGHI & CO. ★ Chartered Accountants ★

- **Derecognition**

  A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

- **Offsetting financial instruments**

  Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.11 Impairment of Non-Financial Assets

- The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

- An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.12 Provisions, Contingent Liabilities and Contingent Assets

3.12.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and 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 determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.12.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.12.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

SINGHI & CO. ★ Chartered Accountants ★

3.13 **Intangible Assets**

Recognition and Measurement

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.

Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

Amortization

The useful lives over which intangible assets are amortized are as under:

Assets	Useful Life (In Years)
Business Rights	10
Computer software	5

Disposal

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.

Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

3.14 **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.

3.15 **Measurement of Fair Values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

SINGHI & CO. ★ Chartered Accountants ★

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3.16 Critical accounting judgements and key sources of estimation uncertainty:

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets**: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

- **Classification of Leases**: The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the

SINGH & CO. ★ Chartered Accountants ★

inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

- **Allowances for Doubtful Debts**: The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

SINGHI & CO. ★ Chartered Accountants ★

OBAN FASHIONS PRIVATE LIMITED
CIN: U18204MH2015PTC271385
Statement of Change in Equity for the year ended 31st March, 2019

(Amount in Rs)

Particulars	Total
a) Equity Share Capital	
Balance as at April 01, 2017	4,01,00,000
Add/(Less): Changes in Equity Share Capital during the year	5,90,00,000
Balance as at March 31, 2018	**9,91,00,000**
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at March 31, 2019	**9,91,00,000**

b) Other Equity

(Amount In Rs)

Particulars	Reserves & Surplus Retained Earnings	Item of other Comprehensive Income Remesurements of Defined Benefit Plans	Total
Balance as at April 01, 2017	**(5,26,20,423)**	**95,184**	**(5,25,25,240)**
Profit / (loss)for the Year	(8,93,91,462)	-	(8,93,91,462)
Remesaurements of Gain / (Loss)		65,631	65,631
Impact of Tax		(16,900)	(16,900)
Total Comprehensive Income	(14,20,11,885)	1,43,915	(14,18,67,971)
Balance as at 31st March, 2018	**(14,20,11,885)**	**1,43,915**	**(14,18,67,971)**

(Amount In Rs)

Particulars	Reserves & Surplus Retained Earnings	Item of other Comprehensive Income Remesurements of Defined Benefit Plans	Total
Balance as at April 01, 2018	**(14,20,11,885)**	**1,43,915**	**(14,18,67,970)**
Profit / (loss)for the Year	(19,63,40,251)	-	(19,63,40,251)
Remesaurements of Gain / (Loss)		3,60,273	3,60,273
Impact of Tax		(93,671)	(93,671)
Total Comprehensive Income	(33,83,52,136)	4,10,517	(33,79,41,619)
Balance as at 31st March, 2019	**(33,83,52,136)**	**4,10,517**	**(33,79,41,619)**

The Notes are an integral part of the Standalone Financial Statements

As per our Report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
Membership No.204936
Mumbai
Date: 18th May, 2019

SINGHI & CO. Chartered Accountants

For and on behalf of the Board of Directors

Ramesh Agarwal
Director
DIN: 00230702

Siddhant Agarwal
Director
DIN: 06941695

Neha Sarawagi
Neha Sarawagi
Company Secretary

OBAN FASHIONS PRIVATE LIMITED
CIN: U18204MH2015PTC271385
Notes to the Financial Statements as at and for the year ended March 31, 2019

4. Property, plant and equipment

(Amount In Rs)

Particulars	Furniture and Fixtures	Computer	Office Equipment	Total
Cost				
As at March 31, 2017	**59,63,296**	**17,32,185**	**2,93,606**	**79,89,087**
Additions	1,23,40,351	12,72,185	8,75,267	1,44,87,803
On Disposals/ Withdrawals	-	-	-	-
As at March 31, 2018	**1,83,03,647**	**30,04,370**	**11,68,873**	**2,24,76,890**
Additions	1,36,40,725	99,276	6,649	1,37,46,650
On Disposals/ Withdrawals	-	-	-	-
As at March 31, 2019	**3,19,44,372**	**31,03,646**	**11,75,522**	**3,62,23,540**
Depreciation				
As at March 31, 2017	**4,72,084**	**3,02,898**	**30,308**	**8,05,290**
Charge for the year	20,01,586	7,32,433	1,07,514	28,41,533
On Disposals/ Withdrawals	-	-	-	-
As at March 31, 2018	**24,73,670**	**10,35,332**	**1,37,821**	**36,46,823**
Charge for the year	62,66,185	9,32,816	2,20,053	74,19,053
On Disposals/ Withdrawals	-	-	-	-
As at March 31, 2019	**87,39,855**	**19,68,148**	**3,57,874**	**1,10,65,876**
Net Block				
As at March 31, 2017	54,91,212	14,29,287	2,63,298	71,83,797
As at March 31, 2018	1,58,29,977	19,69,038	10,31,052	1,88,30,067
As at March 31, 2019	2,32,04,517	11,35,498	8,17,648	2,51,57,663

5 Intangible Assets:

(Amount In Rs)

Particulars	Business Rights	Computer Software	Total
Cost			
As at March 31, 2017	**10,00,00,000**	**10,53,691**	**10,10,53,691**
Additions		7,43,999	**7,43,999**
As at March 31, 2018	**10,00,00,000**	**17,97,690**	**10,17,97,690**
Additions	-	-	-
As at March 31, 2019	**10,00,00,000**	**17,97,690**	**10,17,97,690**
Amortisation			
As at March 31, 2017	**1,00,00,000**	**94,673**	**1,00,94,673**
Charge for the year	1,00,00,000	3,12,561	**1,03,12,561**
As at March 31, 2018	**2,00,00,000**	**4,07,234**	**2,04,07,234**
Charge for the year	1,00,00,000	3,65,017	**1,03,65,017**
As at March 31, 2019	**3,00,00,000**	**7,72,250**	**3,07,72,250**
Net Block			
As at March 31, 2017	9,00,00,000	9,59,018	9,09,59,018
As at March 31, 2018	8,00,00,000	13,90,456	8,13,90,456
As at March 31, 2019	7,00,00,000	10,25,440	7,10,25,440

5(a) Intangible Assets Under Development

(Amount In Rs)

Particulars	Total
As at March 31, 2017	-
As at March 31, 2018	2,14,200
As at March 31, 2019	2,74,200

SINGHI & CO. ★ Chartered Accountants ★

OBAN FASHIONS PRIVATE LIMITED
CIN: U18204MH2015PTC271385
Notes to the Financial Statements as at and for the year ended March 31, 2019

(Amount in Rs)

Particulars	Non- Current March 31 2019	Non- Current March 31 2018	Current March 31 2019	Current March 31 2018
6. Other Financial Assets				
(Unsecured, considered good unless otherwise stated)				
Security deposits	58,000	58,000	10,60,000	9,50,000
Advance to Employees	-	-	18,42,314	18,19,286
	58,000	58,000	29,02,314	27,69,286

Particulars	Non- Current March 31 2019	Non- Current March 31 2018	Current March 31 2019	Current March 31 2018
7. Other Assets				
Advances Other than Capital Advances				
Prepaid Expenses	-	-	25,80,786	55,58,127
Balances with Government Authorities	-	-	3,40,14,422	2,06,51,122
Other advances-Advance against expenses	-	-	56,81,049	15,48,220
	-	-	4,22,76,257	2,77,57,469

Particulars	Current March 31 2019	Current March 31 2018
8. Inventories		
(Valued at cost, unless otherwise stated)		
Stock in Trade		
Finished Goods	26,98,68,868	16,98,32,849
	26,98,68,868	16,98,32,849

Inventories are hypothecated/ pledged against Cash Credit from Bank (Refer Note no. 13)

Particulars	Current March 31 2019	Current March 31 2018
9. Trade Receivables		
Trade Receivables	27,28,05,261	21,69,16,418
Breakup of Trade Receivables		
Secured	3,46,82,943	5,06,44,125
Unsecured	23,81,22,318	16,62,72,293
Trade Receivables which has significant increase in Credit Risk	-	-
Trade Receivable -Credit Impaired	2,66,250	-
	27,30,71,511	21,69,16,418
Impairment Allowance (Allowance for Bad and Doubtful Debt)		
Unsecured	-	-
Trade Receivables which has significant increase in Credit Risk	-	-
Trade Receivable -Credit Impaired	2,66,250	-
	2,66,250	-
Total Trade Receivables	27,28,05,261	21,69,16,418

a) No Trade Receivables due by directors and its officers of the Company.
b) Allowances for credit losses of trade receivables, has been computed based on the ageing of the receivables. In computing expected credit losses the Company has taken into account historical credit loss experience and forward looking information.
c) Trade Receivables are hypothecated/ pledged against cash credit from bank (Refer Note no. 13)

Particulars	Current March 31 2019	Current March 31 2018
10. Cash and cash equivalents		
Cash in hand	18,934	10,323
Cheque in hand	-	-
Balances with banks :		
Current accounts	11,67,431	19,95,537
	11,86,365	20,05,860

SINGHI & CO. Chartered Accountants

OBAN FASHIONS PRIVATE LIMITED
CIN: U18204MH2015PTC271385
Notes to the Financial Statements as at and for the year ended March 31, 2019

(Amount in Rs)

Particulars	As at March 31, 2019 No. of Shares	As at March 31, 2019 Amount	As at March 31, 2018 No. of Shares	As at March 31, 2018 Amount
11. Equity share capital				
Authorised capital				
Equity shares of Rs 10 each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
	1,00,00,000	**10,00,00,000**	**1,00,00,000**	**10,00,00,000**
Issued and subscribed capital & fully paid-up				
Equity shares of Rs. 10 each	99,10,000	9,91,00,000	99,10,000	9,91,00,000
	99,10,000	**9,91,00,000**	**99,10,000**	**9,91,00,000**

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

	No. of shares	Amount
Outstanding at 1st April,2017	40,10,000	4,01,00,000
Equity share during the year	59,00,000	5,90,00,000
Outstanding at 31st March,2018	99,10,000	9,91,00,000
Equity share during the year	-	-
Outstanding at 31st March,2019	99,10,000	9,91,00,000

b) Terms/ Rights attached to Equity Shares :
The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company . The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by Holding or Ultimate Holding Company

Name	Nature of relationship	As at March 31, 2019 Numbers	As at March 31, 2019 Amount	As at March 31, 2018 Numbers	As at March 31, 2018 Amount
Rupa & Company Limited	Holding Company	99,10,000	9,91,00,000	99,10,000	9,91,00,000

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

	As at March 31, 2019 No. of Shares	As at March 31, 2019 % Holding	As at March 31, 2018 No. of Shares	As at March 31, 2018 % Holding
Equity Shares of 10/- each, fully paid up				
Rupa & Company Limited	99,10,000	**100%**	99,10,000	**100%**

e) The company has neither issued bonus shares not has bought back any shares during last 5 years
f) No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet
g) No securities convertible into Equity/ Preference shares have been issued by the Company during the year.
h) No calls are unpaid by any Director or Officer of the Company during the year.

SINGHI & CO. ★ Chartered Accountants ★

Particulars	Ref. Note	March 31 2019	March 31 2018
12. Other Equity			
Retained earnings	12.1	(33,83,52,136)	(14,20,11,885)
Other Comprehensive Income	12.2	4,10,517	1,43,915
		(33,79,41,619)	(14,18,67,970)

Particulars	March 31 2019	March 31 2018
Changes in Other Equity		
12.1 Retained earnings		
Opening balance	(14,20,11,885)	(5,26,20,423)
Add: Loss for the year	(19,63,40,251)	(8,93,91,462)
	(33,83,52,136)	(14,20,11,885)
12.2 Other Comprehensive Income		
Opening balance	1,43,915	95,184
Remeasurement of Defined benefit plans (net of tax)	2,66,602	48,731
	4,10,517	1,43,915

SINGHI & CO. ★ Chartered Accountants ★

OBAN FASHIONS PRIVATE LIMITED
CIN: U18204MH2015PTC271385
Notes to the Financial Statements as at and for the year ended March 31, 2019

(Amount in Rs)

Particulars	Non Current March 31, 2019	Non Current March 31, 2018	Current March 31, 2019	Current March 31, 2018
13. Borrowings				
Loan Repayable on demand				
From banks:				
Cash Credit	-	-	34,77,84,493	4,90,42,916
Unsecured Loan -Holding Company	44,00,00,000	-	67,80,228	39,28,50,154
	44,00,00,000	-	35,45,64,721	44,18,93,070

Terms & conditions :

a) Cash Credit are secured by hypothecation of inventories, book debts and other current assets of the Company and further by Corporate Guarantee given by Rupa & Co. Limited.

b) Cash Credit are repayable on demand and carries interest @ 9 to 9.5% p.a. (31st March, 2019)

c) Unsecured loan from holding company is reclassified as long term borrowings during the year and carries interest @8.50% p.a. The above loan is repayable within 3 years from the date of agreement with further renewal clause of another 3 years as per mutual consent.

d) There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

(Amount In Rs)

Particulars	Non Current March 31, 2019	Non Current March 31, 2018	Current March 31, 2019	Current March 31, 2018
14. Provisions				
Provision for gratuity	18,44,618	11,16,315	5,578	3,945
Provision for Leave Encashment	39,08,014	25,13,844	3,01,192	1,92,673
	57,52,632	36,30,159	3,06,770	1,96,618

Particulars	Non Current As at March 31, 2019	Non Current As at March 31, 2018
15 Deferred Tax Assets / (Liabilities) (net)		
Deferred Tax Liabilities		
Arising on account of :		
Depreciation	71,84,283	71,71,963
	71,84,283	71,71,963
Less: Deferred Tax Assets		
Arising on account of :		
C/F Unabsorbed Depreciation	1,71,79,937	1,25,43,758
C/F Business Loss	10,37,81,436	4,02,52,359
Expenses related to Increase in Share Capital	73,150	97,850
Leave Encashment Provision	12,37,694	6,96,928
Provision for gratuity	4,23,429	3,20,567
Others -Preliminary Expenses	409	669
	12,26,96,055	5,39,12,131
Deferred Tax Assets / (Liabilities) (net)	11,55,11,772	4,67,40,168

15.1 Movement in deferred tax assets and liabilities during the year ended March 31, 2018

Particulars	As at April 01, 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2018
Deferred Income Tax Liabilities				
Difference between tax depreciation and depreciation / amortisation charged for the financial reporting*	48,90,278	22,81,685	-	71,71,963
A	48,90,278	22,81,685	-	71,71,963
Deferred Income Tax Assets				
Unabsorbed Depreciation	-	1,25,43,758	-	1,25,43,758
Business Loss	-	4,02,52,359	-	4,02,52,359
Expenses related to Increase in Share Capital	-	97,850	-	97,850
Provision for Leave Encashment	-	6,96,928	-	6,96,928
Provision for gratuity	1,17,314	2,03,253	-	3,20,567
Other - Preliminary Expenses	927	(258)	-	669
B	1,18,241	5,37,93,890	-	5,39,12,131
Deferred Tax Assets / (Liabilities) (net) (B-A)	(47,72,037)	5,15,12,205	-	4,67,40,168

15.2 Movement in deferred tax assets and liabilities during the year ended March 31, 2019

Particulars	As at April 01, 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2019
Deferred Income Tax Liabilities				
Difference between tax depreciation and depreciation / amortisation charged for the financial reporting*	71,71,963	12,320	-	71,84,283
A	71,71,963	12,320	-	71,84,283
Deferred Income Tax Assets				
Unabsorbed Depreciation	1,25,43,758	46,36,179	-	1,71,79,937
Business Loss	4,02,52,359	6,35,29,077	-	10,37,81,436
Expenses related to Increase in Share Capital	97,850	(24,700)	-	73,150
Provision for Leave Encashment	6,96,928	5,40,766	-	12,37,694
Provision for gratuity	3,20,567	1,96,533	(93,671)	4,23,429
Other - Preliminary Expenses	669	(260)	-	409
B	5,39,12,131	6,88,77,595	(93,671)	12,26,96,055
Deferred Tax Assets/(Liabilities) (Net) (B-A)	4,67,40,168	6,88,65,275	(93,671)	11,55,11,772

Note:

1. Deferred tax Assets (Net) amounting to Rs. 11,55,11,772 (including Rs. 6,87,83,924 for the current year) has been recognized by the company. The management is of the view that the business has just started couple of years back and the Brands are in the early stages of the business cycle and hence the losses. Considering the Projections and Business plans envisaged, the management is confident of earning sufficient profits in the years to come and hence the deferred tax asset has been recognized.

SINGHI & CO. ★ Chartered Accountants ★

Particulars	Non Current March 31, 2019	Non Current March 31, 2018	Current March 31, 2019	Current March 31, 2018
16. Other Liabilities				
Statutory dues payable	-	-	60,00,083	39,34,125
Payable to employees	-	-	97,23,936	61,49,973
Liabilities for Expenses			6,32,10,257	1,60,92,793
	-	-	7,89,34,276	2,61,76,891

Particulars	Current March 31, 2019	Current March 31, 2018
17. Trade payables		
Due to micro and small enterprises	27,41,077	36,12,017
Due to Creditors other than micro and small enterprises	11,48,44,559	6,89,22,538
	11,75,85,636	7,25,34,555

Particulars	Non Current March 31, 2019	Non Current March 31, 2018	Current March 31, 2019	Current March 31, 2018
18. Other Financial Liabilities				
Security Deposits from customers	3,46,82,943	5,06,44,125	-	-
Interest Payable			79,36,969	1,40,88,340
Capital Creditors	-	-	1,43,811	1,18,985
	3,46,82,943	5,06,44,125	80,80,780	1,42,07,325

Particulars	March 31, 2019	March 31, 2018
19. Income Tax Liabilities (Net)		
Provisions for Taxation (Net of Payments)	-	-
	-	-

SINGHI & CO. ★ Chartered Accountants ★

OBAN FASHIONS PRIVATE LIMITED
CIN: U18204MH2015PTC271385
Notes to the Financial Statements as at and for the year ended March 31, 2019

(Amounts in Rs)

Particulars	March 31, 2019	March 31, 2018
20. Revenue from operations		
Sale of products (Net of Returns) :		
Traded Finished Goods	45,69,21,902	30,75,51,484
Less: Discounts, Schemes & Incentives	6,05,34,510	1,57,20,921
	39,63,87,392	29,18,30,562

A) Nature of goods and services
The following is a description of principal activities separated by reportable segments from which the Company generates its revenue

a) The Company is engaged in the trading of hosiery products and generates revenue from the sale of hosiery products and the same is only the reportable segment of the Company.

B) Disaggregation of revenue
In the following table, revenue is disaggregated by primary geographical market, major products lines and timing of revenue recognition

Particulars	March 31, 2019
i) Primary Geographical Markets	
Within India	39,59,60,679
Outside India	4,26,713
Total	39,63,87,392

Particulars	March 31, 2019
ii) Major Products	
Hosiery Products	39,63,87,392
Others	-
Total	39,63,87,392

Particulars	March 31, 2019
iii) Timing of Revenue	
At a point in time	39,63,87,392
Over time	-
Total	39,63,87,392

Particulars	March 31, 2019
iv) Contract Duration	
Long Term	-
Short Term	39,63,87,392
Total	39,63,87,392

The Company has adopted Ind AS 115 " Revenue from contracts with Customers" which is mandatory for the reporting periods on or after 1st April, 2018. In terms of the requirement of Ind As -115, revenue is recognized net of trade schemes and incentives payables to distributors, dealers and retailers. Revenue for comparative periods have been adjusted to conform to current period classification.

SINGHI & CO. ★ Chartered Accountants ★

(Amount in Rs)

Particulars	March 31, 2019	March 31, 2018
21. Other income		
Interest income :		
On Bank deposits	21,189	1,88,939
On receivable	-	788
	21,189	1,89,727
Other Non-operating income		
Export Incentive	8,387	36,000
Other Income	5,39,656	34,74,390
	5,48,043	35,10,390
	5,69,232	37,00,117

Particulars	March 31, 2019	March 31, 2018
22. Trading Purchase of Goods		
Purchase of goods	43,08,19,402	32,04,59,626
	43,08,19,402	32,04,59,626

Particulars	March 31, 2019	March 31, 2018
23. Changes in Inventories of Traded Finished Goods		
Opening stock		
Finished Goods	16,98,32,849	4,70,41,169
	16,98,32,849	4,70,41,169
Closing stock		
Finished Goods	26,98,68,868	16,98,32,849
	26,98,68,868	16,98,32,849
	(10,00,36,020)	(12,27,91,680)

Particulars	March 31, 2019	March 31, 2018
24. Employee benefit expense		
Salaries, Wages and Bonus	10,05,95,146	6,55,77,139
Contribution to Provident and Other Funds	41,85,171	21,33,727
Gratuity	11,16,171	8,06,233
Leave Encashment	20,79,869	27,06,517
Staff Welfare Expenses	18,90,172	5,15,225
	10,98,66,529	7,17,38,841

* For descriptive notes on disclosure of defined benefit obligation refer note no. 31

SINGHI & CO. * Chartered Accountants *

OBAN FASHIONS PRIVATE LIMITED
CIN: U18204MH2015PTC271385
Notes to the Financial Statements as at and for the year ended March 31, 2019

(Amount in Rs)

Particulars	March 31, 2019	March 31, 2018
25. Finance costs		
Interest Expenses		
Loan from Holding Company	3,51,67,562	1,56,53,714
On Deposits and Others	1,81,09,994	49,17,489
Other		
Other Financial Charges	-	-
	5,32,77,556	2,05,71,203

(Amount in Rs)

Particulars	March 31, 2019	March 31, 2018
26. Depreciation & Amortisation Expense		
Depreciation of Tangible assets	74,19,053	28,41,533
Amortisation of Intangible assets	1,03,65,017	1,03,12,561
	1,77,84,070	1,31,54,094

(Amount in Rs)

Particulars	March 31, 2019	March 31, 2018
27. Other expenses		
Advertising Expenses	6,94,43,135	8,66,17,202
Sales Promotion Expenses	2,97,356	12,10,126
Commission*	2,95,000	6,33,816
Communication costs	15,91,789	15,33,640
Computer & Software Maintenance	19,42,702	13,11,616
Electricity Expenses	3,81,360	21,770
Foreign Exchange Differences	-7,666	35,776
Freight outwards and Forwarding expenses	1,52,70,130	53,94,068
Inspection Expenses	7,37,595	2,81,924
Insurance	3,53,074	2,05,957
Legal and Professional fees	15,59,716	20,02,171
Miscellaneous expenses	11,69,546	19,43,792
Payment to auditor (refer note below)	3,00,000	3,00,000
Printing & Stationery Expenses	7,79,858	12,55,644
Rates and taxes	3,10,125	2,12,067
Rent	2,17,53,704	95,84,658
Royalty on Sales	1,29,22,655	62,14,088
Sample Expenses	2,67,101	10,37,849
Travelling and Conveyance	2,08,17,182	1,35,06,099
Provision for Doubtful Debts	2,66,250	-
	15,04,50,612	13,33,02,262

* includes Corporate Guarantee Commission to Holding Company Rs 295,000/-(March 31, 2018: Rs 82,500/-)

(Amount in Rs)

Particulars	March 31, 2019	March 31, 2018
Remuneration to Auditors		
Audit Fees	2,40,000	2,40,000
Tax Audit Fees	60,000	60,000
In other Services	-	-
Out of Pocket Expenses	-	-
	3,00,000	3,00,000

SINGHI & CO. ★ Chartered Accountants ★

28 Capital and other commitments

Particulars	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed and not provided for (net of advances)	-	37,30,900

29 Contingent Liabilities & Contingent Assets

Particulars	March 31, 2019	March 31, 2018
Contingent Liabilities	Nil	Nil
Contingent Assets	Nil	Nil

30 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 included in Trade payables*

Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained and as per notification number GSR 679 (E) dated 4th September, 2015

Particulars	March 31, 2019	March 31, 2018
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year. a. Principal	27,41,077	36,12,017
ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii)The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v)The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

31 Employee Benefit (Defined Benefit Plan)

The Company has a defined benefit gratuity plan and has recognised gratuity of Rs. 11,16,171. (PY - Rs. 8,06,233) in ths statement of Profit & Loss Account for the year ended 31st March 2019.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

31(a)

Particulars	March 31, 2019	March 31, 2018
Change in defined benefit obligations		
Obligations at beginning of the year	11,20,260	3,79,658
Service cost	10,30,911	7,76,810
Interest Cost	85,260	29,423
Benefits settled	(25,962)	
Actuarial (gain) /loss (through OCI)	(3,60,273)	(65,631)
Obligations at end of the year	18,50,196	11,20,260

31(b)

Particulars	March 31, 2019	March 31, 2018
Change in plan assets		
Plan assets at beginning of the year, at fair value	-	-
Interest income		
Actuarial gain /(loss) (through OCI)		
Contributions		
Benefits settled		
Plan assets at end of the year	-	-

31(c)

Particulars	March 31, 2019	March 31, 2018
Net Defined Benefit liability/(asset)		
Present value of defined benefit obligation at the end of the year	18,50,196	11,20,260
Fair value of plan assets at the end of the year	-	-
Net liability/(asset) recognised in the balance sheet	18,50,196	11,20,260

31(d)

Particulars	March 31, 2019	March 31, 2018
Expenses recognised in statement of profit and loss		
Service cost	10,30,911	7,76,810
Interest cost (net)	85,260	29,423
Net gratuity cost	11,16,171	8,06,233

31(e)

Particulars	March 31, 2019	March 31, 2018
Re-measurement gains / (losses) in OCI		
Actuarial (gain) / loss due to financial assumption changes	2,28,940	3,18,140
Actuarial (gain) / loss due to experience adjustments	(5,89,213)	(3,83,771)
Return on plan assets (greater)/less than discount rate		
Total expenses routed through OCI	(3,60,273)	(65,631)

31(f) The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	March 31, 2019	March 31, 2018
Investments with insurer	-	-

31(g) The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below:

Particulars	March 31, 2019	March 31, 2018
Discount Rate	7.70%	7.75%
Future salary increases	6.00%	6.00%
Mortality	IALM (2006-08) Table	
Normal Age of Retirement	60 Years	60 Years
Estimated rate of returen on Plan assets	0.00%	0.00%

31(h) A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

Particulars	Sensitivity Level	Defined benefit obligations			
		March 31, 2019		March 31, 2018	
		Increase	Decrease	Increase	Decrease
Discount Rate	1% Increase/Decrease	16,24,382	21,22,738	9,80,618	12,88,842
Further salary increase	1% Increase/Decrease	21,34,697	16,11,412	12,96,220	9,72,675
Withdrawal Rate	1% Increase/Decrease	18,27,545	18,67,294	11,00,769	11,36,651

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

SINGHI & CO. ★ Chartered Accountants ★

31(i) The average duration of the defined benefit plan obligation at the end of the reporting period is 6.71 years. The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows :

Particulars	March 31, 2019
Expected benefits payment for the year ending on	
March 31, 2020	5,578
March 31, 2021	7,608
March 31, 2022	63,922
March 31, 2023	1,13,577
March 31, 2024	1,60,590
March 31, 2025 to March 31, 2029	7,30,464

31(j) Defined Contribution Plan

Particulars	2018-19	2017-18
Contribution to provident/pension funds (refer note no. 24)	11,16,171	8,06,233

32 Earning per share

Particulars	2018-19	2017-18
Profit / (Loss) as per Statement of Profit & Loss attributable to Equity Shareholders (a)	(19,63,40,251)	(8,93,91,462)
Weighted average number of Equity Shares (in number) (b)	99,10,000	80,34,932
Basic & Diluted Earnings Per Share (a/b) (Nominal Value - ' 1 per share)	(19.81)	(11.13)

33 Segment reporting

The management of the company assesses the financial performance and position of the Company and makes strategic decisions. The CODM primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis.

A. Description of segment

The Company is principally engaged in a single business segment viz.,Hosiery Products.

B. Geographical Information

Particulars	March 31, 2019	March 31, 2018
i) Segment Revenue from external Customer (Sale of Goods)		
Within India	39,59,60,679	29,18,30,562
Outside India- Export Sales	4,26,713	-
Total	**39,63,87,392**	**29,18,30,562**

34 Leases

a) Operating lease commitments - Company as lessee

The Company has entered into operating leases on buildings for office, factory and other premises with lease term between 24 and 36 months and which are renewable on a periodic basis at the option of the Company or lessor. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss.

Future minimum rentals payable under non-cancellable operating leases are as follows:

As at 31st March, the future minimum lease rent payments to be made is presented in the table as under:

Particulars	As at March 31, 2019	As at March 31,2018
Payable within One Year	2,36,02,872	1,37,29,728
Payable later than One Year but not later than 5 Years	1,03,05,654	47,77,542
Payable later than 5 Years	-	-

The Company has paid Rs. 1,95,25,256 during the year towards minimum lease payments.

35 Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing ofcapital is done through judicious combination of equity and borrowing, both short term and long term.

36 Disclosure on Financial Instrument

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balancesheet items that contain financial instruments

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

Financial Risk Management

The Group has a Risk Management Policy which covers risk associated with the financial assets and liabilities. The different types of risk impacting the fair value of financial instruments are as below:

a) Credit Risk

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted,obtaining necessary approvals for credit and taking security deposits from trade channels.

i) Trade receivables:

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally secured by obtaining security deposits/bank guarantee or other forms of credit insurance.

b) Liquidity risk

The Company determines its liquidity requirement in the short term and long term. The Company manage its liquidity risk in a manner so as to meet its financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis

(i)Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31st March 2019

Particulars	On Demand	0 to 1 Year	More than 1 Year	Total
Non-derivative				
Trade payables		11,75,85,636		11,75,85,636
Borrowings	35,45,64,721		44,00,00,000	79,45,64,721
Other financial liabilities				
Security Deposits from customers			3,46,82,943	3,46,82,943
Capital Creditors		1,43,811		1,43,811
Interest Payable		79,36,969		79,36,969
Others				-
Total -	**35,45,64,721**	**12,56,66,416**	**47,46,82,943**	**95,49,14,080**

SINGHI & CO. Chartered Accountants

The following are the remaining contractual maturities of financial liabilities as at 31st March 2018.

Particulars	On Demand	0 to 1 Year	More than 1 Year	Total
Non-derivative				-
Trade payables		7,25,34,555		7,25,34,555
Borrowings	44,18,93,070			44,18,93,070
Other financial liabilities				-
Finance Lease Liability				-
Interest Accrued but not due on borrowings				-
Protection Fund as and when due)				-
Security Deposits from customers			5,06,44,125	5,06,44,125
Capital Creditors		1,18,985		1,18,985
Interest Payable		1,40,88,340		1,40,88,340
Others				-
Total	**44,18,93,070**	**8,67,41,880**	**5,06,44,125**	**57,92,79,075**

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include borrowings, trade receivable and trade payable.

(i) Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary.

a) Exposure to interest rate risk

Particulars	31st March 2019	31st March 2018
Fixed Rate Instruments		
Financial Assets		
Financial Liabilities	44,67,80,228	39,28,50,154
Variable Rate Instruments		
Financial Assets		
Financial Liabilities	34,77,84,493	4,90,42,916

(b) Interest rate Sensitivity

A Change in 50 bps in interest rate would have following

Particulars	31st March 2019			31st March 2018		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
Interest Rate Increase by	0.50%	(17,38,922)	(12,86,803)	0.50%	(2,45,215)	(1,82,072)
Interest Rate Decrease by	0.50%	17,38,922	12,86,803	0.50%	2,45,215	1,82,072

(c) Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have material foreign currency hence, is not exposed to any significant foreign currency risk.

37 **Related Party Disclosures:**

i) List of related parties and relatives with whome transaction taken place: (As per IND AS 29)

	Name of Related Parties	**Nature of Relationship**
Key Management Personnel:	Mr. Ramesh Agarwal	Director
	Mr. Mukesh Agarwal	Director
	Mr. Vikash Agarwal	Director
	Mr. Siddhant Agarwal	Director
Holding Company :	Rupa & Company Ltd	
Enterprises in which Key Manegerial Personnel (KMP)/their relatives have significant influence:	Imoogi Fashion Pvt Ltd	

Related party transactions

Particulars	Related party	Amount	
		2018-19	2017-18
Loan Taken	Rupa & Company Ltd	5,39,30,074	25,95,52,577
Commision Paid	Rupa & Company Ltd	2,95,000	82,500
Interest Expense	Rupa & Company Ltd	3,51,67,562	1,56,53,714
Purchases	Rupa & Company Ltd	59,27,616	-
	Imoogi Fashion Pvt Ltd	6,89,675	-

Balance Outstanding at the year end

Particulars	Related party	Amount	
		2018-19	2017-18
Loan Payable	Rupa & Company Ltd	45,47,17,197	40,69,38,494
Commission Payable	Rupa & Company Ltd	2,95,000	93,225
Trade Payable	Rupa & Company Ltd	31,79,399	-
	Imoogi Fashion Pvt Ltd	7,24,159	-

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

As per our Report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

SINGHI & CO. ★ Chartered Accountants ★

Sudesh Choraria
Partner
Membership No.204936
Mumbai
Date: 18th May, 2019

For and on behalf of the Board of Directors

Ramesh Agarwal
Director
DIN: 00230702

Siddhant Agarwal
Director
DIN: 06941695

Neha Sarawagi

Neha Sarawagi
Company Secretary