

## Independent Auditor's Report

To the Members of EBELL FASHIONS PVT. LTD.

Report on the Audit of Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Ebell Fashions Pvt. Ltd.** ("the Company") which comprises the Balance Sheet as at March 31, 2019 and the statement of Profit and Loss, and statement of cash flows 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 standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit/loss and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 (ICAI) 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 opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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



statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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 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.
- 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

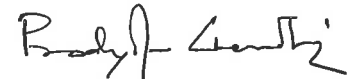
#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Sanjay Modi & Co.  
Chartered Accountants  
(Firm's Registration No. 322295E)



CA Prodyat Chaudhuri  
(Partner)

Membership No. 065401  
UDIN: 19065401AAAABL9653

Place of Signature: Kolkata  
Date: 16.09.2019



**"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT"**

(Referred to in paragraph 1 under of the Independent Auditor's Report of even date to the members of Ebell Fashions Pvt. Ltd. on the financial statements as of and for the year ended March 31, 2019:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to information and explanation given to us, the fixes Assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its business.
- (c) According to the information and explanation given to us and the records examined by us and based on the examination of conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are in the name of the Company at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the management (except material lying with third parties and goods in transit) at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) 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 Act. Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interests of the Company, whether reasonable steps for recovery of over dues of such loans are taken does not arise.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of granting of loans, providing guarantee and securities as applicable.
- (v) According to the information and explanation given to us, the Company has not accepted any deposits from the public during the year.



- (vi) According to the information and explanation given to us, no maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, Employees State insurance, income tax, sales tax, service tax, customs duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities though there has been slight delay in deposit of these statutory dues in some cases.

According to the information and explanation given to us, there were no undisputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, duty, value added tax, provident fund, Employees state insurance, cess and any other material statutory dues were in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they become payable.

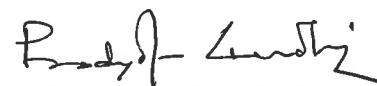
- (b) According to the information and explanation given to us, there are no amount of income tax or sales tax or service tax or duty of custom or duty of excise or value added tax which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.
- (ix) According to the information and explanation given to us, the company has not raised moneys by way of initial public offer, further public offer and the term loan. Hence, this clause is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no material fraud on the company by its officers, or employees has been noticed or reported during the year.
- (xi) The company being a Private Limited company, section 197 read with Schedule V to the Companies Act, 2013 is not applicable to the Company.
- (xii) The Company is not a Nidhi Company. Therefore, reporting under clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanation given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of



related transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence reporting under clause (xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanation given to us and based on our examination of the records of the company , during the year the company has not entered into any non-cash transactions with directors or persons connected to its directors. Accordingly, clause (xv) of the order is not applicable to the Company.
- (xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

**For Sanjay Modi & Co**  
**Chartered Accountants**  
**FRN.-322295E**



**CA Prodyat Chaudhuri**  
**Partner**

**Membership No: 065401**  
**UDIN: 19065401AAAAABL9653**

**Place: Kolkata**

**Date: 16.09.2019**



**“ANNEXURE B “TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF EBELL FASHIONS PVT. LTD.**

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

We have audited the internal financial controls over financial reporting of **EBELL FASHIONS PVT. LTD.** (“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**

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” 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 the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act , 2013.

**Auditor’s Responsibilities**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of internal Financial Controls over Financial Reporting (the “Guidance Note” ) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143( 10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial control 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 risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2)provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company ;and(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use , or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

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

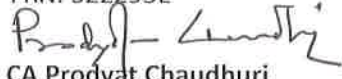


effectively as at March 31, 2018, based on “ the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

**For SANJAY MODI & CO**

Chartered Accountants

FRN: 322295E



CA Prodyat Chaudhuri

(partner)

Membership No: 065401

**UDIN: 19065401AAAABL9653**

**Place: Kolkata**

**Dated: 16.09.2019**



**EBELL FASHIONS PVT LTD**  
(Formerly known as Ebel Polymers Pvt. Ltd)  
Balance Sheet As At March 31, 2019

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	2,350,000.00	2,350,000.00
Reserves and Surplus	3	837,233,515.69	515,414,365.13
		<b>839,583,515.69</b>	<b>517,764,365.13</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	3,907,350.00	14,112,248.00
Deferred Tax Liability (Net)	5	3,563,633.56	3,341,172.99
Long-Term Provisions	6	4,422,712.00	3,632,661.00
		<b>11,893,695.56</b>	<b>21,086,081.99</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	181,877,294.76	132,733,425.52
Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises; and	8	422,645.00	683,075.00
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	8	407,476,783.94	333,671,784.61
Other Current Liabilities	9	83,918,230.75	56,028,836.60
Short-Term Provisions	10	306,317.00	178,199.00
		<b>674,001,271.45</b>	<b>523,295,320.73</b>
<b>TOTAL</b>		<b>1,525,478,482.70</b>	<b>1,062,145,767.84</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment			
Tangible Assets	11	49,387,901.24	46,722,233.38
Intangible Assets	11	42,469.89	76,240.09
Long-Term Loans and Advances	12	2,920,698.00	1,167,073.00
Other Non-Current Assets	13	1,689,186.00	7,096,360.00
		<b>54,040,255.13</b>	<b>55,061,906.47</b>
<b>Current Assets</b>			
Inventories	14	380,095,139.01	381,948,215.52
Trade Receivables	15	550,700,733.32	552,004,657.56
Cash and Bank Balance	16	239,547,004.31	30,059,722.53
Short-Term Loans and Advances	17	301,095,350.93	43,071,265.76
		<b>1,471,438,227.57</b>	<b>1,007,083,861.37</b>
<b>TOTAL</b>		<b>1,525,478,482.70</b>	<b>1,062,145,767.84</b>
<b>Significant Accounting Policies</b>	1		

The accompanying notes are an integral part of the Financial Statements

In terms of our report of even date

**FOR SANJAY MODI & CO.**

Chartered Accountants

Firm Reg no.322295E

*Prodyat Chaudhuri*

**CA Prodyat Chaudhuri**

Partner

Membership no.065401

Place : Kolkata

Date: 16.09.2019



**For and on behalf of the Board**

*Saket Todi*

**Saket Todi**  
Director  
(DIN - 02821380)

*Udit Todi*

**Udit Todi**  
Director  
(DIN - 02017579)

**EBELL FASHIONS PVT LTD**  
 (Formerly known as Ebel Polymers Pvt. Ltd)  
 Statement of Profit and Loss for the year ended march 31, 2019

Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>INCOME</b>			
Revenue from Operations (Gross)	18	2,543,387,738.44	1,978,652,656.95
Other Income	19	2,707,733.79	2,786,129.10
<b>TOTAL</b>		<b>2,546,095,472.23</b>	<b>1,981,438,786.05</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	20	927,371,416.52	740,337,448.61
Purchase of Stock in Trade	21	10,940,118.00	7,090,676.28
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	7,998,435.03	(36,096,705.43)
Employee Benefits Expense	23	52,839,616.00	48,236,582.00
Finance Costs	24	7,408,757.04	15,463,735.87
Depreciation & Amortisation Expense	25	4,804,630.89	3,614,286.95
Other Expenses	26	1,078,504,297.61	871,014,725.04
<b>TOTAL</b>		<b>2,089,867,271.09</b>	<b>1,649,660,749.32</b>
<b>PROFIT BEFORE TAX</b>		456,228,201.14	331,778,036.73
Tax Expense:			
Less: Current Tax		134,200,000.00	116,000,000.00
Less: Deferred Tax		222,460.57	(137,332.36)
Less: Income Tax For the Earlier Year		(13,410.00)	5,397,050.00
<b>PROFIT FOR THE YEAR</b>		<b>321,819,150.57</b>	<b>210,518,319.09</b>
Earnings per share (Nominal value Rs.10/- each (P.Y. Rs.10/-):	27	1,369.44	895.82
<b>Significant Accounting Policies</b>	1		

The accompanying notes are an integral part of the Financial Statements

In terms of our report of even date

**FOR SANJAY MODI & CO.**

Chartered Accountants

Firm Reg no.322295E

*Prodyat Chaudhuri*

CA Prodyat Chaudhuri

Partner

Membership no.065401

Place : Kolkata

Date: 16.09.2019



For and on behalf of the Board

*Saket Todi*

Saket Todi  
 Director  
 (DIN - 02821380)

*Udit Todi*

Udit Todi  
 Director  
 (DIN - 02017579)

**EBELL FASHIONS PVT LTD**  
(Formerly known as Ebel Polymers Pvt. Ltd)  
Cash Flow Statement for the year ended March 31, 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash Flow from Operating Activities</b>		
a) Profit before Tax	456,228,201.14	331,778,036.73
Adjustment for :		
Depreciation	4,804,630.89	3,614,286.95
Interest income from fixed deposit	(263,096.00)	(226,873.00)
Interest Payment	7,085,269.00	14,576,098.00
Provision for Gratuity	918,169.00	2,511,358.00
Bad debts	340,923.00	-
Profit on disposal of assets	(7,312.85)	(2,554.62)
<b>b) Operating profit before working capital changes</b>	<b>469,106,784.18</b>	<b>352,250,352.06</b>
Adjustment for :		
Trade and other receivables (Increase)/ Decrease	963,001.24	(169,242,162.00)
Inventories (Increase)/ Decrease	1,853,076.51	(73,844,474.90)
Short Term Loan Advances & Other Current Assets (Increase)/Decrease	(258,024,085.17)	69,145,083.37
Other Non Current Assets(Decrease)/ Increase	5,407,174.00	(5,053,320.00)
Trade Payable (Increase)/ Decrease	73,544,569.33	23,719,630.08
Current Liabilities (Increase)/ Decrease	24,839,442.15	(1,849,022.86)
<b>c) Cash generated from Operations</b>	<b>317,689,962.24</b>	<b>195,126,085.75</b>
Tax Paid ( Net )	(131,136,638.00)	(156,566,862.00)
<b>Net Cash from Operating Activities</b>	<b>186,553,324.24</b>	<b>38,559,223.75</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(7,455,015.70)	(14,456,153.82)
Long Term Loan Advances & Other Current Assets (Increase)/Decrease	(1,753,625.00)	(256,100.00)
Sale proceeds from fixed assets	25,800.00	17,200.00
Interest Income	263,096.00	226,873.00
<b>Net Cash from / ( used in ) investing activities</b>	<b>(8,919,744.70)</b>	<b>(14,468,180.82)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds / (Repayment) from Long term borrowing	(10,204,898.00)	1,571,732.00
Proceeds / (Repayment) from Short term borrowing	49,143,869.24	(31,613,105.97)
Interest paid	(7,085,269.00)	(14,576,098.00)
<b>Net Cash from / ( used in ) financing activities</b>	<b>31,853,702.24</b>	<b>(44,617,471.97)</b>
<b>D. Net increase/( Decrease ) in Cash and Cash equivalent</b>	<b>209,487,281.78</b>	<b>(20,526,429.04)</b>
Cash and Cash equivalent at beginning of the year	30,059,722.53	50,586,151.57
<b>Cash and Cash equivalent at end of the year</b>	<b>239,547,004.31</b>	<b>30,059,722.53</b>
<b>Notes to Cash Flow Statement :</b>		
1. This Statement is prepared under indirect method as prescribed by AS-3.		
2. Cash and cash equivalents comprise of:		
Cash -in- Hand	4,896,476.09	3,495,216.81
Balance with bank on current account	234,650,528.22	26,564,505.72
	<b>239,547,004.31</b>	<b>30,059,722.53</b>

3. Previous periods' figures have been regrouped/ rearranged wherever necessary to confirm with current years presentation.

As per our report of even date attached

**FOR SANJAY MODI & CO.**

Chartered Accountants

Firm Reg no.322295E

*Prodyat Chaudhuri*

**CA Prodyat Chaudhuri**

Partner

Membership no.065401

Place : Kolkata

Date: 16.09.2019



For and on behalf of the Board

*Saket Todi*

**Saket Todi**  
Director  
(DIN - 02821380)

*Udit Todi*

**Udit Todi**  
Director  
(DIN - 02017579)

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2019

### 1. SIGNIFICANT ACCOUNTING POLICIES:

#### a) Nature of Operation

Ebell Fashions Pvt Ltd (Formely Known as Ebel Polymers Pvt Ltd) is engaged in the business of manufacturing & sale of knitwear's. The Manufacturing units of the company are located in Kolkata, Dankuni and Ghaziabad.

#### b) Basis of Preparation of Accounts

The financial statements have been prepared to comply with the generally accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on the accrual basis. GAAP Comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013("the Act") read with rule 7 of the Companies (Accounts) Rules, 2014. The accountings policies have been consistently applied by the company with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard/ Law requires a change in the accounting policy hitherto in use. The financial statements are presented in Indian rupees.

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

#### c) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make judgments, estimates and assumptions that affect the reported amounts of Assets and Liabilities and disclosure of Contingent Liabilities on the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and useful life of intangible assets. Although these estimates are based on the management's best knowledge, 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. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### d) Revenue Recognition

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

- a) **Sale of Goods:** Sales are recognized when goods are supplied and are net of Sales Return.
- b) **Interest:** Interests on Investments are recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- c) **Export Benefits:** Export Entitlements in the form of Duty Drawback are recognized in the Profit and Loss account when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Exports benefits under Focus Licence Scheme are recognized in the year of export itself provided there is no uncertainty as to the amount of duty entitlement. Such export benefits are booked separately as revenue by creating a claim against it on the assets side.

Exports benefits in the form of Rebate of State Levies on Export of Garments (ROSL) are recognised in the year of export itself and the amount of rebate is calculated using FOB value and the rates and caps of rebate specified in ROSL scheme.

#### e) Accounting of Claims

- (a) Claims receivable are accounted for at the time when reasonable certainty of receipt is established. Claims payable are accounted for at the time of acceptance.
- (b) Claim raised by Government Authorities regarding taxes and duties, which are disputed by the Company, are accounted based on merits of each claim.

#### f) Expenditure

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.



#### g) Government Grant:

The company receives sales tax incentive under the WBIP (A.I. Units) Scheme' 1994 and the same is recognized as revenue in the period in which these are accrued and shown as income under the head "Other Operating revenue". The Company has not received any non-monetary assets at concessional rate or free of cost as Government Grant.

In respect of interest subsidy on special machinery from government (under TUF-Scheme) the grant is shown as deduction from the interest cost, when subsidy is received from the government.

#### h) Fixed Assets

(a) **Tangible Assets:** Tangible Assets are stated at their original cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of modvat) and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to the acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

Subsequent expenditure related to an item of Tangible Assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

(b) **Intangible Assets & amortization:** Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly. The Intangible assets include Computer Software. Amortization of Intangible Assets is made based on management's evaluation of duration of life cycle of intangible assets. The amortization rate used are :

Asset	%
Computer Software:	40.00

(c) **Depreciation:** Depreciation on Fixed Assets is provided on Straight Line method (SLM) over the useful lives of assets in the manner specified in Part C of schedule II to the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged.

#### i) Valuation of Inventories

Raw materials including packing materials are carried at the lower of cost and net realizable value. Cost is determined on weighted average cost method. Work in progress is carried at the lower of cost and net realizable value. Finished goods produced or purchased by the company are carried at lower of cost and net realizable value. Cost of finished goods and process stock includes cost of conversion and other cost incurred in bringing the inventories to their present locations and conditions. The company has valued inventory net of modvat benefits. 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.

#### j) Retirement benefits to employees

##### Gratuity:

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity plan provides a lump sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the company. Liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each Balance sheet date using the projected unit credit method. The company recognizes the net obligation of the gratuity as per actuarial valuation report in the Balance sheet in accordance with Accounting Standard (AS) 15, "Employee Benefits". Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the statement of Profit and Loss in the period in which they arise.

##### Leave Encashment:

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The company recognizes the net obligation of the leave encashment as per actuarial valuation report in the Balance sheet in accordance with Accounting Standard (AS) 15, "Employee Benefits".

##### Provident Fund:

Eligible employees receive benefits from a provident fund, which is a defined plan. Both the eligible employee and the company make monthly contribution to the provident fund plan equal to a specified percentage of the covered employee's salary. The company also contribute a specific amount out of total contribution payable to the government administered pension fund.



#### **k) Taxes on Income**

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably.

Deferred taxes is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originates in one period and are capable of reversal in one or more subsequent periods.

Deferred tax Assets & Liabilities are measured using the Tax Rates & Tax Laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available.

Advance Taxes and Provisions for current taxes are presented in the Balance sheet after offsetting advance taxes paid and income tax provisions arising in the same tax jurisdiction and where the company is able to and intends to settle the assets and liability on a net basis.

#### **l) Provision, Contingent Liabilities And Contingent Assets**

A provision is recognized if, as a result of past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provisions in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

#### **m) Foreign Currency Transaction**

Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance sheet date. The gains or losses resulting from such translations are included in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transactions.

#### **n) Earnings per Share (Basic & Diluted)**

Basic earnings (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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.

#### **o) Impairment of assets:**

Impairment loss is recognized wherever the carrying amount of an assets is in excess of its recoverable amount and the same is recognized as an expenses in the statement of Profit & Loss and carrying amount of the assets is reduced to its recoverable amount.

Reversal of impairment losses recognized in prior year is recovered when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

#### **p) Cash Flow Statement**

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, Financing and investing activities of the Company are segregated. Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and unpaid deposit account.





Notes forming part of the Financial Statements

2 SHARE CAPITAL

a) Authorized, issued, Subscribed and Paid up Share Capital

	As at March 31, 2019		As at March 31, 2018	
	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
<b>Authorized</b>				
Equity Shares of Rs. 10/- each	250,000.00	2,500,000.00	250,000.00	2,500,000.00
<b>Issued and Subscribed &amp; Paid up</b>				
Equity Shares of Rs. 10/- each	235,000.00	2,350,000.00	235,000.00	2,350,000.00
<b>TOTAL</b>	<b>235,000.00</b>	<b>2,350,000.00</b>	<b>235,000.00</b>	<b>2,350,000.00</b>

b) Reconciliation of number of shares outstanding

	As at March 31, 2019		As at March 31, 2018	
	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
Equity Shares at the beginning of the year	235,000.00	2,350,000.00	235,000.00	2,350,000.00
Issued during the year	-	-	-	-
<b>Equity Shares at the closing of the year</b>	<b>235,000.00</b>	<b>2,350,000.00</b>	<b>235,000.00</b>	<b>2,350,000.00</b>

The Company has only one class of equity shares with a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share held. The Company has not declared any dividends for the year. In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the Company after meeting all liabilities and distribution of all preferential amounts in proportion of their shareholding.

c) Shareholders holding more than 5% shares of the company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Numbers	%age	Numbers	%age
Bimla Devi Todi	17,500	7.45	17,500	7.45
Shobha Devi Todi	17,500	7.45	17,500	7.45
Rahul Todi	23,500	10.00	-	-
Navin Todi	23,500	10.00	-	-
Saket Todi	26,500	11.28	-	-
Udit Todi	26,500	11.28	-	-
Hollyfield Traders Pvt Ltd	100,000	42.55	100,000	42.55
Aradhana Barter Pvt. Ltd.	-	-	50,000	21.28
Dhanlaxmi Supply Pvt. Ltd.	-	-	50,000	21.28

3 RESERVES AND SURPLUS

	As at 31-Mar-19	As at 31-Mar-18
<b>i) Securities Premium Account</b>		
Balance at the beginning of the year	18,900,000.00	18,900,000.00
Add: During the year	-	-
Balance at the end of the year	<b>18,900,000.00</b>	<b>18,900,000.00</b>
<b>ii) Surplus in Statement of Profit and Loss</b>		
Balance at the beginning of the year	496,514,365.13	285,996,046.03
Add: Profit for the year	321,819,150.57	210,518,319.09
Surplus carried to Balance Sheet	<b>818,333,515.69</b>	<b>496,514,365.13</b>
<b>Total</b>	<b>837,233,515.69</b>	<b>515,414,365.13</b>



Notes forming part of the Financial Statements

4 LONG TERM BORROWINGS

	As at 31-Mar-19	As at 31-Mar-18
<b>i) SECURED LOANS</b>		
<b>From Banks</b>		
Term Loan from Bank	3,907,350.00	14,112,248.00
	<u>3,907,350.00</u>	<u>14,112,248.00</u>
<b>ii) UNSECURED LOANS</b>		
a) From Directors & Relatives	-	-
b) From Other	-	-
	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>3,907,350.00</u></b>	<b><u>14,112,248.00</u></b>

a) Repayment terms and nature of securities given for term loan as follows :

Bank	31-Mar-19	31-Mar-18	Nature of Security	Repayment Terms
Allahabad Bank	7,873,324.00	15,957,745.00	Charge over Fixed Assets of the company including proposed machinery purchased with this term loan. It is additionally secured by personal guarantee of the director.	Repayable by six year door to door with six months moratorium and by equal quarterly instalments of Rs. 17.50 lacs commencing from December 2016 quarter. Interest @ MCLR is serviced on monthly basis, as and when due.
Allahabad Bank	1,542,561.00	3,099,363.00	Charge over Fixed Assets of the company including proposed machinery purchased with this term loan. It is additionally secured by personal guarantee of the director.	Repayable in 20 equal quarterly instalment of Rs.5.15 lacs each commencing from June, 2018. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	4,114,026.00	4,655,140.00	Exclusive hypothecation charge on entire fixed assets of the Company including building, furnitures, fixtures & electrical installations. It is additionally secured by personal guarantee of the director.	Repayable in 20 equal quarterly instalment of Rs.2.70 lacs each commencing from December, 2018. Interest @ MCLR is serviced on monthly basis as and when due.

5 DEFERRED TAX LIABILITIES (NET)

	As at 31-Mar-19	As at 31-Mar-18
<b>Deferred tax asset</b>		
Provision for Employees Benefit	(1,377,093.24)	(1,318,862.43)
<b>Deferred tax liability</b>		
Difference between book value of depreciable assets as per books of account and written down value for tax purpose	4,940,726.80	4,660,035.42
<b>Total</b>	<b><u>3,563,633.56</u></b>	<b><u>3,341,172.99</u></b>

6 LONG TERM PROVISIONS

	As at 31-Mar-19	As at 31-Mar-18
Provision for Employee benefits	4,422,712.00	3,632,661.00
<b>Total</b>	<b><u>4,422,712.00</u></b>	<b><u>3,632,661.00</u></b>



**Notes forming part of the Financial Statements**

**7 SHORT TERM BORROWINGS**

	As at 31-Mar-19	As at 31-Mar-18
<b>SECURED</b>		
Loan from Banks		
Cash Credit facilities	181,877,294.76	132,733,425.52
<b>Total</b>	<b>181,877,294.76</b>	<b>132,733,425.52</b>

- a) Cash Credit loan is secured against hypothecation of entire stocks, book debts and other current assets of the company by way of collateral security over the entire movable and immovable properties of the company both present and future. The Cash Credit loan are repayable on demand. It is additionally secured by personal guarantee of the directors.

**8 TRADE PAYBLES**

	As at 31-Mar-19	As at 31-Mar-18
MSMED [refer note (a) below]	422,645.00	683,075.00
Other trade payables	407,476,783.94	333,671,784.61
<b>Total</b>	<b>407,899,428.94</b>	<b>334,354,859.61</b>

(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

- (i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year
- |  |            |            |
|--|------------|------------|
| Principal amount due to micro and small enterprise | 422,645.00 | 683,075.00 |
| Interest due on above                              | -          | -          |
- (ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 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 (which has been paid but beyond the appointed day during the year) 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; and
- |  |   |   |
|--|---|---|
|  | - | - |
|--|---|---|
- (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.
- |  |   |   |
|--|---|---|
|  | - | - |
|--|---|---|

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

**9 OTHER CURRENT LIABILITIES**

	As at 31-Mar-19	As at 31-Mar-18
Current maturity of long term debt	9,622,561.00	9,600,000.00
Statutory dues	5,006,312.36	4,670,662.66
Provision for Income Tax (Net of Advance Tax & TDS)	15,102,970.00	12,039,608.00
Advance from customers	5,123,795.05	3,701,325.41
Deposits from Dealers, Agent, etc.	26,829,001.00	22,478,001.00
Other Payables	22,233,591.34	3,539,239.53
<b>Total</b>	<b>83,918,230.75</b>	<b>56,028,836.60</b>

- 9.1 Other Payables includes Salary, Electricity charges, Insurance charges, etc.

**10 SHORT TERM PROVISIONS**

	As at 31-Mar-19	As at 31-Mar-18
Provision for Employee benefits	306,317.00	178,199.00
<b>Total</b>	<b>306,317.00</b>	<b>178,199.00</b>



Notes forming part of the Financial Statements

12 LONG TERM LOANS & ADVANCES

	As at 31-Mar-19	As at 31-Mar-18
<b>Unsecured Considered Good</b>		
Security Deposits	2,920,698.00	1,167,073.00
<b>Total</b>	<b>2,920,698.00</b>	<b>1,167,073.00</b>

13 OTHER NON - CURRENT ASSETS

	As at 31-Mar-19	As at 31-Mar-18
Bank deposit with more than 12 months maturity	1,607,375.00	6,812,638.00
Interest accrued on deposits.	81,811.00	278,567.00
Margin Money Deposit	-	5,155.00
<b>Total</b>	<b>1,689,186.00</b>	<b>7,096,360.00</b>

14 INVENTORIES

	As at 31-Mar-19	As at 31-Mar-18
(at lower of Cost and net realizable value )		
Raw Materials	56,553,315.54	39,635,090.14
Finished goods (Manufactured)	122,187,225.19	152,475,488.83
Work in Progress	162,120,170.68	135,350,207.32
Stock-in-Trade (Goods purchased for resale)	1,771,101.68	6,251,236.43
Packing Materials	37,463,325.92	48,236,192.80
<b>Total</b>	<b>380,095,139.01</b>	<b>381,948,215.52</b>

15 TRADE RECEIVABLES

	As at 31-Mar-19	As at 31-Mar-18
<b>i) Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	95,316,966.49	43,989,907.63
Unsecured, considered doubtful	340,923.00	-
Less: Provision for doubtful debts	(340,923.00)	-
	<b>95,316,966.49</b>	<b>43,989,907.63</b>
<b>ii) Outstanding for a period less than six months from the date they are due for payment</b>		
Unsecured, considered good	455,383,766.83	508,014,749.93
<b>Total</b>	<b>550,700,733.32</b>	<b>552,004,657.56</b>

16 CASH AND BANK BALANCES

	As at 31-Mar-19	As at 31-Mar-18
<b>i) Cash And Cash Equivalents</b>		
Cash on hand	4,896,476.09	3,495,216.81
<b>ii) Balances with bank</b>		
On current account	234,650,528.22	26,564,505.72
<b>Total</b>	<b>239,547,004.31</b>	<b>30,059,722.53</b>

17 SHORT TERM LOANS AND ADVANCES

	As at 31-Mar-19	As at 31-Mar-18
<b>Other Loan &amp; Advances:</b>		
(Unsecured considered good unless otherwise stated)		
Unsecured considered good unless otherwise stated		
Balance with Government Authorities	32,658,752.85	15,447,396.18
Incentive/ Duty Drawback Receivable	2,739,255.00	4,032,343.00
Prepaid Expenses	156,593.91	885,432.03
Advance to Supplier	35,873,401.17	20,820,711.55
Advances to employees	2,856,500.00	1,878,883.00
Other loan & advances	226,810,848.00	6,500.00
<b>Total</b>	<b>301,095,350.93</b>	<b>43,071,265.76</b>



**EBELL FASHIONS PVT LTD**  
(Formerly known as Ebel Polymers Pvt. Ltd)

Note 11

**FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION/ AMORTIZATION				NET BLOCK	
	As at	Addition for	Deduction /	As at	As at	Addition for	Deduction/	As at	As at	As at
	01.04.2018	the year	for the year	31.03.2019	01.04.2018	the year	for the year	31.03.2019	31.03.2019	31.03.2018
<b>Tangible Assets</b>										
Building	2,666,243.86	-	-	2,666,243.86	517,275.66	43,350.95	-	560,626.61	2,105,617.25	2,148,968.20
Plant & Equipments	46,357,952.95	5,972,738.93	-	52,330,691.88	7,279,301.65	3,499,610.31	-	10,778,911.96	41,551,779.92	39,078,651.30
Computer	714,187.59	221,041.52	-	935,229.11	347,769.97	208,148.12	-	555,918.09	379,311.02	366,417.62
Electrical Installation	374,339.50	141,400.00	-	515,739.50	49,831.49	37,515.67	-	87,347.16	428,392.34	324,508.01
Furniture & Fixture	2,920,113.80	1,002,731.83	-	3,922,845.63	328,056.79	320,036.00	-	648,092.79	3,274,752.84	2,592,057.01
Motor Car	4,093,709.00	-	-	4,093,709.00	2,589,252.94	485,831.89	-	3,075,084.83	1,018,624.17	1,504,456.06
Office Equipment	906,584.12	117,103.42	24,488.14	999,199.40	199,408.94	176,367.75	6,000.99	369,775.70	629,423.70	707,175.18
<b>Sub Total (A)</b>	<b>58,033,130.82</b>	<b>7,455,015.70</b>	<b>24,488.14</b>	<b>65,463,658.38</b>	<b>11,310,897.44</b>	<b>4,770,860.69</b>	<b>6,000.99</b>	<b>16,075,757.14</b>	<b>49,387,901.24</b>	<b>46,722,233.38</b>
<b>Intangible Assets</b>										
Computer software	109,200.00	-	-	109,200.00	32,959.91	33,770.20	-	66,730.11	42,469.89	76,240.09
<b>Sub Total (B)</b>	<b>109,200.00</b>	<b>-</b>	<b>-</b>	<b>109,200.00</b>	<b>32,959.91</b>	<b>33,770.20</b>	<b>-</b>	<b>66,730.11</b>	<b>42,469.89</b>	<b>76,240.09</b>
<b>Total (A+B)</b>	<b>58,142,330.82</b>	<b>7,455,015.70</b>	<b>24,488.14</b>	<b>65,572,858.38</b>	<b>11,343,857.35</b>	<b>4,804,630.89</b>	<b>6,000.99</b>	<b>16,142,487.25</b>	<b>49,430,371.13</b>	<b>46,798,473.47</b>
<b>PREVIOUS YEAR</b>	<b>45,774,182.00</b>	<b>2,861,958.00</b>	<b>4,931,563.00</b>	<b>43,704,577.00</b>	<b>4,429,103.59</b>	<b>3,304,221.43</b>	<b>-</b>	<b>7,733,325.02</b>	<b>35,971,251.98</b>	



Notes forming part of the Financial Statements

18 REVENUE FROM OPERATION

	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Sale Of Products</b>		
i) Manufactured Goods	2,530,329,822.10	1,965,751,772.99
ii) Stock-in-trade	13,057,916.34	11,642,139.96
<b>Other Operating Revenue</b>		
Export incentive	-	460,254.00
Assist Under WBIP Scheme	-	798,490.00
<b>Total</b>	<u><u>2,543,387,738.44</u></u>	<u><u>1,978,652,656.95</u></u>

19 OTHER INCOME

	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Interest Income</b>		
i) From Fixed Deposit	263,096.00	226,873.00
ii) From Loans & Advances / Others	2,012,054.00	1,031,452.00
<b>Other non operating income</b>		
i) Miscellaneous Income	-	582,776.62
ii) Foreign currency translation gain (net)	425,270.94	945,027.48
iii) Profit from Asset Sale	7,312.85	-
<b>Total</b>	<u><u>2,707,733.79</u></u>	<u><u>2,786,129.10</u></u>

20 COST OF MATERIAL CONSUMED

	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>i) Yarn Consumed</b>		
Opening Stock	39,635,090.14	24,846,524.20
Add: Purchases during the year	727,314,583.95	548,492,631.10
	<u>766,949,674.09</u>	<u>573,339,155.30</u>
Less: Yarn Sale	32,710,013.79	13,479,233.21
Less: Closing Stock	56,553,315.54	39,635,090.14
	677,686,344.76	520,224,831.95
<b>ii) Packing Materials Consumed</b>		
Opening Stock	48,236,192.80	25,276,989.52
Add: Purchases during the year	214,895,447.38	193,225,411.45
	<u>263,131,640.18</u>	<u>218,502,400.97</u>
Less: Closing Stock	37,463,325.92	48,236,192.80
	225,668,314.26	170,266,208.17
<b>iii) Consumption of Fabrics</b>		
	24,016,757.50	49,846,408.49
<b>Total</b>	<u><u>927,371,416.52</u></u>	<u><u>740,337,448.61</u></u>

21 PURCHASE OF STOCK IN TRADE (KNITWEAR)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Purchases of Stock in Trade	10,940,118.00	7,090,676.28
<b>Total</b>	<u><u>10,940,118.00</u></u>	<u><u>7,090,676.28</u></u>



Notes forming part of the Financial Statements

22 CHANGES IN FINISHED GOODS , WORK-IN-PROGRESS AND STOCK - IN - TRADE

	Year Ended March 31, 2019		Year Ended March 31, 2018	
<b>i) Finished Goods</b>				
Opening Stock	152,475,488.83		110,643,745.82	
Closing Stock	<u>122,187,225.19</u>	30,288,263.64	<u>152,475,488.83</u>	(41,831,743.01)
<b>ii) Work-in-progress</b>				
Opening Stock	135,350,207.32		137,243,658.28	
Closing Stock	<u>162,120,170.68</u>	(26,769,963.36)	<u>135,350,207.32</u>	1,893,450.96
<b>iii) Stock in Trade</b>				
Opening Stock	6,251,236.43		10,092,823.05	
Closing Stock	<u>1,771,101.68</u>	4,480,134.75	<u>6,251,236.43</u>	3,841,586.62
<b>Total</b>		<u><u>7,998,435.03</u></u>		<u><u>(36,096,705.43)</u></u>

23 EMPLOYEE BENEFIT EXPENSE

	Year Ended March 31, 2019		Year Ended March 31, 2018	
i) Salaries , Wages & Bonus	49,923,477.00		43,962,394.00	
ii) Provision for Employment benefit	<u>918,169.00</u>	50,841,646.00	<u>2,511,358.00</u>	46,473,752.00
iii) Contribution to Provident & Other Funds		1,761,558.00		1,573,553.00
iv) Staff Welfare Expenses		236,412.00		189,277.00
<b>Total</b>		<u><u>52,839,616.00</u></u>		<u><u>48,236,582.00</u></u>

24 FINANCE COST

	Year Ended March 31, 2019		Year Ended March 31, 2018	
i) Interest Expense		7,085,269.00		14,576,098.00
ii) Bank Charges		323,488.04		887,637.87
<b>Total</b>		<u><u>7,408,757.04</u></u>		<u><u>15,463,735.87</u></u>

25 DEPRECIATION EXPENSE

	Year Ended March 31, 2019		Year Ended March 31, 2018	
Depreciation on Tangible Assets		4,770,860.69		3,604,864.17
Amortization on Intangible Assets		33,770.20		9,422.78
<b>Total</b>		<u><u>4,804,630.89</u></u>		<u><u>3,614,286.95</u></u>



## 26 OTHER EXPENSES

	Year Ended March 31, 2019	Year Ended March 31, 2018
Store & Spares	1,090,929.41	282,299.74
Power & Fuel	567,087.00	455,114.00
Rent	4,342,393.08	2,345,735.00
Repairs & maintenance		
- Machinery	833,732.15	641,330.27
- Building	116,452.00	100,518.00
- Others	39,575.00	29,014.74
Insurance	482,966.82	470,526.89
Rates & Taxes	41,969.00	1,018,080.00
Royalty	75,000.00	75,000.00
Commission & Brokerage	19,396,817.61	17,141,459.00
Legal & Professional	3,800,007.92	3,232,531.00
Clearing & Forwarding	2,187,691.26	2,468,201.96
Freight and handling charges	26,448,745.10	22,777,202.37
Processing Expense	608,732,561.65	486,104,590.69
Discount Allowed	50,917,902.44	27,046,759.81
Advertisement & Publicity	221,505,519.72	201,689,137.80
Selling Expenses	119,450,863.97	85,514,783.81
Bad debts	127,352.00	-
Provision for bad debts	340,923.00	-
Prior Period Items	(2,939,757.02)	802,319.82
Payment to Auditors (refer note 30)	600,000.00	100,000.00
Membership & Subscription	57,943.00	65,600.00
Miscellaneous Expenses	20,287,622.50	18,654,520.14
<b>Total</b>	<b><u>1,078,504,297.61</u></b>	<b><u>871,014,725.04</u></b>

## 26 (1) Prior Period items includes

Amount Debited	1,427,315.98	809,819.82
Amount Credited	(4,367,073.00)	(7,500.00)
<b>Total</b>	<b><u>(2,939,757.02)</u></b>	<b><u>802,319.82</u></b>

26 (2) Miscellaneous Expenses includes expenditure related to Corporate Social Responsibility (CSR) as per section 135 of the Companies Act, 2013 read with Schedule VII thereof amounting Rs. 5,015,000 (P.Y - Rs. 2,785,000).

## 27 Earning per share Computed in accordance with AS 20: "Earning Per Share"

Sl. No.	Particulars	As At 31.03.2019	As At 31.03.2018
1	Profit for the year	321,819,150.57	210,518,319.09
2	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS.	235,000	235,000
3	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	235,000	235,000
4	Nominal Value per share (Rs.)	10/-	10/-
5	Earning per shares		
	Basic	1,369.44	704.93
	Diluted	1,369.44	704.93





**NOTES on financial statements for the year ended 31<sup>st</sup> March, 2019**

28. (a) Capital and Other Commitments Nil (Previous Year Nil)  
 (b) Contingent Liabilities Customs related matter Rs. 939,309.00 (Previous Year Nil)

29. Related Party Disclosures as required by Accounting Standard (AS-18) on "Related Party Disclosures" issued by the institute of Chartered Accountants of India, are as below:-

a) Directors:

1. Smt. Bimla Devi Todi
2. Smt. Shobha Devi Todi
3. Sri Saket Todi
4. Sri Udit Todi

b) Relatives of Directors

1. Neha Todi

c) Associates controlled by the Director/ relatives of the Director

1. Jaytee Exports
2. Rotex Intertrade Pvt. Ltd.
3. Lux Industries Ltd.
4. J.M.Hosiery & Co Limited
5. Biswanath Hosiery Mills Ltd.
6. Biswanath Real Estate Pvt Ltd.

The Company's Related Party transactions during the year and outstanding balances are as below:

Sl	Nature of Transaction	Directors		Relatives of Directors		Associates controlled by Director/Relatives	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	<b>Sale of goods</b>						
	Biswanath Hosiery Mills Ltd	-	-	-	-	-	13,047,060.95
	Lux Industries Ltd	-	-	-	-	46,031,001.58	10,367,984.02
	Jaytee Exports	-	-	-	-	439,425.71	296,155.00
	<b>Total</b>	-	-	-	-	<b>46,470,427.29</b>	<b>29,711,199.97</b>
2	<b>Sales Return</b>						
	Biswanath Hosiery Mills Ltd	-	-	-	-	6,496,290.48	-
	<b>Total</b>	-	-	-	-	<b>6,496,290.48</b>	-
3	<b>Purchase of Focus License</b>						
	Lux Industries Ltd	-	-	-	-	-	1,671,616.00
	<b>Total</b>	-	-	-	-	-	<b>1,671,616.00</b>
4	<b>Purchase of goods</b>						
	Lux Industries Ltd	-	-	-	-	67,519,598.44	24,362,249.62
	Jaytee Exports	-	-	-	-	10,939,876.00	7,119,128.76
	<b>Total</b>	-	-	-	-	<b>78,459,474.44</b>	<b>31,481,378.38</b>
5	<b>Payment for services</b>						
	Lux Industries Ltd.(Knitting Charges)	-	-	-	-	21,552,444.76	16,219,782.00
	<b>Total</b>	-	-	-	-	<b>21,552,444.76</b>	<b>16,219,782.00</b>
6	<b>Interest Received</b>						
	Biswanath Real Estate Pvt Ltd	-	-	-	-	1,923,287.00	-
	<b>Total</b>	-	-	-	-	<b>1,923,287.00</b>	-
7	<b>Remuneration</b>						
	Bimla Devi Todi	6,000,000.00	6,000,000.00	-	-	-	-
	Shobha Devi Todi	6,000,000.00	6,000,000.00	-	-	-	-
	<b>Total</b>	<b>12,000,000.00</b>	<b>12,000,000.00</b>	-	-	-	-



Sl	Nature of Transaction	Directors		Relatives of Directors		Associates controlled by Director/Relatives	
8	<b>Royalty paid</b>						
	Biswanath Hosiery Mills Ltd.	-	-	-	-	75,000.00	75,000.00
	<b>Total</b>	-	-	-	-	<b>75,000.00</b>	<b>75,000.00</b>
9	<b>Salary</b>						
	Neha Todi	-	-	3,000,000.00	3,000,000.00	-	-
	<b>Total</b>	-	-	<b>3,000,000.00</b>	<b>3,000,000.00</b>	-	-
10	<b>Interest paid</b>						
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	-	4,611.00
	<b>Total</b>	-	-	-	-	-	<b>4,611.00</b>
11	<b>Loan Given</b>						
	Biswanath Real Estate Pvt Ltd	-	-	-	-	200,000,000.00	-
	<b>Total</b>	-	-	-	-	<b>200,000,000.00</b>	-
12	<b>Loan Received</b>						
	Udit Todi	5,00,000.00	-	-	-	-	-
	<b>Total</b>	<b>5,00,000.00</b>	-	-	-	-	-
13	<b>Loan repayment</b>						
	Rotex Intertrade Pvt. Ltd.	-	-	-	-	-	-
	Bimla Devi Todi	-	100,000.00	-	-	-	-
	Shobha Devi Todi	-	100,000.00	-	-	-	-
	Saket Todi	-	160,000.00	-	-	-	-
	Udit Todi	5,00,000.00	20,000.00	-	-	-	-
	<b>Total</b>	<b>5,00,000.00</b>	<b>380,000.00</b>	-	-	-	-
14	<b>Outstanding as at 31<sup>st</sup> March</b>						
	<b>(a) Sundry creditors</b>						
	Biswanath Hosiery Mills Ltd.	-	-	-	-	81,000.00	148,500.00
	J.M.Hosiery & Co Ltd.	-	-	-	-	-	879,332.00
	Lux Industries Ltd	-	-	-	-	-	80,205,984.34
	Jaytee Exports	-	-	-	-	3,270,890.40	3,360,713.80
	<b>Total</b>	-	-	-	-	<b>3,351,890.40</b>	<b>84,594,530.14</b>
	<b>(b) Loans and Advances</b>						
	Biswanath Real Estate Pvt Ltd	-	-	-	-	201,730,958.00	-
	<b>Total</b>	-	-	-	-	<b>201,730,958.00</b>	-
	<b>(c) Advances to Suppliers</b>						
	Lux Industries Ltd	-	-	-	-	17,864,210.69	-
	<b>Total</b>	-	-	-	-	<b>17,864,210.69</b>	-
	<b>(d) Advance Recoverable in cash or value to be received</b>						
	Lux Industries Ltd	-	-	-	-	-	28,878,314.85
	Biswanath Hosiery Mills Ltd.	-	-	-	-	-	12,469,858.00
	Jaytee Exports	-	-	-	-	763,745.00	302,078.00
	<b>Total</b>	-	-	-	-	<b>763,745.00</b>	<b>41,650,250.85</b>

30. Auditor's Remuneration includes:

Particulars	2018-19	2017-18
As Auditor	100,000.00	100,000.00
Income Tax Matter & Other matter	500,000.00	-
<b>Total</b>	<b>600,000.00</b>	<b>100,000.00</b>



31. The details relating to Corporate Social Responsibility (CSR) expenditure are as follows:

As per Section 135 of the Companies Act, 2013, a CSR committee had been formed by the Company. The funds are utilized on the activities which are specified in Schedule VII of the Act. The Utilization is done by way of contribution towards various activities.

(a) Amount spent during the year on:

Sl.No	Particulars	Amount (in cash/ Bank)	Amount (yet to be paid)	Total
1.	Construction/ acquisition of any assets			
2.	On purpose other than(1) above			
	- Education and Skill development	2,500,000.00		2,500,000.00
	-Health Care	-	-	-
	-Others	2,515,000.00	-	2,515,000.00
	<b>TOTAL</b>	<b>5,015,000.00</b>		<b>5,015,000.00</b>

(b) No contribution has been made to any related party as per Accounting Standard (AS) 18, Related party disclosures.

32. Employee benefit plans:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company has not funded the scheme.

The Company also has a defined benefit leave encashment plan, wherein every employee on confirmation is entitled to get leave encashment benefit, which is payable on departure or on completion of 3 years of service at 15 days salary (last drawn salary) for each completed year of service. The Company has not funded the scheme. This has been implemented in the current year, accordingly prior year figures have not been given.

(a) The following table's summaries the components of the net benefit expenses recognized in the profit and loss account and amounts recognized in the balance sheet for respective plans.

Particulars	Gratuity		Leave Encashment
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Present Value of Obligation at the beginning of the year	3,810,860	1,299,502	-
Current Service Cost	651,315	814,345	102,692
Interest Cost	293,436	100,711	-
Net Actuarial Losses / (Gain)	(129,274)	1,596,302	-
Benefit Paid	-	-	-
Present Value of Obligation at the end of the year	4,626,337	3,810,860	102,692

(b) Principle assumptions used in the determining gratuity obligation for the Company's are shown below:

Particulars	Gratuity		Leave Encashment
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Discount Rate	7.70%	7.75%	7.70%
Rate of increase in Salaries	6.00%	6.00%	6.00%
Expected average remaining working lives of employees (years)	26.42	26.66	27.10
Withdrawal rates	Varying between 8% p.a. and 1% p.a. depending on duration and age of the employees		

33. Particulars in respect of sales

Class of goods	Value (Rs.)	
	2018-19	2017-18
Hosiery goods	2,543,387,738.44	1,977,393,912.95



34. Details of finished stock

Class of goods	Value (Rs.)	
	2018-19	2017-18
i) Opening stock Knitwear	158,726,725.26	120,736,568.87
ii) Closing stock Knitwear	123,958,326.87	158,726,725.26

35. Details of Finished Goods Purchased

Class of goods	Value (Rs.)	
	2018-19	2017-18
Knitwear	10,940,118.00	7,090,676.28

36. Particulars about Work in Progress

Class of goods	Value (Rs.)	
	2018-19	2017-18
Closing stock of Fabrics	164,849,568.04	135,350,207.32

37. Details of raw materials consumed during the year

Class of goods	Value (Rs.)	
	2018-19	2017-18
Yarn	675,389,290.09	520,224,831.95
Fabric	24,016,757.50	49,846,408.49
Packing material & Others	225,668,314.26	170,266,208.17
<b>Total</b>	<b>925,074,361.85</b>	<b>740,337,448.61</b>

38. Value of imported and indigenous raw materials consumed and percentage of each to total consumption:

Class of goods	Percentage		Value (Rs.)	
	2018-19	2017-18	2018-19	2017-18
<b>(a) Raw materials</b>				
Imported	6.11 %	6.12 %	56,508,143.00	45,319,183.80
Indigenous	93.89 %	93.88 %	868,566,218.85	695,018,264.81
<b>Total</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>925,074,361.85</b>	<b>740,337,448.61</b>

39. Value of imports during the year on C.I.F. basis

Class of goods	2018-19	2017-18
Raw materials	56,508,143.00	45,319,184.36
Capital goods	1,182,153.00	8,817,340.40

40. Earning in foreign currency:

Particulars	2018-19	2017-18
Direct Export of goods at FOB value	-	6,042,510.32

41. Expenditure in foreign currency:

Particulars	2018-19	2017-18
Agent Commission	-	149,696.00

42. Disclosures pursuant to Section 186 of the Companies Act, 2013 are as follows :

Sl. No.	Particulars	Year Ended March 31st, 2019	Year Ended March 31st, 2018
a)	Loans and advances in the nature of loan to others		
i)	Shree Krishna Company		
	Balance at the year end	-	-



	Maximum amount outstanding at any time during the year	-	100,288,493.00
	It is repayable over a period of 1 year and carries rate of interest of 9%.		
<b>ii)</b>	<b>Methoni Tea Company Limited</b>		
	Balance at the year end	-	-
	Maximum amount outstanding at any time during the year	-	80,000,000.00
	It is repayable over a period of 1 year and carries rate of interest of 9%.		
<b>iii)</b>	<b>Madan Gopal Hosiery</b>		
	Balance at the year end	5,056,219.00	-
	Maximum amount outstanding at any time during the year	7,500,000.00	-
	It is repayable over a period of 1 year and carries rate of interest of 12%.		
<b>iv)</b>	<b>A.U.Export</b>		
	Balance at the year end	20,023,671.00	-
	Maximum amount outstanding at any time during the year	20,023,671.00	-
	It is repayable over a period of 1 year and carries rate of interest of 12%.		
<b>v)</b>	<b>Bishwanath Real Estate Private Limited</b>		
	Balance at the year end	201,730,958.00	-
	Maximum amount outstanding at any time during the year	201,730,958.00	-
	It is repayable over a period of 1 year and carries rate of interest of 9%.		

43. Balances of parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/ confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year.
44. Previous year figures have been recast/ regrouped whenever necessary to conform to the current Year's presentation.

As per out report of even date attached.  
**FOR SANJAY MODI & CO.**  
Chartered Accountants  
Firm Registration No: 322295E

*Prodyat Chaudhuri*

**CA Prodyat Chaudhuri**  
Partner  
Membership No. 065401

Place: Kolkata  
Date: 16.09.2019

For and on behalf of the Board

*Saket Todi*

**Saket Todi**  
Director  
(DIN – 02821380)

*Udit Todi*

**Udit Todi**  
Director  
(DIN – 02017579)

