

Independent Auditor's Report

To the Members of EBELL FASHIONS PRIVATE LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Ebell Fashions Private Limited** ("**the Company**") which comprises the Balance Sheet as at March 31, 2020 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, 2020, 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.

Emphasis of Matter

We draw attention to Note no. 44 of the Financial Statements, which describes the management's assessment of the impact of COVID-19 pandemic and the resultant lockdowns on the significant uncertainties involved in developing some of the estimates involved in preparation of the financial statements including but not limited to its assessment of liquidity and going concern, recoverable values of its property, plant and equipment, long and short term loans and advances and net realizable values of other assets. Based on information available as of this date, Management believes that no further adjustments are required to the financial position. However, in view of the highly uncertain economic environment impacting this industry/sector, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and the actual results may differ from those estimated as at the date of approval of the financial statements.



Our Opinion is not modified in respect of the aforesaid matters.

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.

Other Matter

Due to Complete lockdown, imposed by the Government, to restrict the spread of COVID-19 the audit finalization process, for the year under report, was carried out from remote locations i.e. other than the office of the Company, based on the data/ details made available and based on financial information/records remitted by the management through digital medium.

Our report is not modified in respect of this matter. Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 have pending litigations as disclosed in Note No. 30 (b) of Notes to Financial Statement.
 - 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.

Place: Kolkata
Date: 15th October, 2020



For Sanjay Modi & Co.
Chartered Accountants

(Firm's Registration No. 322295E)

Prodyat Chaudhuri
CA Prodyat Chaudhuri
(Partner)
Membership No. 065401

UDIN: 20065401AAAAAX9742

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT"

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements section of our report of even date):

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of EBELL FASHIONS PRIVATE LIMITED ('the Company').

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) 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 building, 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 granted unsecured loan to one company, covered in the Register maintained under section 189 of the Act.
 - a) According to information and explanation given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
 - b) According to information and explanation given to us, the loan is repayable on demand, hence schedule of repayment of principal is not stipulated. Receipt of interest is on regular basis.
 - c) According to information and explanation given to us, no amount is overdue for more than 90 days.



- (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 of excise, value added tax, provident fund, Employees state insurance, cess and any other material statutory dues were in arrears as at 31st March, 2020 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, except as follows :

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	50,352	Asst. Year 2017-18	CIT (A), Kolkata- 21	Nil
Customs Act, 1962	Central Excise Duty Drawback	9,14,309	Financial Year 2011-12	Government of India, Ministry of Finance, Department of Revenue (Revised Application unit)	Revision Application filed against the order of Commissioner of GST and Central Excise (Appeals), Coimbatore
	Penalty	25,000			



- (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 or further public offer and the term loans have been applied by the Company during the year for the purpose for which they were raised.
- (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 is a private limited company and accordingly the provisions of section 197 read with schedule V to the Companies Act, 2013 is not applicable. Hence clause (xi) of the order is not applicable.
- (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 party 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, we are of the opinion that during the year the company has not entered into any non-cash transactions with directors or persons connected to its directors. Accordingly, clause 3(xv) of the order is not applicable.



- (xvi) According to information and explanation given to us and on the basis of our verification, we are of the opinion that, 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

Prodyat Chaudhuri

Prodyat Chaudhuri

(Partner)

Membership No: 065401



UDIN: 20065401AAAAAX9742

Place: Kolkata

Date: 15th October, 2020

"ANNEXURE B "TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF EBELL FASHIONS PRIVATE LIMITED

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, 2020 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, 2020, 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: 20065401AAAAAX9742

Place: Kolkata

Date: 15th October, 2020

EBELL FASHIONS PRIVATE LIMITED
Balance Sheet As At March 31, 2020

Particulars	Note	As at March 31, 2020	As at March 31, 2019
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	2,350,000	2,350,000
Reserves and Surplus	3	1,272,059,129	837,233,516
		1,274,409,129	839,583,516
Non-Current Liabilities			
Long-Term Borrowings	4	6,472,921	3,907,350
Deferred Tax Liability (Net)	5	2,657,811	3,563,634
Long Term Provisions	6	6,205,954	4,422,712
		15,336,686	11,893,696
Current Liabilities			
Short Term Borrowings	7	-	181,877,295
Trade Payables			
(A) Total outstanding dues of Micro Enterprises and Small Enterprises; and	8	2,616,152	612,726
(B) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	8	302,633,267	407,286,703
Other Current Liabilities	9	69,965,205	68,815,261
Short Term Provisions	10	5,350,219	15,409,287
		380,564,843	674,001,272
TOTAL		1,670,310,658	1,525,478,484
ASSETS			
Non-Current Assets			
Property, Plant and Equipment			
Tangible Assets	11	59,438,085	49,387,901
Intangible Assets	11	245,862	42,470
Long Term Loans and Advances	12	3,065,344	2,920,698
Other Non-Current Assets	13	786,331	309,186
		63,535,622	52,660,255
Current Assets			
Current Investments	14	381,083,766	-
Inventories	15	433,954,541	380,095,139
Trade Receivables	16	515,290,912	550,700,733
Cash and Bank Balance	17	37,431,610	239,547,004
Short Term Loans and Advances	18	230,341,457	301,095,353
Other Current Assets	19	8,672,750	1,380,000
		1,606,775,036	1,472,818,229
TOTAL		1,670,310,658	1,525,478,484
Significant Accounting Policies	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. 22295E


 CA Prodyat Chaudhuri
 Partner

Membership no.065401

Place : Kolkata

Date: 15th October, 2020

For and on behalf of the Board


Saket Todi
 Director
 (DIN - 02821380)


Udit Todi
 Director
 (DIN - 02017579)

EBELL FASHIONS PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2020

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from Operations	20	2,700,503,132	2,543,387,738
Other Income	21	15,213,689	2,707,734
TOTAL		2,715,716,821	2,546,095,472
EXPENSES			
Cost of Materials Consumed	22	883,912,713	927,371,417
Purchase of Stock in Trade	23	16,578,073	10,940,118
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(34,610,376)	7,998,435
Employee Benefits Expense	25	66,769,234	52,839,616
Finance Cost	26	4,601,761	7,408,757
Depreciation & Amortisation Expense	27	6,174,729	4,804,631
Other Expenses	28	1,190,720,896	1,078,504,298
TOTAL		2,134,147,030	2,089,867,271
PROFIT BEFORE TAX		581,569,791	456,228,201
Tax Expense:			
Less: Current Tax		147,650,000	134,200,000
Less: Deferred Tax		(905,822)	222,461
Less: Income Tax For the Earlier Year		-	(13,410)
PROFIT FOR THE YEAR		434,825,613	321,819,151
Earnings per share (Nominal value Rs.10/- each (P.Y. Rs.10/-):	29	1,850	1,369
Significant Accounting Policies	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. 322295J


CA Pradyat Chaudhuri
Partner

Membership no.065401

Place : Kolkata

Date: 15th October, 2020

For and on behalf of the Board

Saket Todi

Director

(DIN - 02821380)

Udit Todi

Director

(DIN - 02017579)

EBELL FASHIONS PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash Flow from Operating Activities		
a) Profit before Tax	581,569,791	456,228,201
Adjustment for :		
Depreciation & Amortisation Expense	6,174,729	4,804,631
Interest Income from Fixed Deposit	(482,981)	(263,096)
Interest Payment	3,722,357	7,085,269
Provision for Employee Benefits	1,858,400	918,169
Bad Debts	-	340,923
Profit on disposal of assets	-	(7,313)
b) Operating Profit before Working Capital changes	592,842,296	469,106,784
Adjustment for :		
Trade and other receivables (Increase)/ Decrease	35,409,822	963,001
Inventories (Increase)/ Decrease	(53,859,402)	1,853,077
Short Term Loans & Advances (Increase)/Decrease	70,753,894	(258,024,085)
Other Current Assets (Increase)/Decrease	(7,292,750)	-
Trade Payable Increase/ (Decrease)	(102,650,010)	73,544,569
Current Liabilities Increase/ (Decrease)	1,149,944	24,839,442
c) Cash generated from Operations	536,353,794	312,282,788
Tax Paid (Net)	(157,784,226)	(131,136,638)
Net Cash from Operating Activities	378,569,568	181,146,150
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(16,428,305)	(7,455,016)
Long Term Loans and Advances (Increase)/Decrease	(144,646)	(1,753,625)
Other Non Current Assets (Increase)/Decrease	(477,145)	5,407,174
Investment in units of Mutual Funds	(381,083,766)	-
Sale proceeds from Tangible Assets	-	25,800
Interest Income	482,981	263,096
Net Cash from / (used in) investing activities	(397,650,881)	(3,512,571)
C. Cash Flow from Financing Activities		
Proceeds / (Repayment) from Long Term Borrowing	2,565,571	(10,204,898)
Proceeds / (Repayment) from Short Term Borrowing	(181,877,295)	49,143,869
Interest paid	(3,722,357)	(7,085,269)
Net Cash from / (used in) financing activities	(183,034,081)	31,853,702
D. Net Increase/(Decrease) in Cash and Cash Equivalent	(202,115,394)	209,487,282
Cash and Cash Equivalent at beginning of the year	239,547,004	30,059,723
Cash and Cash Equivalent at end of the year	37,431,610	239,547,004
Notes to Cash Flow Statement :		
1. This Statement is prepared under indirect method as prescribed by AS-3.	As at	As at
2. Cash and Cash Equivalents comprise of:	31-Mar-20	31-Mar-19
Cash -in- Hand	4,157,031	4,896,476
Balance with Bank on Current Account	33,274,579	234,650,528
	37,431,610	239,547,004

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

CA Prodynt Chaudhuri
 Partner


Membership no. 065401

Place : Kolkata

Date: 15th October, 2020

For and on behalf of the Board


Saket Todi
 Director
 (DIN - 02821380)


Udit Todi
 Director
 (DIN - 02017579)

EBELL FASHIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31st March, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

a) Nature of Operation

Ebell Fashions Private Limited is engaged in the business of manufacturing & sale of knitwear. The Manufacturing units of the company are located in Kolkata 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) Estimation of uncertainties relating to Global Healthcare Pandemic from COVID – 19

The Company has considered the possible effects that may result from the pandemic relating to COVID - 19 on the carrying amount of assets including investments, capital advances, trade receivables, loans and advances etc. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company expects that the carrying amount of these assets will be recovered. The impact of COVID - 19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

e) 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.

f) 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.

g) Expenditure

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



h) 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.

i) Property, Plant and Equipment

(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.

j) 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. 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.

k) 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.



l) 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.

m) 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.

n) 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.

o) 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.

p) 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.

q) 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.



EBELL FASHIONS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2020

2 SHARE CAPITAL**a) Authorized, Issued, Subscribed and Paid up Share Capital**

	As at March 31, 2020		As at March 31, 2019	
	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
Authorized				
Equity Shares of Rs. 10/- each	250,000	2,500,000	250,000	2,500,000
Issued and Subscribed & Paid up				
Equity Shares of Rs. 10/- each	235,000	2,350,000	235,000	2,350,000
TOTAL	235,000	2,350,000	235,000	2,350,000

b) Reconciliation of number of shares outstanding

	As at March 31, 2020		As at March 31, 2019	
	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
Equity Shares at the beginning of the year	235,000	2,350,000	235,000	2,350,000
Issued during the year	-	-	-	-
Equity Shares at the closing of the year	235,000	2,350,000	235,000	2,350,000

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, 2020		As at March 31, 2019	
	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	23,500	10.00
Navin Todi	23,500	10.00	23,500	10.00
Saket Todi	26,500	11.28	26,500	11.28
Udit Todi	26,500	11.28	26,500	11.28
Hollyfield Traders Pvt Ltd	100,000	42.55	100,000	42.55

3 RESERVES AND SURPLUS

	As at 31-Mar-20	As at 31-Mar-19
i) Securities Premium Account		
Balance at the beginning of the year	18,900,000	18,900,000
Add: During the year	-	-
Balance at the end of the year	18,900,000	18,900,000
ii) Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	818,333,516	496,514,365
Add: Profit for the year	434,825,613	321,819,151
Surplus carried to Balance Sheet	1,253,159,129	818,333,516
Total	1,272,059,129	837,233,516



4 LONG TERM BORROWINGS

	As at 31-Mar-20	As at 31-Mar-19
SECURED LOANS		
From Bank		
Term Loan	6,472,921	3,907,350
Total	6,472,921	3,907,350

Repayment terms and nature of securities for Term Loan are as follows :

Bank	31-Mar-20	31-Mar-19	Nature of Security	Repayment Terms
Allahabad Bank	-	7,873,324	Charge over Fixed Assets of the company including machinery financed with this term loan. It is additionally secured by personal guarantee of the directors.	Repayable in quarterly instalment of Rs.17.50 lacs each commencing from December, 2016. Interest @ 1Y MCLR is serviced on monthly basis as and when due.
Allahabad Bank	-	1,542,561	Charge over Fixed Assets of the company including machinery financed with this term loan. It is additionally secured by personal guarantee of the directors.	Repayable in quarterly instalment of Rs.5.15 lacs commencing from June, 2018. Interest @ 1Y MCLR is serviced on monthly basis as and when due.
Allahabad Bank	3,005,553	4,114,026	Exclusive hypothecation charge over the machinery/ equipments acquired out of the said loan. It is additionally secured by personal guarantee of the directors.	Repayable in quarterly instalment of Rs.2.70 lacs each commencing from December, 2018. Interest @ MCLR is serviced on monthly basis as and when due.
Allahabad Bank	5,712,568	-	Exclusive hypothecation charge over the machinery/ equipments acquired out of the said loan. It is additionally secured by personal guarantee of the directors.	Repayable in quarterly instalment of Rs. 2.913 lacs commencing from June' 2020. Interest @ 1Y MCLR is serviced on monthly basis as and when due.

5 DEFERRED TAX LIABILITIES (NET)

	As at 31-Mar-20	As at 31-Mar-19
Deferred Tax Asset		
Provision for Employees Benefit	(1,657,924)	(1,377,093)
Deferred Tax Liability		
Difference between book value of depreciable assets as per books of account and written down value for tax purpose	4,315,735	4,940,727
Total	2,657,811	3,563,634

6 LONG TERM PROVISIONS

	As at 31-Mar-20	As at 31-Mar-19
Provision for Employee Benefits	6,205,954	4,422,712
Total	6,205,954	4,422,712



7 SHORT TERM BORROWINGS

	As at 31-Mar-20	As at 31-Mar-19
SECURED		
Loan from Banks	-	181,877,295
Cash Credit Facilities	-	181,877,295
Total	-	363,754,590

- a) Cash Credit Facilities is secured against hypothecation of entire stocks, book debts and other current assets of the company and additionally secured by way of hypothecation over the entire movable assets 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 PAYABLES

	As at 31-Mar-20	As at 31-Mar-19
MSMED [refer note (a) below]	2,616,152	612,726
Other Trade Payables	302,633,267	407,286,703
Total	305,249,419	407,899,429

(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 | 2,616,152 | 612,726 |
| 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-20	As at 31-Mar-19
Current maturity of Long Term Borrowings	2,245,200	9,622,561
Statutory Dues	3,723,353	5,006,312
Advance from Customers	3,423,737	5,123,795
Deposits from Dealers, Agent, etc.	34,780,001	26,829,001
Other Payables	25,792,914	22,233,591
Total	69,965,205	68,815,261

9.1 Other Payables includes Salary, Electricity charges, Advertisement etc.

10 SHORT TERM PROVISIONS

	As at 31-Mar-20	As at 31-Mar-19
Provision for Employee Benefits	381,475	306,317
Provision for Income Tax (Net of Advance Tax and TDS Receivable)	4,968,744	15,102,970
Total	5,350,219	15,409,287



EBELL FASHIONS PRIVATE LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2020

Note 11
PROPERTY, PLANT AND EQUIPMENT

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
	01.04.2019	the year	Adjustment	31.03.2020	01.04.2019	the year	for the year	31.03.2020	31.03.2020	31.03.2019
Tangible Assets										
Building	2,666,244	-	-	2,666,244	560,627	43,351	-	603,978	2,062,266	2,105,617
Plant & Equipments	52,330,692	15,625,682	-	67,956,374	10,778,912	4,803,449	-	15,582,361	52,374,013	41,551,780
Computer	935,229	110,558	-	1,045,787	555,918	202,227	-	758,145	287,642	379,311
Electrical Installation	515,740	30,840	-	546,580	87,347	2,909	-	90,256	456,324	428,392
Furniture & Fixture	3,922,846	331,150	-	4,253,996	648,093	388,082	-	1,036,175	3,217,821	3,274,753
Motor Car	4,093,709	-	-	4,093,709	3,075,085	484,934	-	3,560,019	533,690	1,018,624
Office Equipment	999,199	52,075	-	1,051,274	369,776	175,169	-	544,945	506,329	629,424
Sub Total (A)	65,463,659	16,150,305	-	81,613,964	16,075,758	6,100,121	-	22,175,879	59,438,085	49,387,901
Intangible Assets										
Computer software	109,200	278,000	-	387,200	66,730	74,608	-	141,338	245,862	42,470
Sub Total (B)	109,200	278,000	-	387,200	66,730	74,608	-	141,338	245,862	42,470
Total (A+B)	65,572,859	16,428,305	-	82,001,164	16,142,488	6,174,729	-	22,317,217	59,683,947	49,430,371
PREVIOUS YEAR	58,142,331	7,455,016	24,488	65,572,858	11,343,857	4,804,631	6,001	16,142,487	49,430,371	



12 LONG TERM LOANS & ADVANCES

	As at 31-Mar-20	As at 31-Mar-19
Unsecured Considered Good		
Security Deposits	3,065,344	2,920,698
Total	<u>3,065,344</u>	<u>2,920,698</u>

13 OTHER NON - CURRENT ASSETS

	As at 31-Mar-20	As at 31-Mar-19
Bank Fixed deposit with more than 12 months maturity	227,375	227,375
Interest accrued on Fixed Deposits	424,758	81,811
Prepaid Expenses	134,198	-
Total	<u>786,331</u>	<u>309,186</u>

14 CURRENT INVESTMENTS

	No. of units	As at 31-Mar-20	No. of units	As at 31-Mar-19
Investments in Mutual Funds - quoted (Valued at lower of cost or fair value)				
HDFC Liquid Fund	17,141.81	65,000,002	-	-
SBI Liquid Fund	23,472.00	70,800,276	-	-
SBI - Overnight Fund	43,521.46	140,283,488	-	-
LIC - Banking & PSU Debt Fund	393,171.30	10,000,000	-	-
LIC - Liquid Fund	5,722.57	19,999,999	-	-
Nippon India - Liquid Fund	15,881.44	75,000,001	-	-
Total		<u>381,083,766</u>		<u>-</u>
Aggregate amount of quoted investment		381,083,766		-
Aggregate market value of quoted investment		386,685,845		-
Aggregate amount of unquoted investment		-		-
Aggregate provision made for diminution in the value of investment		-		-

15 INVENTORIES

	As at 31-Mar-20	As at 31-Mar-19
(Valued at lower of cost and net realizable value)		
Raw Materials	59,144,904	56,553,316
Finished Goods (Manufactured)	117,319,824	122,187,225
Work in Progress	200,752,766	162,120,171
Stock-in-Trade (Goods purchased for resale)	2,616,284	1,771,102
Packing Materials	54,120,763	37,463,326
Total	<u>433,954,541</u>	<u>380,095,139</u>

16 TRADE RECEIVABLES

	As at 31-Mar-20	As at 31-Mar-19
i) Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	57,698,964	95,316,966
Unsecured, considered doubtful	340,923	340,923
Less: Provision for doubtful debts	(340,923)	(340,923)
	<u>57,698,964</u>	<u>95,316,966</u>
ii) Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	457,591,948	455,383,767
Total	<u>515,290,912</u>	<u>550,700,733</u>

17 CASH AND BANK BALANCES

	As at 31-Mar-20	As at 31-Mar-19
i) Cash and Cash Equivalents		
Cash on Hand	4,157,031	4,896,476
ii) Balances with Bank		
On Current Account	33,274,579	234,650,528
Total	<u>37,431,610</u>	<u>239,547,004</u>



18 SHORT TERM LOANS AND ADVANCES

	As at 31-Mar-20	As at 31-Mar-19
(Unsecured considered good unless otherwise stated)		
Loans and Advances to Related Parties :	173,106,576	201,730,958
Other Loan & Advances:		
Balance with Government Authorities	31,834,526	32,658,753
Incentive/ Duty Drawback Receivable	2,739,255	2,739,255
Prepaid Expenses	966,173	156,594
Advance to Supplier	19,342,877	35,873,401
Advances to Employees	2,136,678	2,856,502
Other Loan & Advances	215,372	25,079,890
Total	230,341,457	301,095,353

19 OTHER CURRENT ASSETS

	As at 31-Mar-20	As at 31-Mar-19
Bank Fixed Deposit with less than 12 months maturity	8,672,750	1,380,000
Total	8,672,750	1,380,000



EBELL FASHIONS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2020

20 REVENUE FROM OPERATION

	Year Ended March 31, 2020	Year Ended March 31, 2019
Sale of Products		
i) Manufactured Goods	2,691,201,303	2,530,329,822
ii) Stock-in-Trade	9,301,829	13,057,916
Total	<u><u>2,700,503,132</u></u>	<u><u>2,543,387,738</u></u>

21 OTHER INCOME

	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Income		
i) From Fixed Deposit	482,981	263,096
ii) From Loans & Advances / Others	12,361,402	2,012,054
Other Non Operating income		
i) Net gain on sale of Mutual Funds	1,288,846	-
ii) Foreign currency translation gain (net)	1,080,460	425,271
iii) Profit from Asset Sale	-	7,313
Total	<u><u>15,213,689</u></u>	<u><u>2,707,734</u></u>

22 COST OF MATERIAL CONSUMED

	Year Ended March 31, 2020	Year Ended March 31, 2019
i) Yarn Consumed		
Opening Stock	56,553,316	39,635,090
Add: Purchases during the year	746,396,687	727,314,584
	<u>802,950,003</u>	<u>766,949,674</u>
Less: Yarn Sale	34,688,769	32,710,014
Less: Closing Stock	59,144,904	56,553,316
	709,116,330	677,686,345
ii) Packing Materials Consumed		
Opening Stock	37,463,326	48,236,193
Add: Purchases during the year	162,901,279	214,895,447
	<u>200,364,605</u>	<u>263,131,640</u>
Less: Closing Stock	54,120,763	37,463,326
	146,243,842	225,668,314
iii) Consumption of Fabrics	28,552,541	24,016,758
Total	<u><u>883,912,713</u></u>	<u><u>927,371,417</u></u>

23 PURCHASE OF STOCK IN TRADE (KNITWEAR)

	Year Ended March 31, 2020	Year Ended March 31, 2019
Purchases of Stock in Trade	16,578,073	10,940,118
Total	<u><u>16,578,073</u></u>	<u><u>10,940,118</u></u>



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

	Year Ended March 31, 2020		Year Ended March 31, 2019	
i) Finished Goods				
Opening Stock	122,187,225		152,475,489	
Closing Stock	<u>117,319,824</u>	4,867,401	<u>122,187,225</u>	30,288,264
ii) Work-in-Progress				
Opening Stock	162,120,171		135,350,207	
Closing Stock	<u>200,752,766</u>	(38,632,595)	<u>162,120,171</u>	(26,769,963)
iii) Stock in Trade				
Opening Stock	1,771,102		6,251,236	
Closing Stock	<u>2,616,284</u>	(845,182)	<u>1,771,102</u>	4,480,135
Total		<u><u>(34,610,376)</u></u>		<u><u>7,998,435</u></u>

25 EMPLOYEE BENEFIT EXPENSE

	Year Ended March 31, 2020		Year Ended March 31, 2019	
i) Salaries , Wages & Bonus	64,055,105		49,923,477	
ii) Provision for Employment Benefit	<u>1,921,481</u>	65,976,586	<u>918,169</u>	50,841,646
iii) Contribution to Provident & Other Funds		589,479		1,761,558
iv) Staff Welfare Expenses		203,169		236,412
Total		<u><u>66,769,234</u></u>		<u><u>52,839,616</u></u>

26 FINANCE COST

	Year Ended March 31, 2020		Year Ended March 31, 2019	
i) Interest Expense		3,722,357		7,085,269
ii) Bank Charges		879,404		323,488
Total		<u><u>4,601,761</u></u>		<u><u>7,408,757</u></u>

27 DEPRECIATION & AMORTISATION EXPENSE

	Year Ended March 31, 2020		Year Ended March 31, 2019	
Depreciation on Tangible Assets		6,100,121		4,770,861
Amortization on Intangible Assets		74,608		33,770
Total		<u><u>6,174,729</u></u>		<u><u>4,804,631</u></u>



28 OTHER EXPENSES

	Year Ended March 31, 2020	Year Ended March 31, 2019
Store & Spares	2,148,503	1,090,929
Power & Fuel	817,820	567,087
Rent	5,938,981	4,342,393
Repairs & Maintenance		833,732
- Machinery	950,325	116,452
- Building	63,978	39,575
- Others	18,602	482,967
Insurance	534,061	41,969
Rates & Taxes	216,663	75,000
Royalty	75,000	19,396,818
Commission & Brokerage	18,670,051	3,800,008
Legal & Professional Charges	2,279,649	2,187,691
Clearing & Forwarding Expense	358,715	26,448,745
Freight and Handling Charges	28,218,135	608,732,562
Processing Expense	751,423,632	50,917,902
Discount Allowed	53,569,930	221,505,520
Advertisement & Publicity	167,170,611	119,450,864
Selling Expenses	141,294,068	127,352
Bad Debts	461,231	340,923
Provision for Bad Debts	-	(2,939,757)
Prior Period Items	758,413	600,000
Payment to Auditors (refer note 32)	500,000	20,345,566
Miscellaneous Expenses	15,252,528	-
Total	1,190,720,896	1,078,504,298
28 (1) Prior Period items includes		
Amount Debited	758,413	1,427,316
Amount Credited	-	(4,367,073)
Total	758,413	(2,939,757)

28 (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. 2,70,000/- (P.Y - Rs. 50,15,000/-).

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

Sl. No.	Particulars	As At 31.03.2020	As At 31.03.2019
1	Profit for the year	434,825,613	321,819,151
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 Share		
	Basic	1,850	1,369
	Diluted	1,850	1,369



EBELL FASHIONS PRIVATE LIMITED

Notes to the Financial statements for the year ended 31st March, 2020

30. (a) Capital and Other Commitments Nil (Previous Year Nil)
 (b) Contingent Liabilities Customs related matter Rs. 939,309 (Previous Year Rs. 939,309)
 Income tax related matter Rs. 1,243,420 (Previous Year NIL)

31. 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) Key Managerial Personnel:

1. Smt. Bimla Devi Todi, Director
2. Smt. Shobha Devi Todi, Director
3. Shri Saket Todi, Director
4. Shri Udit Todi, Director

b) Relatives of Key Managerial Personnel

1. Ms. Neha Poddar, Daughter of Director

c) Entities controlled by the Directors/ relatives of the Directors

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. No	Nature of Transactions	Key Managerial Personnel		Relatives of Key Managerial Personnel		Entities controlled by Key Managerial Personnel/Relatives	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	Sale of goods						
	Lux Industries Ltd	-	-	-	-	27,625,049	46,031,001
	Jaytee Exports	-	-	-	-	-	439,425
	Total	-	-	-	-	27,625,049	46,470,426
2	Sales Return						
	Biswanath Hosiery Mills Ltd	-	-	-	-	-	6,496,290
	Total	-	-	-	-	-	6,496,290
3	Purchase of Goods						
	Lux Industries Ltd	-	-	-	-	38,462,301	67,519,598
	Jaytee Exports	-	-	-	-	16,578,073	10,939,876
	Total	-	-	-	-	51,040,374	78,459,474
4	Payment for Services						
	Lux Industries Ltd. (Knitting Charges)	-	-	-	-	19,964,182	21,552,445
	Total	-	-	-	-	19,964,182	21,552,445
5	Interest Received						
	Biswanath Real Estate Pvt Ltd	-	-	-	-	11,896,196	1,923,287
	Total	-	-	-	-	11,896,196	1,923,287
6	Remuneration Paid						
	Smt Bimla Devi Todi	6,000,000	6,000,000	-	-	-	-
	Smt Shobha Devi Todi	6,000,000	6,000,000	-	-	-	-
	Total	12,000,000	12,000,000	-	-	-	-



Sl. No.	Nature of Transactions	Key Managerial Personnel		Relatives of Key Managerial Personnel		Entities controlled by Key Managerial Personnel/Relatives	
7	Royalty paid						
	Biswanath Hosiery Mills Ltd.	-	-	-	-	75,000	75,000
	Total	-	-	-	-	75,000	75,000
8	Salary						
	Ms. Neha Poddar	-	-	3,000,000	3,000,000	-	-
	Total	-	-	3,000,000	3,000,000	-	-
9	Loan Given						
	Biswanath Real Estate Pvt Ltd	-	-	-	-	8,100,000	200,000,000
	Total	-	-	-	-	8,100,000	200,000,000
10	Loan Received						
	Shri Udit Todi	-	5,00,000	-	-	-	-
	Total	-	5,00,000	-	-	-	-
11	Loan Repaid						
	Shri Udit Todi	-	5,00,000	-	-	-	-
	Total	-	5,00,000	-	-	-	-
12	Loan Repayment Received						
	Biswanath Real Estate Pvt Ltd	-	-	-	-	45,700,000	-
	Total	-	-	-	-	45,700,000	-
13	Outstanding as at 31st March						
	(a) Sundry Creditors						
	Biswanath Hosiery Mills Ltd.	-	-	-	-	162,000	81,000
	Lux Industries Ltd.	-	-	-	-	3,707,145	-
	Jaytee Exports	-	-	-	-	12,994,810	3,270,890
	Total	-	-	-	-	16,863,955	3,351,890
	(b) Loans and Advances						
	Biswanath Real Estate Pvt Ltd	-	-	-	-	173,106,576	201,730,958
	Total	-	-	-	-	173,106,576	201,730,958
	(c) Advances to Suppliers						
	Lux Industries Ltd	-	-	-	-	-	17,864,211
	Total	-	-	-	-	-	17,864,211
	(d) Advance Recoverable in cash or value to be received						
	Biswanath Hosiery Mills Ltd.	-	-	-	-	1,392,086	1,392,086
	Jaytee Exports	-	-	-	-	-	763,745
	Total	-	-	-	-	1,392,086	763,745

32. Auditor's Remuneration includes:

Particulars	2019-20	2018-19
As Auditor	500,000	100,000
Income Tax Matter & Other Matter	-	500,000
Total	500,000	600,000

33. 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	2019-20	2018-19
1.	Construction/ acquisition of any	-	-



	assets		
2.	On purpose other than(1) above		
	- Education and Skill development	-	2,500,000
	-Health Care	-	-
	-Others	270,000	2,515,000
	TOTAL	270,000	5,015,000

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

34. 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 plan.

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 plan. 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Present Value of Obligation at the beginning of the year	4,626,337	3,810,860	102,692	-
Current Service Cost	1,060,480	651,315	101,662	102,692
Interest Cost	356,228	293,436	7,907	-
Net Actuarial Losses / (Gain)	413,311	(129,274)	(18,107)	-
Benefit Paid	(63,081)	-	-	-
Present Value of Obligation at the end of the year	6,393,275	4,626,337	194,154	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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Discount Rate	7.00%	7.70%	7.00%	7.70%
Rate of increase in Salaries	6.00%	6.00%	6.00%	6.00%
Expected average remaining working lives of employees (years)	26.50	26.42	27.04	27.10
Withdrawal rates	Varying between 8% p.a. and 1% p.a. depending on duration and age of the employees			

35. Particulars in respect of sales

Class of goods	Value (Rs.)	
	2019-20	2018-19
Hosiery goods	2,700,503,132	2,543,387,738

36. Details of Finished Stock

Class of goods	Value (Rs.)	
	2019-20	2018-19
i) Opening stock Knitwear	123,958,327	158,726,725
ii) Closing stock Knitwear	119,936,108	123,958,327



37. Details of Finished Goods Purchased

Class of goods	Value (Rs.)	
	2019-20	2018-19
Knitwear	16,578,073	10,940,118

38. Particulars about Work in Progress

Class of goods	Value (Rs.)	
	2019-20	2018-19
Closing stock of Fabrics	200,752,766	162,120,171

39. Details of raw materials consumed during the year

Class of goods	Value (Rs.)	
	2019-20	2018-19
Yarn	709,116,329	677,686,345
Fabric	28,552,542	24,016,758
Packing Material & Others	146,243,842	225,668,314
Total	883,912,712	927,371,417

40. Value of Imported and Indigenous Raw Materials consumed and percentage of each to total consumption:

Class of goods	Percentage		Value (Rs.)	
	2019-20	2018-19	2019-20	2018-19
(a) Raw materials				
Imported	5.62 %	6.09 %	52,103,799	56,508,143
Indigenous	94.38 %	93.91 %	831,808,913	870,863,274
Total	100.00 %	100.00 %	883,912,712	927,371,417

41. Value of Imports during the year on C.I.F. basis

Class of goods	2019-20	2018-19
Raw Materials	52,103,799	56,508,143
Capital Goods	7,966,947	1,182,153

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

Sl. No.	Particulars	Year Ended March 31st, 2020	Year Ended March 31st, 2019
a)	Loans and Advances in the nature of loan to related party		
i)	Biswanath Real Estate Private Limited		
	Balance at the year end	173,106,576	201,730,958
	Maximum amount outstanding at any time during the year	201,730,958	201,730,958
	It is repayable over a period of 1 year and carries rate of interest of 7%.		
b)	Loans and Advances in the nature of loan to others		
ii)	Madan Gopal Hosiery		
	Balance at the year end	-	5,056,219
	Maximum amount outstanding at any time during the year	5,136,110	7,500,000
	It is repayable over a period of 1 year and carries rate of interest of 12%.		
iii)	A. U. Export		
	Balance at the year end	35,507	20,023,671
	Maximum amount outstanding at any time during the year	20,023,671.00	20,023,671
	It is repayable over a period of 1 year and carries rate of interest of 8%.		



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43. Balances of parties (including of Trade Receivables and Trade Payables) 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. The operations of the company were impacted in the month of March 2020 due to temporary shutdown of the plants following nationwide lockdown announced by the Government of India due to the COVID- 19 outbreak. The management is monitoring the situation closely and has started its plant/operations in a phased manner from the beginning of May, 2020. The Company has assessed and considered the impact of this pandemic on the carrying amount of inventories, receivables and other assets and the management estimates that the Company's liquidity position is comfortable and there is no material uncertainty in meeting the liability for the foreseeable future. However, the situation is still evolving and the eventual outcome of impact of the global pandemic may be different from those estimated as on date of approval of these financial statements.
45. Scheme of Amalgamation of the Company with Lux Industries Limited has been approved on June 26th 2018, by the Board of Directors of the respective companies and has been filed with the National Company Law Tribunal after receiving approvals from stock exchanges. Pending the regulatory approvals, no effect of the proposed merger has been considered in this statement.
46. Previous year figures have been recast/ regrouped whenever necessary to conform to the current year's presentation.

As per our report of even date attached.

FOR SANJAY MODI & CO.

Chartered Accountants

Firm Registration No: 322295E



CA Prodyat Chaudhuri

Partner

Membership No. 065401

Place: Kolkata

Date: 15th October, 2020

For and on behalf of the Board

Saket Todi
Director
(DIN – 02821380)

Udit Todi
Director
(DIN – 02017579)