

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EBELL FASHIONS PVT. LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of **EBELL FASHIONS PVT. LTD.** ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

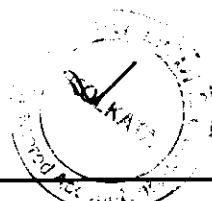
Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Profit and its Cash Flow for the year ended on that date.

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 Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, as applicable.
 - e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 Independent Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.



- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts.
and
- iii. There are no amounts outstanding which are required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures regarding details of specified bank notes held and transacted during 8th November,2016 to 30th December,2016 has not been made since the requirement does not pertain to financial year ended 31.03.2018.

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

Prodyat Chaudhuri

CA Prodyat Chaudhuri
(Partner)
Membership No: 065401

Place: Kolkata

Dated: 31st May, 2018.

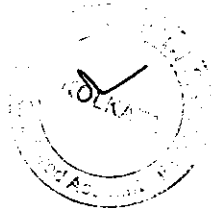


"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT"

(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 PVT. LTD. ('the Company').

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed 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 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.

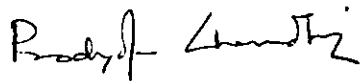
According to the information and explanation given to us, there were no undisputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, duty, value added tax, provident fund, Employees state insurance, cess and any other material statutory dues were in arrears as at 31st March, 2018 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 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, 2103 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 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 3(xv) of the order is not applicable.
- (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



Prodyat Chaudhuri
(Partner)
Membership No: 065401

Place: Kolkata
Dated: 31st May, 2018

