

# Anju Kiran & Associates

Chartered Accountants  
36, Palm Avenue  
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9681106074  
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## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARTIMAS FASHIONS PRIVATE LIMITED (formerly known as A.P. APARTMENTS PRIVATE LIMITED)

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Artimas Fashions Private Limited** (formerly known as A.P. Apartment Private Limited) which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the 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, 2019, and its loss (including other comprehensive income) and its Cash Flows and the changes in equity for the year ended on that date.

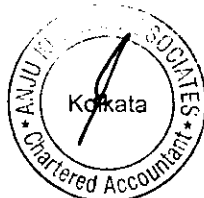
#### Basis for Opinion

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 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 thereunder, 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.

#### 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 of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Companies (India Accounting Standard) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process

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

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Company's internal financial controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

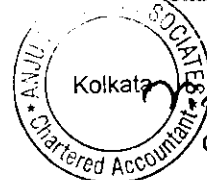
- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on that matters specified in paragraph 3 and 4 of the order, to the extent applicable.



II. 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.
- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of Internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in "Annexure B".
- 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 has no pending litigations on its financial position in its financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Anju Kiran & Associates  
Chartered Accountants  
FRN : 326587E



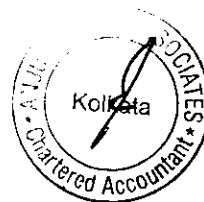
*Vinay Agarwal*  
CA Vinay Agarwal  
(Partner)  
Membership No. 305855

Place: Kolkata  
Date: 15.04.2019

## "ANNEXURE A" TO THE INDEPENDENT AUDITORS REPORT

The Annexure referred to our Independent Auditor's Report to the members of **Artimas Fashions Private Ltd** ("the company") on the standalone Ind AS Financial statement for the year ended March 31, 2019. We Report that:

- 1)
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 2) The inventories have been physically verified during the year by the management at regular intervals (except for materials lying with third parties which have substantially been confirmed by such third parties at the year-end). In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification
- 3) The Company has not granted any loans, secured or unsecured to Companies, Firms, LLP or other parties listed in the register maintained pursuant to provision of section 189 of the Companies Act, 2013. Accordingly paragraph 3(iii)(a), 3(iii)(b), and 3(iii)(c) of the order is not applicable to the company.
- 4) In our opinion and according to the information and explanations given to us, the company has not given any loans, investment, guarantee as required under the provisions of section 185 and 186 of the Companies Act, 2013.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) The provisions of clause 3(vi) of the Companies (Auditor's Report) Order, 2016 pertaining to maintenance of cost records are not applicable to the Company as it is not covered by the Companies (Cost Records and Audit) Rules, 2014.
- 7)
  - a) Undisputed statutory dues including income tax, sales tax, duty of customs, duty of excise, etc, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect to the above were outstanding, as at 31st March, 2019 for a period of more than six months from the date they became payable.
  - b) According to the information and explanation given to us, there are no dues of sales tax, income tax, service tax, duty of customs, duty of excise outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us by the management, the Company has not defaulted in repayments of dues from financial institutions & banks. The Company does not have any loans or borrowings from Government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company did not raised any money by way of initial public offer or further public



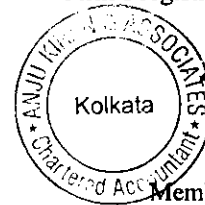
offer (including debt instruments) and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.
- 13) In our opinion and according to the information and explanations 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 standalone financial statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Anju Kiran & Associates

Chartered Accountants

Firm's registration Number : 326587E



*Vinay Agarwal*  
CA Vinay Agarwal  
(Partner)

Membership Number: 305855

Place: Kolkata

Date: 15.04.2019

## **ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of Artimas Fashions Private Limited (formerly known as A.P. Apartment Private Limited) ("the company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS 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 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 Responsibility**

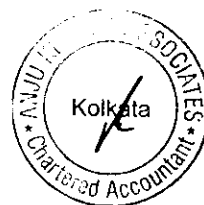
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone 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.

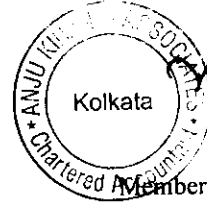
### **Opinion**

In our opinion, to the best of our information and according to the explanations 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Anju Kiran & Associates

Chartered Accountants

Firm's registration Number : 326587E



*Vinay Agarwal*  
CA Vinay Agarwal  
(Partner)

Membership Number: 305855

Place: Kolkata

Date: 15.04.2019

Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)  
Standalone Balance Sheet as at March 31, 2019

	Notes	As at 31-Mar-2019	As at 31-Mar-2018
<b>ASSETS</b>			
<b>A Non-current assets</b>			
Property, plant and equipment	2	1,407,166.91	-
Financial assets			
Investments	3	895,000.00	1,000,000.00
Other financial assets	4	3,000.00	-
Deferred tax assets	23	91,157.20	-
<b>Total Non-current assets</b>		<b>2,396,324.11</b>	<b>1,000,000.00</b>
<b>B Current assets</b>			
Inventory	5	25,272,683.82	-
Financial assets			
Trade receivables	6	202,065.08	45,000.00
Cash and cash equivalents	7	134,344.76	55,677.00
Other financial assets	4	20,300.00	-
Other current assets	8	5,164,014.76	-
<b>Total Current assets</b>		<b>30,793,408.42</b>	<b>100,677.00</b>
<b>TOTAL ASSETS</b>		<b>33,189,732.53</b>	<b>1,100,677.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>C Equity</b>			
Equity share capital	9	200,000.00	200,000.00
Other equity	10	(23,473,674.37)	861,177.00
<b>Total Equity</b>		<b>(23,273,674.37)</b>	<b>1,061,177.00</b>
<b>D Non-current liabilities</b>			
Provisions	11	87,136.00	-
<b>Total Non-current liabilities</b>		<b>87,136.00</b>	-
<b>D Current liabilities</b>			
Financial liabilities			
Borrowings	12	32,059,774.00	30,000.00
Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	13	-	-
B) total outstanding dues of creditors other than micro enterprises and small enterprises	13	23,216,517.48	1,500.00
Other financial liabilities	14	355,292.00	4,000.00
Provisions	15	1,858.00	-
Other current liabilities	16	741,369.42	-
Current tax liabilities	17	1,460.00	4,000.00
<b>Total current liabilities</b>		<b>56,376,270.90</b>	<b>39,500.00</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,189,732.53</b>	<b>1,100,677.00</b>

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

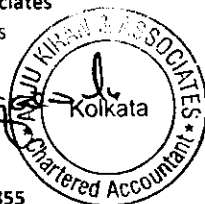
For Anju Kiran & Associates

Chartered Accountants

FRN : 326587E

*Vinay Agalwal*  
CA Vinay Agalwal  
(Partner)

Membership No. 305855



FOR AND ON BEHALF OF BOARD OF DIRECTORS

*Ashok Kumar Todi*  
Ashok Kumar Todi  
Director  
DIN-00053599

*Pradip Kumar Todi*  
Pradip Kumar Todi  
Director  
DIN-00246268

Place : Kolkata  
Date : 15.04.2019

Place : Kolkata  
Date : 15.04.2019



Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)  
Standalone Statement of Profit and Loss for the year ended March 31, 2019

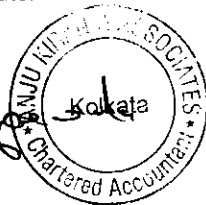
	Notes	Year ended 31-Mar-2019	Year ended 31-Mar-2018
I Revenue from operations	18	160,000.00	-
II Other Income	19	-	45,000.00
III Total income (I+II)		<b>160,000.00</b>	<b>45,000.00</b>
IV Expenses			
Cost of raw materials consumed	20	20,257,778.91	-
(Increase) / decrease in inventories of finished goods, work-in-progress & traded goods	20	(21,729,871.58)	-
Employee benefit expense	21	4,295,811.00	-
Finance costs	22	1,349,811.40	722.00
Depreciation and amortisation expense	23	95,774.01	-
Other expenses	24	20,316,704.83	30,952.00
Total expenses (IV)		<b>24,586,008.57</b>	<b>31,674.00</b>
V Profit / (Loss) Before Tax (III - IV)		<b>(24,426,008.57)</b>	<b>13,326.00</b>
VI Tax expense			
(i) Current tax	25	-	4,000.00
(ii) Deferred tax	25	(91,157.20)	-
Income tax expense (i+ii)		<b>(91,157.20)</b>	<b>4,000.00</b>
VII Profit / (Loss) for the Year (V-VI)		<b>(24,334,851.37)</b>	<b>9,326.00</b>
VIII Other comprehensive income			
A (i) Items that will not be reclassified subsequently to profit and loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year (net of tax) (i-ii)		-	-
Total comprehensive income for the period, net of income tax (VII + VIII)		<b>(24,334,851.37)</b>	<b>9,326.00</b>
Earnings/ (Loss) per equity share [nominal value of share Rs. 10 (March 31, 2018 Rs. 10)]			
Basic in Rs. per share	24	(1,216.74)	0.47
Diluted in Rs. per share	24	(1,216.74)	0.47

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For Anju Kiran & Associates  
Chartered Accountants  
FRN : 326587E

CA Vinay Agarwal  
(Partner)  
Membership No. 305855



FOR AND ON BEHALF OF BOARD OF DIRECTORS

AKT  
Ashok Kumar Todi  
Director  
DIN-00053599

PKT  
Pradip Kumar Todi  
Director  
DIN-00246268

Place : Kolkata  
Date : 15.04.2019

Place : Kolkata  
Date : 15.04.2019

Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)  
 Standalone Statement of changes in equity for the year ended March 31, 2019

a. Equity share capital	No. of shares	Rs.
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at the beginning of the reporting period	20,000.00	200,000.00
Changes in equity share capital during the year	-	-
As at the end of the reporting period	<u>20,000.00</u>	<u>200,000.00</u>

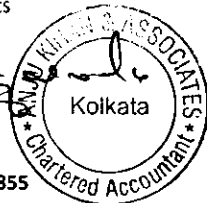
b. Other Equity

	Securities premium	Retained earnings	Other Comprehensive Income	Total
Balance at the beginning of the reporting period	900,000.00	(38,823.00)	-	861,177.00
Add: Profit for the year	-	(24,334,851.37)	-	(24,334,851.37)
Balance at the end of the reporting period	<u>900,000.00</u>	<u>(24,373,674.37)</u>	-	<u>(23,473,674.37)</u>

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
 For Anju Kiran & Associates  
 Chartered Accountants  
 FRN : 326587E

*Vinay Agarwal*  
 CA Vinay Agarwal  
 (Partner)  
 Membership No. 305855



FOR AND ON BEHALF OF BOARD OF DIRECTORS

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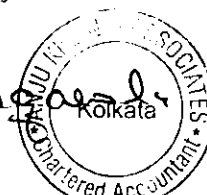
Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)  
Standalone Statement of Cash Flows for the year ended March 31, 2019

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
<b>Cash flows from operating activities</b>		
Profit / (Loss) before tax	(24,426,008.57)	13,326.00
<u>Adjustment to reconcile profit / (loss) before tax to net cash flows:</u>		
Depreciation and amortisation of property, plant and equipments	95,774.01	-
Provision for employment benefit	88,994.00	-
Finance costs	1,349,811.40	-
Net loss on Investment carried at Fair value through Profit or Loss	105,000.00	-
<b>Operating profit before working capital changes</b>	<b>(22,786,429.16)</b>	<b>13,326.00</b>
<u>Movements in working capital:</u>		
(Increase) / decrease in trade and other receivables	(157,065.08)	(45,000.00)
(Increase) / decrease in inventories	(25,272,683.82)	-
(Increase) / decrease in other assets	(5,187,314.76)	-
Increase / (decrease) in trade and other payables	23,215,017.48	1,500.00
Increase / (decrease) in other liabilities	1,092,661.42	-
<b>Cash generated from / (used in) operations</b>	<b>(29,095,813.92)</b>	<b>(30,174.00)</b>
Direct taxes paid (Net of refunds)	(2,540.00)	-
<b>Net cash flow from / (used in) operating activities</b>	<b>(29,098,353.92)</b>	<b>(30,174.00)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, intangible assets and capital advance	(1,502,940.92)	-
Proceeds from sale of property, plant and equipment and intangible assets	-	-
<b>Net cash flow from / (used in) investing activities</b>	<b>(1,502,940.92)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds/ (repayment) from current borrowings	32,029,774.00	30,000.00
Finance costs	(1,349,811.40)	-
<b>Net cash flow from / (used in) in financing activities</b>	<b>30,679,962.60</b>	<b>30,000.00</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>78,667.76</b>	<b>(174.00)</b>
Cash and cash equivalents at the beginning of the year	55,677.00	55,851.00
<b>Cash and cash equivalents at the end of the year</b>	<b>134,344.76</b>	<b>55,677.00</b>
<b>Components of Cash and cash equivalents</b>		
Cash on hand (Refer Note - 7)	121,681.28	9,384.00
Balances with banks - on current account (Refer Note - 7)	12,663.48	46,293.00
<b>Total Cash and cash equivalents</b>	<b>134,344.76</b>	<b>55,677.00</b>

The accompanying notes are an integral part of the financial statements.


As per our report of even date  
For Anju Kiran & Associates  
Chartered Accountants  
FRN : 326587E

  
CA Vinay Agarwal  
(Partner)  
Membership No. 305855



Place : Kolkata  
Date : 15.04.2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

  
Ashok Kumar Todi  
Director  
DIN-00053599

  
Pradip Kumar Todi  
Director  
DIN-00246268

Place : Kolkata  
Date : 15.04.2019

**ARTIMAS FASHIONS PRIVATE LIMITED**  
**(formerly known A.P. APARTMENTS PRIVATE LIMITED)**

Notes Forming Part of Financial Statement

**1. SIGNIFICANT ACCOUNTING POLICIES:**

**A. Corporate Information**

Artimas Fashions Pvt Ltd (formerly known as A.P. Apartments Private Limited) is a Private Limited company incorporated and domiciled in India and has its registered office at Kolkata, West Bengal, India.

**B. Basis of Preparation of Financial Statement**

These Standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('Act').

**C. Investments**

Investments in equity instruments are measured at FVTPL.

**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.

**E. Property, plant and equipment**

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalized.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

Depreciation for the year is recognized in the Statement of Profit and Loss. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method in the manner specified in Part C of Schedule II to the Companies Act, 2013. Depreciation for the assets purchased/ sold during a period is proportionately charged.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

**F. Inventory**

Inventories which comprise raw materials, work-in progress, finished goods and packing materials are measured at the lower of cost and net realizable value.

The cost of inventories is based on the Weighted Average Cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. The Company has valued inventory net of input tax benefits. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, components and other supplies held for use in the production of finished products



**ARTIMAS FASHIONS PRIVATE LIMITED**  
**(formerly known A.P. APARTMENTS PRIVATE LIMITED)**

are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.

Assessment of net realizable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed.

**G. Provision for Current Tax**

Tax expense comprises current tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

**H. Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed number of equity shares outstanding, without a corresponding change in resources.

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.

**I. Contingent Liabilities**

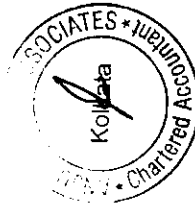
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an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



Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)  
Notes to the standalone financial statements for the period ended March 31, 2019

NOTE: 2  
Property, plant and equipment

Particulars	Gross Block			Depreciation/ Amortization			Net Block		
	As at April 1, 2018	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2019	As at April 1, 2018	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2019	As at March 31, 2018
<b>Tangible Assets</b>									
Plant & Equipments	-	1,196,465.86	-	1,196,465.86	-	80,838.17	-	1,115,627.69	-
Office Equipments	-	7,142.86	-	7,142.86	-	892.37	-	6,250.49	-
Furniture & Fixture	-	299,332.20	-	299,332.20	-	14,043.47	-	285,288.73	-
<b>Total (A)</b>	-	<b>1,502,940.92</b>	-	<b>1,502,940.92</b>	-	<b>95,774.01</b>	-	<b>1,407,166.91</b>	-
<b>Previous year figures</b>	-	-	-	-	-	-	-	-	-



Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)  
Notes to the standalone financial statements for the period ended March 31, 2019

**NOTE: 3**  
**INVESTMENTS**

	As at 31-Mar-2019	As at 31-Mar-2018
<b>A. Non-Current Investments</b>		
Equity instruments carried at fair value through profit or loss (FVTPL)		
Unquoted		
Hollyfield Traders Private Limited		
12,500 shares (FV - Rs. 10 each)	895,000.00	1,000,000.00
<b>Total</b>	<b>895,000.00</b>	<b>1,000,000.00</b>

**NOTE: 4**  
**OTHER FINANCIAL ASSETS**

	As at 31-Mar-2019	As at 31-Mar-2018
<i>(Carried at amortised cost)</i>		
<b>Non-current</b>		
Security deposit	3,000.00	-
<b>Current</b>		
Loans and advances to employees	20,300.00	-
<b>Total</b>	<b>23,300.00</b>	<b>-</b>

**NOTE: 5**  
**INVENTORY**

	As at 31-Mar-2019	As at 31-Mar-2018
<i>(Valued at lower of cost and net realisable value )</i>		
Work-in-progress	21,729,871.58	-
Packing materials	3,542,812.24	-
<b>Total</b>	<b>25,272,683.82</b>	<b>-</b>

**NOTE: 6**  
**TRADE RECEIVABLES**

	As at 31-Mar-2019	As at 31-Mar-2018
<i>(Carried at amortised cost)</i>		
Unsecured		
- Considered good	202,065.08	45,000.00
<b>Total</b>	<b>202,065.08</b>	<b>45,000.00</b>

**NOTE: 7**  
**CASH AND CASH EQUIVALENTS**

	As at 31-Mar-2019	As at 31-Mar-2018
Balances with banks		
Current accounts	12,663.48	46,293.00
Cash on hand	121,681.28	9,384.00
<b>Total</b>	<b>134,344.76</b>	<b>55,677.00</b>

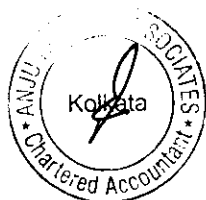


Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)  
Notes to the standalone financial statements for the period ended March 31, 2019

NOTE: 8

OTHER CURRENT ASSETS

	As at 31-Mar-2019	As at 31-Mar-2018
<i>(Unsecured, considered good unless otherwise stated)</i>		
Others		
Prepaid expenses	38,061.87	-
Balance with government authorities	5,125,952.89	-
<b>Total</b>	<b>5,164,014.76</b>	<b>-</b>





Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)  
Notes to the standalone financial statements for the period ended March 31, 2019

NOTE : 9

EQUITY SHARE CAPITAL

	As at 31-Mar-2019	As at 31-Mar-2018
<b>Authorised:</b>		
50,000 Equity shares of Rs. 10/- each	500,000.00	500,000.00
<b>Issued and subscribed and fully paid up equity capital</b>		
20,000 Equity shares of Rs. 10/- each	200,000.00	200,000.00
<b>Total</b>	<b>200,000.00</b>	<b>200,000.00</b>

	Equity share capital	
	No. of shares	Rs.
<b>Reconciliation of number of equity shares outstanding:</b>		
Balance at the beginning of the reporting period	20,000	200,000.00
Increase during the year	-	-
<b>Balance at the end of the reporting period</b>	<b>20,000</b>	<b>200,000</b>

(i) Terms / rights attached to Equity shares shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Lux Industries Limited	19,800	99.00%	19,800	99.00%
Ashok Kumar Todi	100	0.50%	100	0.50%
Pradip Kumar Todi	100	0.50%	100	0.50%

NOTE: 10

OTHER EQUITY

	As at 31-Mar-2019	As at 31-Mar-2018
Securities premium	900,000.00	900,000.00
Retained earnings	(24,373,674.37)	(38,823.00)
<b>Total</b>	<b>(23,473,674.37)</b>	<b>861,177.00</b>



Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)  
Notes to the standalone financial statements for the period ended March 31, 2019

**NOTE: 11**  
**PROVISIONS**

	As at 31-Mar-2019	As at 31-Mar-2018
Provision for employee benefits (Refer note 29)	87,136.00	-
<b>Total</b>	<b>87,136.00</b>	<b>-</b>

**NOTE: 12**  
**FINANCIAL LIABILITIES - BORROWINGS**

**Current borrowings**

	As at 31-Mar-2019	As at 31-Mar-2018
<i>(Carried at amortised cost)</i>		
<b>From Others (Unsecured)</b>		
From related parties (refer note 28)	32,059,774.00	30,000.00
<b>Total current borrowings</b>	<b>32,059,774.00</b>	<b>30,000.00</b>

**NOTE: 13**  
**CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES**

	As at 31-Mar-2019	As at 31-Mar-2018
<i>(Carried at amortised cost)</i>		
Trade Payables [refer note (a) below]	23,216,517.48	1,500.00

(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

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;

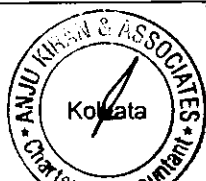
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;

(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.

<b>Total</b>	<b>23,216,517.48</b>	<b>1,500.00</b>
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Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)  
Notes to the standalone financial statements for the period ended March 31, 2019

NOTE: 14

CURRENT FINANCIAL LIABILITIES - OTHERS

	As at 31-Mar-2019	As at 31-Mar-2018
Other payables	355,292.00	4,000.00
<b>Total</b>	<b>355,292.00</b>	<b>4,000.00</b>

NOTE: 15

PROVISIONS

	As at 31-Mar-2019	As at 31-Mar-2018
Provision for employee benefits (Refer note 29)	1,858.00	-
<b>Total</b>	<b>1,858.00</b>	<b>-</b>

NOTE: 16

OTHER CURRENT LIABILITIES

	As at 31-Mar-2019	As at 31-Mar-2018
Statutory dues	345,748.42	-
Other payables	395,621.00	-
<b>Total</b>	<b>741,369.42</b>	<b>-</b>

NOTE: 17

CURRENT TAX LIABILITIES

	As at 31-Mar-2019	As at 31-Mar-2018
Provision for income tax	1,460.00	4,000.00
<b>Total</b>	<b>1,460.00</b>	<b>4,000.00</b>



Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)  
Notes to the standalone financial statements for the period ended March 31, 2019

NOTE: 18  
REVENUE FROM OPERATIONS

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Sale of products	160,000.00	-
<b>Total Revenue from Operations</b>	<b>160,000.00</b>	<b>-</b>

NOTE: 19  
OTHER INCOME

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Consultancy fees	-	45,000.00
<b>Total</b>	<b>-</b>	<b>45,000.00</b>

NOTE: 20  
COST OF RAW MATERIAL CONSUMED

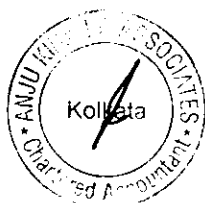
	Year ended 31-Mar-2019	Year ended 31-Mar-2018
<b>Fabric Consumed</b>		
Opening Stock	-	-
Add : Purchases during the year	17,890,510.05	-
	17,890,510.05	-
Less: Fabric Sale	12,633.40	-
Less: Closing Stock	-	-
	17,877,876.65	-
<b>Packing Materials Consumed</b>		
Opening Stock	-	-
Add: Purchases during the year	5,922,714.50	-
	5,922,714.50	-
Less: Closing Stock	3,542,812.24	-
	2,379,902.26	-
<b>Total</b>	<b>20,257,778.91</b>	<b>-</b>

**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE**

<b>Work-in-progress</b>		
Opening Stock	-	-
Closing Stock	21,729,871.58	(21,729,871.58)
<b>Total</b>	<b>(21,729,871.58)</b>	<b>-</b>

NOTE: 21  
EMPLOYEE BENEFIT EXPENSE

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Salaries, Wages & Bonus	4,095,253.00	-
Provision for Employment benefit	88,994.00	4,184,247.00
Contribution to Provident & Other Funds		111,432.00
Staff Welfare Expenses		132.00
<b>Total</b>	<b>4,295,811.00</b>	<b>-</b>



Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)  
Notes to the standalone financial statements for the period ended March 31, 2019

NOTE: 22

FINANCE COST

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Interest Expense	1,341,591.00	-
Bank Charges	8,220.40	722.00
<b>Total</b>	<b><u>1,349,811.40</u></b>	<b><u>722.00</u></b>

NOTE: 23

DEPRECIATION & AMORTIZATION EXPENSE

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Depreciation on Tangible Assets	95,774.01	-
<b>Total</b>	<b><u>95,774.01</u></b>	<b><u>-</u></b>

NOTE: 24

OTHER EXPENSES

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Consumption of stores & spare parts	288,537.98	-
Rent	187,000.00	-
Repairs		
Repairs to buildings	436,298.70	-
Insurance	3,067.80	-
Rates & Taxes	39,400.00	11,850.00
Selling Expenses	45,390.00	-
Advertisement & Publicity	16,771,071.00	-
Freight & Other Handling Charges	10,629.58	-
Processing expense	914,357.92	-
Net loss on Investment carried at Fair value through Profit or Loss	105,000.00	-
Miscellaneous Expenses	1,511,951.85	15,102.00
Payment to auditors		
: As Auditors	4,000.00	4,000.00
<b>Total</b>	<b><u>20,316,704.83</u></b>	<b><u>30,952.00</u></b>



Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)  
Notes to the standalone financial statements for the period ended March 31, 2019

NOTE: 25  
Income Tax

	March 31, 2019	March 31, 2018
<b>A. Amount recognized in profit or loss</b>		
<b>Current Tax</b>		
Current period	-	4,000.00
Changes in respect of current income tax of previous years	-	-
	(a)	4,000.00
<b>Deferred Tax</b>		
Attributable to -		
Origination and reversal of temporary differences	(91,157.20)	-
	(b)	-
	<u>(91,157.20)</u>	<u>4,000.00</u>
<b>Tax expenses reported in the Standalone Statement of Profit and Loss (a+b)</b>	<b>(91,157.20)</b>	<b>4,000.00</b>
<b>B. Income tax recognized in Other Comprehensive Income</b>		
Deferred tax relating to items recognized in other comprehensive income during the year	-	-
	<u>-</u>	<u>-</u>
<b>Income tax expense charged to OCI</b>	<b>-</b>	<b>-</b>

**C. Reconciliation of tax expense and the accounting profit for March 31, 2019 and March 31, 2018:**

	March 31, 2019	March 31, 2018
Accounting profit before income tax	-	13,326.00
Tax at the applicable India tax rate of 34.61%	-	4,611.86
<b>Tax impact on amounts that are adjusted in determining taxable profit:</b>		
Non deductible expenses for tax purposes	-	-
Tax exempt income	-	(611.86)
	<u>-</u>	<u>4,000.00</u>

**D. Reconciliation of applicable tax rate and effective tax rate:**

	March 31, 2019	March 31, 2018
Applicable tax rate	34.61%	34.61%
Tax effect of income that are not taxable in determining taxable profit	0.00%	0.00%
Tax effect of income that are not deductible in determining taxable profit	0.00%	-4.59%
<b>Effective tax rate</b>	<b>34.61%</b>	<b>30.02%</b>

**E. Recognized deferred tax assets and liabilities:**

	Balance as on April 1, 2018	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2019
Property, plant and equipment	-	(85,562.50)	-	(85,562.50)
Other assets	-	176,719.70	-	176,719.70
<b>Total</b>	<b>-</b>	<b>91,157.20</b>	<b>-</b>	<b>91,157.20</b>

**F. Deferred tax reflected in the Balance Sheet as follows:**

	March 31, 2019	March 31, 2018
Deferred tax assets	176,719.70	-
Deferred tax liabilities	(85,562.50)	-
<b>Deferred tax assets / (liabilities) (net)</b>	<b>91,157.20</b>	<b>-</b>



**Artimas Fashions Private Limited**  
**Notes to the financial statements for the year ended March 31, 2019**

**NOTE: 26**  
**Earnings / (loss) per share (EPS) (Ind AS 33)**

Sl. No	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Profit for the year	(24,334,851.37)	9,326
2	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS.	20,000	20,000
3	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	20,000	20,000
4	Nominal Value per share (Rs.)	10/-	10/-
5	Earning per shares		
	Basic	(1,216.74)	0.47
	Diluted	(1,216.74)	0.47

**NOTE: 27**  
**Particulars of Contingent Liabilities and Commitments**

- I. Contingent Liabilities – NIL (PY – NIL)
- II. Commitments – NIL ( PY – NIL)

**NOTE: 28**  
**Related party disclosure (Ind AS 24)**

**A. Holding Company**

Lux Industries Limited

**B. Fellow subsidiary**

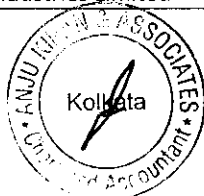
Altai Industries Private Limited

**C. Key Managerial Personnel - Director:**

Ashok Kumar Todi  
Pradip Kumar Todi  
Nischal Puri

**D. The following transactions were carried out with the related parties in the ordinary course of business:**

Sr. No.	Name of related party	Year ended March 31, 2019	Year ended March 31, 2018
1.	<b>Loan Taken</b> Ashok Kumar Todi	-	30,000.00
2.	<b>Purchase of goods</b> Lux Industries Limited	16,330,249.59	-
3.	<b>Sale of goods</b> Lux Industries Limited	172,633.40	-
4.	<b>Interest payment</b> Lux Industries Limited	1,341,591.00	-
5.	<b>Loan taken</b> Ashok Kumar Todi Lux Industries Limited	30,000.00 30,857,342.00	- -
6.	<b>Loan repaid</b> Lux Industries Limited	5,000.00	-
7.	<b>Rent paid</b> Lux Industries Limited	105,000.00	-



## E. Outstanding balances:

Sr. No.	Name of related party	Year ended March 31, 2019	Year ended March 31, 2018
1.	<b>Loans taken</b> Ashok Kumar Todi	-	30,000.00
2.	<b>Trade Receivables</b> Lux Industries Limited	202,065.00	-
3.	<b>Unsecured Loans</b> Lux Industries Limited	32,059,774.00	-
4.	<b>Sundry creditors</b> Lux Industries Limited	17,323,384.00	-

## NOTE: 29

## Employee Benefits

## 1. Defined Contribution Plan:

## a. Provident fund:

In accordance with Indian law, eligible employees of Artimas Fashions Private Limited are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary).

Sl. No.	Particulars	2018-19
1	Contribution to Provident/ Pension funds	108,907.00
	<b>TOTAL</b>	<b>108,907.00</b>

## 2. Defined benefits plan:

## a. Gratuity and Leave Encashment:

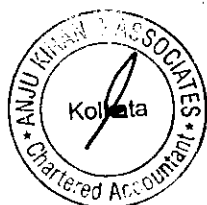
The Company has a defined benefit gratuity plan and a leave encashment plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company has not funded the scheme. Also, certain employees are entitled to leave encashment, wherein the leaves accumulated are paid off to the employees after 3 years of the leaves being accrued or their resignation, whichever is earlier.

The defined benefit plans have been formulated in the current year itself. Accordingly, comparative figures of previous year has not been disclosed.

The following table summarizes 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
<b>Present Value of Obligation at the beginning of the year</b>	-	-
Current Service Cost	63,436.00	25,558.00
Interest Cost	-	-
Actuarial Losses / (Gain) recognized in other comprehensive income	-	-
Benefit Paid	-	-
<b>Present Value of Obligation at the end of the year</b>	<b>63,436.00</b>	<b>25,558.00</b>

The Provision for Employee benefits is charged to the Statement of Profit and Loss and same is shown in Note No. 19 of the Notes to Accounts.





**Artimas Fashions Private Limited**

**Notes to the financial statements for the year ended March 31, 2019**

(a) Expense recognized in Statement of Profit or Loss

Particulars	Gratuity	Leave encashment
Current service cost	63,436.00	25,558.00
Interest cost	-	-
<b>Total</b>	<b>63,436.00</b>	<b>25,558.00</b>

(b) Remeasurements recognized in Standalone Other Comprehensive Income:

Particulars	Gratuity	Leave encashment
Actuarial loss/ (gain) arising on defined benefit obligation from	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

Particulars	As at March 31, 2019
Discount Rate	7.70%
Rate of increase in Salaries	6.00%
Expected average remaining working lives of employees (years)	26.96
Withdrawal rates	Varying between 8% p.a. and 1% p.a. depending on duration and age of the employees

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

(e) Sensitivity analysis – Revised defined benefit obligation due to change in assumptions:

Particulars	Gratuity	Leave encashment
Under Base scenario	63,436.00	25,558.00
Salary Escalation (Up by 1%)	72,549.00	28,807.00
Salary Escalation (Down by 1%)	55,625.00	22,805.00
Withdrawal Rates (Up by 1%)	61,546.00	26,049.00
Withdrawal Rates (Down by 1%)	65,253.00	25,003.00
Discount Rates (Up by 1%)	56,054.00	22,974.00
Discount Rates (Down by 1%)	72,147.00	28,647.00



Artimas Fashions Private Limited  
Notes to the financial statements for the year ended March 31, 2019

**NOTE: 30**  
**Accounting classification and fair values**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet as at March 31, 2019 are as follows:

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
<b>Financial assets:</b>				
Investment in equity instruments (Unquoted)	-	895,000.00	895,000.00	895,000.00
Trade Receivables	202,065.08	-	202,065.08	202,065.08
Cash and cash equivalents	134,344.76	-	134,344.76	134,344.76
Other financial assets	23,300.00	-	23,300.00	23,300.00
<b>Financial liabilities:</b>				
Short term borrowings	32,059,774.00	-	32,059,774.00	32,059,774.00
Trade payables	23,216,517.48	-	23,216,517.48	23,216,517.48
Other financial liability	355,292.00	-	355,292.00	355,292.00

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet as at March 31, 2018 are as follows:

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
<b>Financial assets:</b>				
Investment in equity instruments (Unquoted)	-	1,000,000.00	1,000,000.00	1,000,000.00
Trade Receivables	45,000.00	-	45,000.00	45,000.00
Cash and cash equivalents	55,677.00	-	55,677.00	55,677.00
<b>Financial liabilities:</b>				
Short term borrowings	30,000.00	-	30,000.00	30,000.00
Trade payables	1,500.00	-	1,500.00	1,500.00
Other financial liability	4,000.00	-	4,000.00	4,000.00

**NOTE: 31**  
**Fair value measurement**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple methods etc.

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost



**Artimas Fashions Private Limited****Notes to the financial statements for the year ended March 31, 2019**

approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure is required):

<b>As at March 31, 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Assets:</b>			
Investment in equity instruments (Unquoted)	-	-	895,000.00
<b>Total</b>	-	-	<b>895,000.00</b>
<b>Financial Liabilities:</b>			
NA	-	-	-
<b>Total</b>	-	-	-

<b>As at March 31, 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Assets:</b>			
Investment in equity instruments (Unquoted)	-	-	1,000,000.00
<b>Total</b>	-	-	<b>1,000,000.00</b>
<b>Financial Liabilities:</b>			
NA	-	-	-
<b>Total</b>	-	-	-

**Notes:**

- i. The management assesses that carrying amount of trade receivables, cash and cash equivalents, other bank balances, short term borrowings, trade payables, other financial assets and liabilities approximate their fair value largely due to short term maturities of these instruments.
- ii. Certain financial assets are stated at amortized cost which is approximately equal to their fair value.
- iii. Investments are stated at fair value using observable inputs for Level 3.

**NOTE: 32****Financial risk management**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as credit risk, liquidity risk and market risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

**1. Credit Risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:



**Artimas Fashions Private Limited****Notes to the financial statements for the year ended March 31, 2019**

- i. Actual or expected significant adverse changes in business,
- ii. Actual or expected significant changes in the operating results of the counterparty,
- iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv. Significant increase in credit risk on other financial instruments of the same counterparty,
- v. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at Rs. 202,065.08 (2018 – Rs. 45,000.00).

**2. Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The management continuously monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

March 31, 2019	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	32,059,774.00	-	-	32,059,774.00
Trade payables	23,216,517.48	-	-	23,216,517.48
Other financial liabilities	355,292.00	-	-	355,292.00

March 31, 2018	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	30,000.00	-	-	30,000.00
Trade payables	1,500.00	-	-	1,500.00
Other financial liabilities	4,000.00	-	-	4,000.00

**3. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

**a. Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The Company is not having any currency risk as on date.

**b. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are limited as the borrowings by the Company carry fixed interest rates. However, the Company still constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.



**Artimas Fashions Private Limited**

**Notes to the financial statements for the year ended March 31, 2019**

**c. Equity price risk**

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The Company is holding investments in unquoted equity instruments, which may be susceptible to market price risk arising from uncertainties about future values of the securities. The reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The senior management reviews and approves all equity instrument decisions.

**NOTE: 33**

**Capital Management**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings.

The Company's policy is aimed at combination of short-term and long-term borrowings so as to maintain an optimum capital structure to reduce the cost of capital and maximize shareholders value and provide benefits to other stakeholders.

Particulars	March 31, 2019	March 31, 2018
Total debt (bank and other borrowings)	32,059,774.00	30,000.00
Equity	(23,273,674.37)	1,061,177.00

**NOTE: 34**

Previous year figures have been recast/ regrouped whenever necessary to conform to the current Year's presentation.

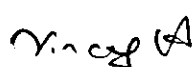
The accompanying notes are integral parts of the Financial Statements.


As per out report of even date attached

For **Anju Kiran & Associates**

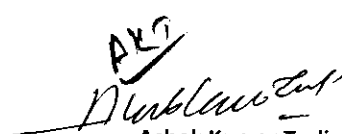
Chartered Accountants

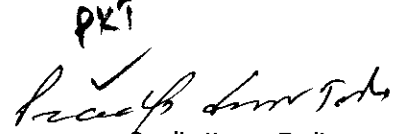
ICAI Firm Registration No. 326587E

  
Vinay Agarwal  
Partner  
Membership No. 305855



**FOR AND BEHALF OF THE BOARD OF DIRECTORS**

  
Ashok Kumar Todi  
Director  
DIN- 00053599

  
Pradip Kumar Todi  
Director  
DIN- 00246268

Place: Kolkata

Date: April 15, 2019

Place: Kolkata

Date: April 15, 2019