

# LORENZINI APPARELS PRIVATE LIMITED

REGD. OFFICE : F-39, FIRST FLOOR, V3S SHOPPING MALL, DELHI-110 092

PH: 9811113461; E-MAIL : lorenzini\_apparels@yahoo.co.in

CIN: U17120DL2007PTC163192

## NOTICE

Notice is hereby given that the 9<sup>th</sup> Annual General Meeting of the members of M/s LORENZINI APPARELS PRIVATE LIMITED will be held on Friday , the 30<sup>th</sup> day of September, 2016 at 12:30 P.M. at the registered office of the company at F-39, First Floor, V3S Shopping Mall, Delhi-110 092 to transact the following business :-

**A. AS ORDINARY BUSINESS**

- I) To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March'2016, Statement of Profit & Loss for the year ended on the date, Auditors' Report and Directors' Report thereon.
- II) To ratify the appointment of M/s J. METHA & COMPANY, Chartered Accountants as Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

For and on behalf of the Board

  
(SANDEEP JAIN)

Chairman

(DIN-02365790)

Add: - A-2/70, Sector-5, Rohini,  
New Delhi-110 085

Dated : 29.08.2016

Place : New Delhi

### NOTES :

1. *A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to vote instead of himself and proxy need not to be a member of the company.*
2. *The proxy form duly completed must reach company's registered office at least 48 hours before the time fixed for holding the aforesaid meeting. Attendance slip is attached herewith.*

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## DIRECTOR'S REPORT

The Members,  
LORENZINI APPARELS PRIVATE LIMITED

Your Directors have pleasure in presenting their 9<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

### FINANCIAL SUMMARY

(Amount in Rs.)

Particulars	As at the end of current reporting period	As at the end of Previous reporting period
Total Revenue	12,11,96,517.10	14,16,41,834.07
Total Expenses	12,08,50,064.49	14,11,24,488.12
Profit or Loss before Exceptional and Extraordinary items and Tax	3,46,452.61	5,17,345.95
Less: Exceptional/Extraordinary items	0.00	0.00
Profit or Loss before Tax	3,46,452.61	5,17,345.95
Less: Current Tax	1,76,000.00	4,30,000.00
Deferred Tax	(-)62,613.00	(-)5,49,747.00
Profit or Loss After Tax	2,33,065.61	6,37,092.95
Add: Balance as per Last Balance Sheet	43,02,161.17	38,90,900.61
Less: Prior Period Adjustments-Dep	0.00	1,89,792.00
Less : Short/Excess Provision of Tax	(-)89,060.00	(-)36,070.00
Balance Transferred to Balance Sheet	44,46,137.17.	43,02,131.56

### REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your company is in the business of trading of garments through its retail outlets, online stores and through supplies to e-commerce companies. The Company has achieved the Gross turnover of Rs. 1211.97 Lacs as compared to Rs 1416.42 Lacs in the previous year. Your Directors are optimistic about the company's business and hopeful of the better performance in the next year. There was no change in the nature of business of the company.

### MATERIAL CHANGES AND COMMITMENT

There is no material change/commitment in the state of affairs after the end of financial year to the date of this report which could have affected the company.

### DIVIDEND

Your Directors do not recommend any dividend due to future requirements of funds and to strengthen the financial position of the company.

### **RESERVES**

The company has not transfer any fund to general reserves during the year.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

There was no director who was appointed/ceased/reappointed during the year under review. The Company is not mandatorily required to appoint any whole time Key Managerial Personnel (KMP).

### **MEETINGS**

The company has conducted 6 (Six) Board meetings during the financial year under review, which were held on 06.04.2015, 18.06.2015, 31.08.2015, 12.10.2015, 22.12.2015 and 05.03.2016. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **STATUTORY AUDITORS**

The Auditors, M/s J. Mehta & Company, Chartered Accountants (FRN-012560N) were appointed for a period of five years in the AGM held on 30<sup>th</sup> September, 2014 and are eligible for reappointment, subject to ratification by the shareholders at the ensuing Annual General Meeting of the Company.

### **AUDITORS' REPORT**

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The observations made by the Auditors of the Company in their Report, read with the Notes to Accounts are self-explanatory and do not need any further clarification.

### **SECRETARIAL AUDIT REPORT**

The provisions relating to submission of Secretarial Audit Report are not applicable to the company.

### **RISK MANAGEMENT POLICY**

The Company doesn't have any Risk Management Policy as the elements of risk threatening the Company's existence are minimal.

### **EXTRACT OF ANNUAL RETURN**

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in ( Form MGT 9 ) is attached as a part of this Annual Report as Annexure 'I'.

### **DEPOSITS**

The company has neither accepted nor renewed any deposits during the year under review.

### **SHARE CAPITAL**

The Paid up Capital of the Company as on 31<sup>st</sup> March 2016 was Rs. 1.00 Lac . There was no change in the Authorised or Paid-up Capital/Subscribed Capital during the year under review.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

There are no loans, guarantees or investments made by the company under section 186 of the Companies Act, 2013 during the year under review. Hence the Provisions of the Section are not applicable.

#### **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate Internal Financial Controls with reference to its financial statements, commensurate with the size, scale and complexity of its operations. The Company's internal financial control procedures ensure that Company's financial statements are reliable and prepared in accordance with the applicable laws.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The particulars of contracts or arrangements entered into by the Company with related parties pursuant to Section 188 of the Companies Act, 2013 are furnished in Annexure II and is attached to this report.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

##### **Conservation of Energy**

Your company not being involved in the manufacturing activities, the consumption of energy is limited to lighting and other electrical appliances only. Company has taken sufficient measures for the conservation of energy. However, it has not proposed any additional investments for reduction of consumption of energy hence no impact is available as required to be stated.

##### **Technology absorption**

The Company's Directors are having technical expertise and have been upgrading their technology from time to time. No technology had been imported during the year. Further, in order to make improvement in the business activities, Research Development is a continuous process. No expenditure was incurred on Research & Development and Technology Absorption & Up gradation.

##### **Foreign Exchange Earnings and Outgo**

Total Foreign Exchange Earned and Used are as follows:

- |                            |                |
|----------------------------|----------------|
| i) Foreign Exchange Earned | NIL            |
| ii) Foreign Exchange Used  | Rs. 4,76,606/- |

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The company does come under the purview of the requirement of disclosures or spend any amount under the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The company does not have any Subsidiary, joint Venture or Associate Company during the year under review.

#### **PARTICULARS OF EMPLOYEES**

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is not required to be given as none of the employee is getting salary as stipulated in the rules.

#### DECLARATION BY INDEPENDENT DIRECTORS

The provisions of Section 149 for appointment of Independent Directors do not apply to the company.

#### DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Board hereby submits its Responsibility Statement that —

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and the Company, being unlisted, sub clause (e) of Section 134(3) of the Companies Act 2013, pertaining to laying down Internal financial controls, is not applicable to the Company ; and
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### ACKNOWLEDGEMENTS

The Directors place on record their sincere appreciation for the assistance and co-operation extended by the Bankers, Investors, various Government Authorities and all other Associates for their continued support extended to the company during the year under review.

For and on behalf of the Board

  
(SANDEEP JAIN)

Chairman

(DIN-02365790)

Add: - A-2/70, Sector-5, Rohini,  
New Delhi-110 085

Dated : 29.08.2016

Place : New Delhi

REG: LORENZINI APPARELS PRIVATE LIMITED

**FORM NO. AOC -2**

(FY 2015-16)

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.


**Details of Contracts or Arrangements or Transactions not at Arm's length basis**

Sl. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	N.A
2.	Nature of contracts/arrangements/transaction	
3.	Duration of the contracts/arrangements/transaction	
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	
5.	Justification for entering into such contracts or arrangements or transactions'	
6.	Date of approval by the Board	
7.	Amount paid as advances, if any	
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

**Details of Contracts or Arrangements or Transactions at Arm's length basis****A. Sandeep Jain**

Sl. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Sandeep Jain (Director)
2.	Nature of contracts/arrangements/transaction	Rent of Office
3.	Duration of the contracts/arrangements/transaction	For Two years
4.	Salient terms of the contracts or arrangements or transaction including the value, if any .	Rs. 6,00,000/- p.a.
5.	Date of approval by the Board	06.04.2015
6.	Amount paid as advances, if any	---

For and on behalf of the Board



(SANDEEP JAIN)  
Chairman

(DIN-02365790)

Add: - A-2/70, Sector-5, Rohini,  
New Delhi-110 085

Dated : 29.08.2016

Place : New Delhi





## J. MEHTA & COMPANY

CHARTERED ACCOUNTANTS

322-323, Dakha Chambers, 206B/38,

Nairwa, Karol Bagh, New Delhi-110005

Tel.:011- 28751434, 011-425 42519

E-mail - [cajmehta@gmail.com](mailto:cajmehta@gmail.com)

### INDEPENDENT AUDITOR'S REPORT

To the Members of LORENZINI APPARELS PRIVATE LIMITED

#### Report on Financial Statements

We have audited the accompanying financial statements of Lorenzini Apparels Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the 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 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 thereunder.

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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the Profit, for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows 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 appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss and 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, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) on the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the





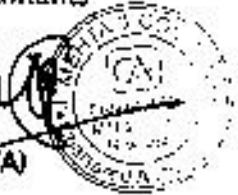
directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act;

- f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the effectiveness of such control, refer to our separate report in Annexure 'B', and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company does not have any pending litigation, which would have any impact on its financial position.
  - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
  - iii. There has not been any occasion during the year, in case of the Company under report to transfer any sums to the Investor Education and Protection Fund.

Place : New Delhi  
Dated : 29.08.2016

For J. MEHTA & COMPANY  
Chartered Accountants  
(FRN-012560N)

  
(JENDER MEHTA)  
Proprietor  
(M.No.-091174)



RE : LORENZINI APPARELS PRIVATE LIMITED

Annexure 'A' to the Auditors' Report

ENCLOSURE TO AUDITORS' REPORT PURSUANT TO THE  
COMPANIES (AUDITOR'S REPORT) ORDER'2016 UNDER  
SECTION 143(11) OF COMPANIES ACT,2013.

- i. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) We are informed that the Fixed Assets of the company have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c) The title deeds of the immovable properties, shown under the head investments, are held in the name of the company.
- ii. As informed to us, the company is maintaining the records of inventory, however the same were not produced before us for verification. Hence we can't comment on the para. As further explained to us, the management has conducted physical verification at the end of the year and no material discrepancies were noticed at that time.
- III.a) The company had granted loans to three parties, covered in the register maintained under section 189 of the Companies Act. The maximum amount involved is Rs. 53,86,302/- and the balance outstanding at the end of the year is Rs NIL.
- b) In our opinion and according to the information and explanations given to us, the receipt of principal amount and interest, wherever applicable, are also regular.
- c) As informed to us, there is no overdue amount.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The company has not given any guarantee(s) and has not provided any security for loan taken by third party.
- v. The company has not accepted any deposits from public. Accordingly, the Directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the company for the year under Audit.
- vi. As explained to us, the Central Govt has not prescribed for the maintenance of cost records under sub-section(1) of section 148 of the Companies Act,2013. According this clause is not applicable.



- vii. a) According to the information and explanations given to us and as per records examined by us, the company is generally regular in depositing undisputed statutory dues applicable to it, with the appropriate authorities, except in case of VAT and TDS, which have been delayed at few instances. There are no arrears of undisputed statutory dues outstanding at the year end for a period of more than six months from the date on which they become payable.
- b) According to the information and explanations given to us and as per our verification of the records of the company, the following disputed amount of the tax/duty that have not been deposited with the appropriate authorities as on 31<sup>st</sup> March, 2016 are as under :

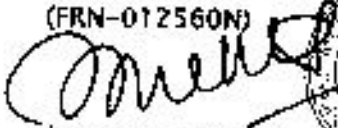
S. No.	Name of Statute	Nature of Dues	Amount (Rs.)	Period to which amount relates	Forum where amount is pending
1.	Income Tax	TDS Penalty	5,25,200/-	2012-13, 2013-14 & 2014-15	CIT (Appeals), New Delhi

- viii. According to the information and explanations given to us and as per our verification of the records of the company, the company has not defaulted in repayment of dues to any financial institution, bank, Government or debenture holder.
- ix. According to the information and explanations given to us and as per our verification of the records of the company, the company has not raised any money by way of initial public offer or further public offer (including debt instruments). However the term loans taken by the company during the year have been applied for the purpose for which those were obtained.
- x. Based on the audit procedures performed and as per information and given by the management, we report that no fraud by the company or fraud on the company by its officers or its employees has been noticed or reported during the course of our audit.
- xi. As the company is a private limited company, the provisions of section 197 of the Act are not applicable to the company. Therefore, clause (xi) of the para 3 of the order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, clause (xii) of the para 3 of the order is not applicable to the Company.



- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause (xv) of the para 3 of the Order is not applicable to the company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : New Delhi  
Dated : 29.08.2016

For J. MEHTA & COMPANY  
Chartered Accountants  
(FRN-012560N)  
  
(JITENDER MEHTA)  
Proprietor  
(M.No.-091174)



**RE : LORENZINI APPARELS PRIVATE LIMITED**

**Annexure - 'B' to the 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 Lorenzini Apparels Private Limited ("the Company") as of 31st March 2016 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**AUDITORS' 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") 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 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidences we have obtained are 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

- i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii) 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
- iii) 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, 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 31st March 2016, 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.

Place : New Delhi

Dated : 29.08.216

For J. MEHTA & COMPANY

Chartered Accountants

(FRN-012560N)

  
(JITENDER MEHTA)

Proprietor

(M.No.-091174)





Balance Sheet as at 31st March 2016

₹ In rupees

Particulars	Note No.	As at 31st March 2015	As at 31st March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	A	1,00,000.00	1,00,000.00
Reserves and surplus	B	44,46,137.17	43,02,131.56
Money received against share warrants		-	-
		<b>45,46,137.17</b>	<b>44,02,131.56</b>
<b>Share application money pending allotment</b>			
		-	-
<b>Non-current liabilities</b>			
Long-term borrowings	C	1,18,58,746.15	1,10,57,586.00
Deferred tax liabilities (Net)	K	-	-
Other long term liabilities	D	62,00,000.00	42,00,000.00
Long-term provisions	H	-	-
		<b>1,80,58,746.15</b>	<b>1,52,57,586.00</b>
<b>Current liabilities</b>			
Short-term borrowings	E	77,50,227.84	1,15,35,952.14
Trade payables	F	-	-
(A) Micro enterprises and small enterprises		-	-
(B) Others		1,94,96,006.79	2,18,31,986.43
Other current liabilities	G	18,42,143.28	22,54,873.53
Short-term provisions	H	1,76,000.00	4,30,000.00
		<b>2,92,64,377.91</b>	<b>3,60,52,812.10</b>
<b>TOTAL</b>		<b>5,18,69,261.23</b>	<b>5,57,12,529.66</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
<b>Tangible assets</b>			
Tangible assets	I	34,67,885.00	34,77,020.00
Intangible assets		8,492.00	13,889.00
Capital work-in-Progress		-	-
Intangible assets under development		-	-
<b>Non-current investments</b>			
Deferred tax assets (net)	J	1,55,30,677.00	1,55,30,677.00
Long-term loans and advances	K	10,38,419.00	9,75,806.00
Other non-current assets	L	68,14,110.00	19,88,391.00
		<b>2,68,58,523.00</b>	<b>2,19,85,783.00</b>
<b>Current assets</b>			
<b>Current investments</b>			
		-	-
Inventories	M	1,56,55,800.00	1,14,24,451.77
Trade receivables	N	34,61,034.42	69,34,556.79
Cash and cash equivalents	O	52,89,814.81	48,74,520.27
Short-term loans and advances	L	4,51,405.00	1,04,09,996.83
Other current assets	P	1,51,624.00	89,221.00
		<b>2,50,09,678.23</b>	<b>3,37,26,746.66</b>
<b>TOTAL</b>		<b>5,18,69,261.23</b>	<b>5,57,12,529.66</b>

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

AA - A8

The schedule referred above form an integral part of the Accounts

Audit Report as on even date attached

For J. MEHTA AND COMPANY

Chartered Accountants

(FIRM-022560H)

(J. MEHTA)

PROPRIETOR

(M.No. 091174)

Place: NEW DELHI

Date: 29.08.2016

For and on behalf of the Board of Directors

(SHEENA JAIN)

Director

(DIN-02365797)

(HARDEEP JAIN)

Managing Director

(DIN-02365798)

Statement of Profit and loss for the year ended 31st March 2016

₹ in rupees

Particulars	Note No.	31st March 2016	31st March 2015
<b>Revenue</b>			
Revenue from operations	Q	12,08,19,689.10	14,12,20,864.35
Net Sales		12,08,19,689.10	14,12,20,864.35
Other Income	R	3,76,828.00	4,20,969.72
<b>Total revenue</b>		<b>12,11,96,517.10</b>	<b>14,16,41,834.07</b>
<b>Expenses</b>			
Purchase of stock-in-trade	S	6,86,70,686.81	7,28,09,946.00
Changes in Inventories	T	(42,31,348.23)	41,51,685.56
Employee benefit expenses	U	1,38,90,641.00	3,08,56,050.00
Finance costs	V	35,65,730.83	23,03,565.54
Depreciation and amortization expenses	W	14,97,264.00	29,00,080.00
Other expenses	X	3,74,57,082.08	4,81,03,161.02
<b>Total expenses</b>		<b>12,08,50,064.49</b>	<b>14,11,24,488.12</b>
<b>Profit before exceptional, extraordinary and prior period items and tax</b>		<b>3,46,452.61</b>	<b>5,17,345.95</b>
Exceptional items		-	-
<b>Profit before extraordinary and prior period items and tax</b>		<b>3,46,452.61</b>	<b>5,17,345.95</b>
Extraordinary items		-	-
Prior period item		-	-
<b>Profit before tax</b>		<b>3,46,452.61</b>	<b>5,17,345.95</b>
<b>Tax expenses</b>			
Current tax	Y	1,76,000.00	4,30,000.00
Deferred tax	Z	(62,613.00)	(5,49,747.00)
Excess/short provision relating earlier year tax		-	-
<b>Profit(Loss) for the period</b>		<b>2,23,065.61</b>	<b>6,37,082.95</b>
<b>Earning per share</b>			
<b>Basic</b>			
Before extraordinary items		23.31	63.71
After extraordinary Adjustment		-	-
<b>Diluted</b>			
Before extraordinary items		23.31	63.71
After extraordinary Adjustment		-	-

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

AA-AB

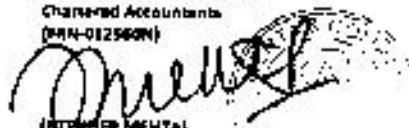
The schedule referred above form an integral part of the Accounts

Audit Report is also given date attached

For J. MEHTA AND COMPANY

Chartered Accountants

(INN-012560N)



(J. MEHTA)

PROPRIETOR

(M.No. 091374)

Place: NEW DELHI

Date: 29.06.2016

For and on behalf of the Board of Directors



(RANDEEP JAIN)

Director

(M.N-02963797)



(RANDEEP JAIN)

Managing Director

(INN-02365290)

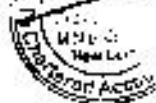
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2016

₹ In rupees

PARTICULARS		31st March 2016	31st March 2015
<b>A.</b>	<b>Cash Flow From Operating Activities</b>		
	Net Profit before tax and extraordinary items(as per Statement of Profit and Loss)	3,46,452.61	5,17,345.95
	Adjustments for non Cash/ Non trade items:		
	Depreciation & Amortization Expenses	14,97,264.00	29,00,080.00
	Finance Cost	35,65,738.83	1,03,121.41
	Other Inflows / (Outflows) of cash	(89,060.00)	-
	Operating profits before Working Capital Changes	53,20,395.44	35,20,547.96
	Adjusted For:		
	(Increase) / Decrease in trade receivables	34,73,522.37	(1,62,439.78)
	Increase / (Decrease) in trade payables	(23,35,979.64)	52,14,281.43
	(Increase) / Decrease in Inventories	(42,31,348.73)	41,51,685.56
	Increase / (Decrease) in other current liabilities	(8,42,730.25)	(20,22,720.70)
	(Increase) / Decrease in Short Term Loans & Advances	99,58,591.83	(19,74,118.78)
	(Increase) / Decrease in other current assets	(68,403.00)	(83,221.00)
	Cash generated from Operations	1,12,74,048.52	86,44,014.09
	Income Tax (Paid) / Refund	-	(2,74,070.00)
	Net Cash flow from Operating Activities(A)	1,12,74,048.52	83,69,944.09
<b>B.</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase of tangible assets	(15,40,863.00)	(3,72,008.00)
	Proceeds from sales of tangible assets	58,131.00	-
	Non Current Investments / (Purchased) sold	-	(1,55,30,677.00)
	Cash advances and loans made to other parties	(50,00,000.00)	-
	Cash advances and loans received back	1,74,281.00	-
	Other Inflow / (Outflows) of cash	20,00,000.00	(54,00,000.00)
	Net Cash used in Investing Activities(B)	(43,08,451.00)	(2,13,02,685.00)
<b>C.</b>	<b>Cash Flow From Financing Activities</b>		
	Finance Cost	(35,65,738.83)	(1,03,121.41)
	Increase in / (Repayment) of Short term Borrowings	(37,85,724.30)	90,70,405.53
	Increase in / (Repayment) of Long term borrowings	8,01,160.15	71,20,533.90
	Increase / (Decrease) in share application money pending allotment	-	(4,00,000.00)
	Net Cash used in Financing Activities(C)	(65,50,302.98)	1,56,87,818.02
<b>D.</b>	<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents(A+B+C)</b>	4,15,294.54	27,55,077.11
<b>E.</b>	<b>Cash &amp; Cash Equivalents at Beginning of period</b>	48,74,520.27	21,19,443.16
<b>F.</b>	<b>Cash &amp; Cash Equivalents at End of period</b>	52,89,814.81	48,74,520.27
<b>G.</b>	<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents(F-E)</b>	4,15,294.54	27,55,077.11

For J. NEMTA AND COMPANY  
 Chartered Accountants  
 (Reg-0225904)

  
 (J. NEMTA AND COMPANY)  
 PROPRIETOR  
 (M.No. 001174)  
 Place: NEW DELHI  
 Date: 29.03.2016



For and on behalf of the Board of Directors

  
 (DEEPINA JAIN)  
 Director  
 (DIN-02365397)

  
 (ANSHU JAIN)  
 Managing Director  
 (DIN-02215790)

Note:

1. The Cash Flow Statement has been prepared by Indirect Method as per AS-3 Issued by ICAI.
2. Figures of previous year have been rearranged/regrouped wherever necessary
3. Figures in brackets are outflow/deductions

Notes to Financial statements for the year ended 31st March 2016

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

**Note No. A Share Capital**

₹ in rupees

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Authorized :</b>		
200000 (31/03/2015:200000) Equity shares of Rs. 10.00/- par value	20,00,000.00	20,00,000.00
<b>Issued :</b>		
10000 (31/03/2015:10000) Equity shares of Rs. 10.00/- par value	1,00,000.00	1,00,000.00
<b>Subscribed and paid-up :</b>		
10000 (31/03/2015:10000) Equity shares of Rs. 10.00/- par value	1,00,000.00	1,00,000.00
<b>Total</b>	<b>1,00,000.00</b>	<b>1,00,000.00</b>

**Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period**

**Equity shares**

₹ in rupees

	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	10,000	1,00,000.00	10,000	1,00,000.00
Issued during the Period	-	-	-	-
Redeemed or bought back during the period	-	-	-	-
<b>Outstanding at end of the period</b>	<b>10,000</b>	<b>1,00,000.00</b>	<b>10,000</b>	<b>1,00,000.00</b>

**Right, Preferences and Restriction attached to shares**

**Equity shares**

The company has only one class of Equity having a par value Rs. 10.00 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of Interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**Details of shareholders holding more than 5% shares in the company**

Type of Share	Name of Shareholders	As at 31st March 2016		As at 31st March 2015	
		No. of Shares	% of Holding	No. of Shares	% of Holding
Equity [RV: 10.00]	Sandeep Jain	1,000	10.00	1,000	10.00
Equity [RV: 10.00]	Deepika Jain	9,000	90.00	9,000	90.00
	<b>Total :</b>	<b>10,000</b>	<b>100.00</b>	<b>10,000</b>	<b>100.00</b>

**Note No. B Reserves and surplus**

₹ in rupees

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Surplus</b>		
Opening Balance	43,02,131.56	38,90,900.61
Add: Profit for the year	2,33,065.61	6,37,092.95
Less: Accelerated dep. as per Companies Act, 2013	-	4,221.00
Less: Accelerated dep. as per Companies Act, 2013	-	(1,94,013.00)
Less : Excess/Short Provision of Income Tax	(89,060.00)	(36,070.00)
<b>Closing Balance</b>	<b>44,46,137.17</b>	<b>43,02,131.56</b>
<b>Balance carried to balance sheet</b>	<b>44,46,137.17</b>	<b>43,02,131.56</b>

  
 (DEEPIKA JAIN)  
 Director  
 (DIN-02265797)

  
 (SANDEEP JAIN)  
 Managing Director  
 (DIN-02265790)



**Note No. C Long-term borrowings**

Particulars	As at 31st March 2016			As at 31st March 2015		
	Non-Current	Current Maturities	Total	Non-Current	Current Maturities	Total
Loans and advances from related parties						
Loans Directors (Unsecured)	-	-	-	6,70,000.00	-	6,70,000.00
Other Loans and advances						
ICICI Bank (Car Loan A/c) secured	-	-	-	3,85,685.00	-	3,85,685.00
ICICI Bank (Car Loan 8387) secured	16,00,000.00	-	16,00,000.00	-	-	-
ICICI Bank (Car Loan 0147) secured	8,43,337.50	-	8,43,337.50	-	-	-
ICICI Bank (Used Car Loan A/c UDELD0026819204) secured	-	-	-	43,491.00	-	43,491.00
Reliance Home Finance Limited (Loan agst property) secured	94,15,408.65	-	94,15,408.65	99,58,410.00	-	99,58,410.00
	<b>1,18,58,746.15</b>	<b>-</b>	<b>1,18,58,746.15</b>	<b>1,03,87,586.00</b>	<b>-</b>	<b>1,03,87,586.00</b>
The Above Amount includes						
Secured Borrowings	1,18,58,746.15	-	1,18,58,746.15	1,03,87,586.00	-	1,03,87,586.00
Unsecured Borrowings	-	-	-	6,70,000.00	-	6,70,000.00
<b>Net Amount</b>	<b>1,18,58,746.15</b>	<b>0</b>	<b>1,18,58,746.15</b>	<b>1,10,57,586.00</b>	<b>0</b>	<b>1,10,57,586.00</b>

**a. Term of Repayment of Loan**

- i. Secured Loan was taken from ICICI Bank Ltd. during F.Y. 2015-26 and repayable in 36 installments of Rs. 53,913/- each along with interest. The loan is secured by hypothecation of used vehicle (BMW) of the company.
- ii. Secured Loan was taken during F.Y. 2011-12 and was repayable in 48 installments of Rs. 69,149/- each along with interest. The loan, taken against security of vehicle of the company, has been paid off during the year.
- iii. Regarding Unsecured loans taken from Director's and other Related Parties, no terms as to repayment have been specified.
- iv. Secured Loan was taken from ICICI bank Ltd. during F.Y. 2015-26 and is repayable in 36 installments of Rs. 30,993/- each along with interest. The loan is secured by hypothecation of vehicle (Maruti Ciaz) of the company.
- v. Secured Loan was taken during F.Y. 2012-13 and was repayable in 36 installments of Rs. 38,665/- each along with interest. The loan, taken against security of vehicle of the company, has been paid off during the year.
- vi. Secured loan taken from Reliance Home Finance Ltd. during the F.Y. 2014-15 and is repayable in 120 installments of Rs. 1,47,840/- each along with interest. The loan is secured by mortgage of immovable property of G-104, Spice Mall, Noida. of the company.


**Note No. K Deferred Tax**

Particulars	As at 31st March 2016		As at 31st March 2015	
Deferred tax assets				
Opening Balance		9,75,808.00		4,26,069.00
Deferred tax asset unabsorbed depreciation		62,613.00		5,49,747.00
Gross deferred tax asset		<b>10,38,419.00</b>		<b>9,75,808.00</b>
Net deferred tax assets		<b>10,38,419.00</b>		<b>9,75,808.00</b>
Net deferred tax liability		-		-

**Note No. D Other long term liabilities**

Particulars	As at 31st March 2016		As at 31st March 2015	
Others				
Security Deposits recd from Franchisees		62,00,000.00		42,00,000.00
		<b>62,00,000.00</b>		<b>42,00,000.00</b>
<b>Total</b>		<b>62,00,000.00</b>		<b>42,00,000.00</b>

  
 (DEEPIKA JAIN)  
 Director  
 (DIN-02265797)

  
 (SANGHVI JYOTI)  
 Managing Director  
 (DIN-02366790)



Note No. H Provisions

₹ in rupees

Particulars	As at 31st March 2016			As at 31st March 2015		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Other provisions						
Current tax provision	-	1,76,000.00	1,76,000.00	-	4,30,000.00	4,30,000.00
	-	1,76,000.00	1,76,000.00	-	4,30,000.00	4,30,000.00
Total	-	1,76,000.00	1,76,000.00	-	4,30,000.00	4,30,000.00

Note No. E Short-term borrowings

₹ in rupees

Particulars	As at 31st March 2016	As at 31st March 2015
Other Loans and advances		
NBI Bank (OD A/c No. 109651100000143) secured	30,42,270.87	30,16,053.83
ICICI Bank (OD A/c No. 009105001197) secured	3,79,943.90	3,82,908.31
Pinnacle Capital Solutions Pvt Ltd secured	43,28,013.07	73,36,990.00
	77,50,227.84	1,15,35,952.14
The Above Amount Includes		
Secured Borrowings	77,50,227.84	1,15,35,952.14
Total	77,50,227.84	1,15,35,952.14

Note No. F Trade payables

₹ in rupees

Particulars	As at 31st March 2016	As at 31st March 2015
(B) Others		
Trade Payable-Others	1,94,96,006.79	2,18,31,986.43
	1,94,96,006.79	2,18,31,986.43
Total	1,94,96,006.79	2,18,31,986.43

Note No. G Other current liabilities

₹ in rupees

Particulars	As at 31st March 2016	As at 31st March 2015
Others payables		
ICICI Bank (A/c No. 102305000641)- Bank Overdraft	-	3,78,269.25
Payable to Director	3,50,265.62	3,40,370.23
Expenses Payable	10,55,223.00	9,33,809.00
Duties and Taxes	4,33,869.00	6,02,425.05
Advances from Parties	2,785.66	-
	18,42,143.28	22,54,873.53
Total	18,42,143.28	22,54,873.53

  
 (DEEPIKA JAIN)  
 Director  
 (CIN-02266790)

  
 (SANDEEP JAIN)  
 Managing Director  
 (CIN-02266790)





**LORENZINI APPARELS PRIVATE LIMITED**  
**F-38, V35 SHOPPING MALL, LAXMI NAGAR, DELHI-110092**  
**CIN : U17120DL2007PTC183182**

(F.Y. 2015-2016)

**Note No. 1 Fixed Assets Chart as at 31st March 2016**

**₹ In Rupees**

Assets	Useful life (in Years)	Balance as at 1st April 2015	Gross Block					Accumulated Depreciation/ Amortisation					Net Block			
			Additions during the year	Revaluation increase (decrease)	Deletion during the year	Increase (Decrease) through net exchange difference	Other Adjustments (Gross Block)	Balance as at 31st March 2015	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2015	Balance as at 31st March 2015	Balance as at 31st March 2015			
<b>A Tangible assets</b>																
Own Assets																
Car	8.00	57,29,093.00	10,34,853.00	-	3,88,178.00	-	-	7,64,090.00	3,30,043.00	42,96,852.00	20,78,920.00	18,66,288.00				
Furniture and fixtures	10.00	36,36,290.00	62,975.00	-	-	-	-	3,07,854.00	-	30,10,258.00	6,88,967.00	9,33,846.00				
Office Equipments	5.00	3,850.00	-	-	-	-	-	3,657.00	-	3,657.00	193.00	193.00				
Fire Extinguisher	5.00	5,808.00	-	-	-	-	-	5,518.00	-	5,518.00	290.00	290.00				
Air Conditioner	5.00	8,67,229.00	-	-	-	-	-	78,876.00	-	7,96,046.00	71,325.00	1,48,063.00				
Dummy Statues	5.00	2,24,950.00	-	-	-	-	-	3,774.00	-	2,23,189.00	11,761.00	15,535.00				
EPABX	5.00	16,500.00	-	-	-	-	-	15,675.00	-	15,675.00	825.00	825.00				
Inventor	5.00	2,05,900.00	-	-	-	-	-	1,95,605.00	-	1,95,605.00	10,295.00	10,295.00				
Wash Flier	5.00	13,000.00	-	-	-	-	-	12,350.00	-	12,350.00	650.00	650.00				
Mobile Phone	5.00	2,10,650.00	-	-	-	-	-	1,58,452.00	-	1,85,492.00	25,158.00	52,158.00				
CCTV	5.00	4,55,901.00	-	-	-	-	-	3,44,354.00	-	3,92,206.00	63,695.00	1,11,547.00				
Generator	5.00	3,43,500.00	93,000.00	-	-	-	-	2,96,266.00	-	3,13,397.00	30,103.00	47,214.00				
Refrigerator	5.00	7,200.00	-	-	-	-	-	6,731.00	-	17,037.00	81,163.00	469.00				
Computer Equipments (Old)	3.00	3,20,516.00	-	-	-	-	-	3,04,489.00	-	3,04,489.00	16,027.00	16,027.00				
Computer Equipments	3.00	10,93,249.00	34,830.00	-	-	-	-	10,36,621.00	-	10,50,890.00	77,249.00	56,828.00				
Computer Software	3.00	15,17,769.00	1,25,475.00	-	-	-	-	13,00,815.00	-	15,04,701.00	1,38,543.00	2,16,954.00				
Industrial Sealing Machine	15.00	-	1,91,730.00	-	-	-	-	-	-	18,899.00	1,72,861.00	-				
<b>Total (A)</b>		<b>1,46,61,348.00</b>	<b>15,40,463.00</b>	<b>-</b>	<b>3,88,178.00</b>	<b>-</b>	<b>-</b>	<b>1,11,84,345.00</b>	<b>3,10,043.00</b>	<b>1,23,46,169.00</b>	<b>34,67,855.00</b>	<b>34,77,080.00</b>				
<b>P.V Total</b>		<b>1,42,88,457.00</b>	<b>3,72,008.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,03,300.00</b>	<b>(1,85,793.00)</b>	<b>1,11,84,345.00</b>	<b>34,77,070.00</b>	<b>63,86,856.00</b>				
<b>B Intangible assets</b>																
Trade Mark	10.00	52,500.00	-	-	-	-	-	52,500.00	-	44,008.00	8,492.00	13,889.00				
<b>Total (B)</b>		<b>52,500.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,500.00</b>	<b>-</b>	<b>44,008.00</b>	<b>8,492.00</b>	<b>13,889.00</b>				
<b>P.V Total</b>		<b>52,500.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,500.00</b>	<b>-</b>	<b>44,008.00</b>	<b>8,492.00</b>	<b>13,889.00</b>				
<b>Current Year Total (A + B)</b>		<b>1,47,13,957.00</b>	<b>15,40,463.00</b>	<b>-</b>	<b>3,88,178.00</b>	<b>-</b>	<b>-</b>	<b>1,12,22,956.00</b>	<b>3,10,043.00</b>	<b>1,23,90,177.00</b>	<b>34,76,377.00</b>	<b>34,90,969.00</b>				
<b>Previous Year Total</b>		<b>1,43,41,857.00</b>	<b>8,72,603.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,33,064.00</b>	<b>(1,08,793.00)</b>	<b>1,12,22,964.00</b>	<b>34,98,909.00</b>	<b>62,29,775.00</b>				

*(Handwritten signatures and initials)*



Note No. J Non-current investments

Particulars	₹ in rupees	
	As at 31st March 2016	As at 31st March 2015
Investment Properties		
In Others		
- Shop No. G-104, situated at Ground Floor, Plot No.2, Block -1, Sector-25, Noida, UP	1,55,30,677.00	1,55,30,677.00
Non-Trade Investment (Valued at cost unless stated otherwise)		
Gross Investment	1,55,30,677.00	1,55,30,677.00
Net Investment	1,55,30,677.00	1,55,30,677.00
Aggregate amount of unquoted investments	1,55,30,677.00	1,55,30,677.00

Note No. L Loans and advances

Particulars	₹ in rupees			
	As at 31st March 2016		As at 31st March 2015	
	Long-term	Short-term	Long-term	Short-term
Security Deposit				
Unsecured, considered good	68,14,110.00	-	19,88,891.00	-
	68,14,110.00	-	19,88,891.00	-
Loans and advances to related parties				
Unsecured, considered good	-	-	-	53,86,301.83
	-	-	-	53,86,301.83
Other loans and advances				
Unsecured advances given to employees	-	47,600.00	-	51,050.00
Unsecured advances given to suppliers	-	2,80,180.00	-	48,50,865.00
Prepaid expenses (Unsecured)	-	99,706.00	-	1,21,776.00
Advance Against Vat Appeal (2015-16)	-	23,919.00	-	-
	-	4,81,405.00	-	90,23,695.00
Total	68,14,110.00	4,81,405.00	19,88,891.00	1,04,09,596.83

Note No. M Inventories

Particulars	₹ in rupees	
	As at 31st March 2016	As at 31st March 2015
(Valued at cost or MRV unless otherwise stated)		
Traded goods	1,56,55,800.00	1,14,24,451.77
Total	1,56,55,800.00	1,14,24,451.77

Note No. N Trade receivables

Particulars	₹ in rupees	
	As at 31st March 2016	As at 31st March 2015
Exceeding six months		
Unsecured, Considered Good	6,14,135.00	3,20,835.00
Total	6,14,135.00	3,20,835.00
Less than six months		
Unsecured, Considered Good	28,46,899.42	66,13,721.79
Total	28,46,899.42	66,13,721.79
Total	34,61,034.42	69,34,556.79

Note No. O Cash and cash equivalents

Particulars	₹ in rupees	
	As at 31st March 2016	As at 31st March 2015
Balance with banks		
Axis Bank (A/c No. 3610200001059)	35,592.19	2,27,409.57
IDBI Bank (A/c No. 109102000011802)	-	4,962.97
IDBI Bank (A/c No. 109102000013527)	1,897.94	58,917.96
ICICI Bank (A/c No 0641)	72,836.68	-
Total	1,10,326.81	2,91,290.50
Cash in hand		
Cash in hand	51,79,468.00	45,83,229.77
Total	51,79,468.00	45,83,229.77
Total	52,89,794.81	48,74,520.27

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*[Signature]*



**LORENZINI APPARELS PRIVATE LIMITED**  
**F-39, V3S SHOPPING MALL, LAXMI NAGAR, DELHI-110092**  
**CIN : U17120DL2007PTC183192**

**Note No. P Other current assets**

Particulars	₹ in rupees	
	As at 31st March 2016	As at 31st March 2015
Other Assets		
TDS Recoverable from Party	1,36,324.00	83,221.00
Stock of Packing Materials	15,300.00	-
<b>Total</b>	<b>1,51,624.00</b>	<b>83,221.00</b>

**Note No. Q Revenue from operations**

Particulars	₹ in rupees	
	31st March 2016	31st March 2015
Sale of products	13,77,58,472.10	15,52,19,074.35
Less: Adjustments		
Less: Discount on Sales	(1,69,38,783.00)	(1,39,98,210.00)
<b>Net revenue from operations</b>	<b>(1,69,38,783.00)</b>	<b>(1,39,98,210.00)</b>
	<b>12,08,19,689.10</b>	<b>14,12,20,864.35</b>

**Note No. R Other income**

Particulars	₹ in rupees	
	31st March 2016	31st March 2015
Other non-operating income		
Short and Excess		65.72
Profit on Sale of Assets	1,16,869.00	-
Rebate and Discounts	2,59,959.00	-
Interest received on Advances		4,20,904.00
<b>Total</b>	<b>3,76,828.00</b>	<b>4,20,969.72</b>
	<b>3,76,828.00</b>	<b>4,20,969.72</b>

**Note No. S Purchase of stock-in-trade**

Particulars	₹ in rupees	
	31st March 2016	31st March 2015
Purchases (including Consumable Stores)	6,86,70,686.81	7,28,09,946.00
<b>Total</b>	<b>6,86,70,686.81</b>	<b>7,28,09,946.00</b>

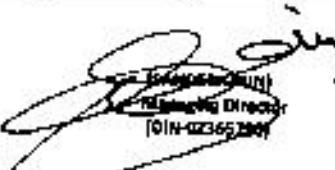
**Note No. T Changes in Inventories**

Particulars	₹ in rupees	
	31st March 2016	31st March 2015
Inventory at the end of the year		
Traded Goods	1,56,55,800.00	1,14,24,451.77
<b>Inventory at the beginning of the year</b>	<b>1,56,55,800.00</b>	<b>1,14,24,451.77</b>
Traded Goods	1,14,24,451.77	1,55,76,137.33
<b>(Increase)/decrease in Inventories</b>	<b>1,14,24,451.77</b>	<b>1,55,76,137.33</b>
Traded Goods	(42,31,348.23)	41,51,685.56
	<b>(42,31,348.23)</b>	<b>41,51,685.56</b>

**Note No. U Employee benefit expenses**

Particulars	₹ in rupees	
	31st March 2016	31st March 2015
Salaries and Wages		
Directors Remuneration	24,00,000.00	18,00,000.00
Salary To Employees	1,11,76,609.00	86,07,141.00
<b>Staff welfare Expenses</b>	<b>1,35,74,609.00</b>	<b>1,04,07,141.00</b>
Staff Welfare Expenses	3,14,032.00	4,48,909.00
<b>Total</b>	<b>3,14,032.00</b>	<b>4,48,909.00</b>
	<b>1,38,90,641.00</b>	<b>1,08,56,050.00</b>

  
 (DIN-02365797)  
 Director

  
 (DIN-02365797)  
 Director

**LORENZINI APPARELS PRIVATE LIMITED**  
**F-39, V3S SHOPPING MALL, LAXMI NAGAR, DELHI-110092**  
**CIN : U17120DL2007PTC103192**

**Note No. V Finance costs**

Particulars	₹ in rupees	
	31st March 2016	31st March 2015
<b>Interest</b>		
Interest on OD	4,69,771.00	4,39,072.00
Interest on Bill Discounting/WC Loan	25,21,442.65	7,35,325.00
Interest on Car Loan	46,956.50	1,60,118.90
Interest on TDS	18,970.00	1,24,667.00
Interest on VAT	18,571.00	2,30,793.00
Interest on Security Deposits	1,12,584.00	-
Bank Charges and Interest	1,41,074.85	1,03,121.41
	<b>93,29,370.00</b>	<b>17,93,097.31</b>
<b>Other Borrowing costs</b>		
Loan Processing Fees	3,600.00	1,16,854.00
Credit Card Charges	2,32,768.83	3,93,614.23
	<b>2,36,368.83</b>	<b>5,10,468.23</b>
<b>Total</b>	<b>95,65,738.83</b>	<b>23,03,565.54</b>

**Note No. W Depreciation and amortization expenses**

Particulars	₹ in rupees	
	31st March 2016	31st March 2015
Depreciation on tangible assets	14,91,867.00	28,91,252.00
Amortisation on intangible assets	5,397.00	8,828.00
<b>Total</b>	<b>14,97,264.00</b>	<b>29,00,080.00</b>

**Note No. X Other expenses**

Particulars	₹ in rupees	
	31st March 2016	31st March 2015
Fabrication/Job Charges	1,46,69,885.89	2,11,20,492.50
Alteration Charges	2,01,823.00	3,30,581.00
Printing and stationery	31,469.00	1,25,434.50
Freight and Cartage	1,700.00	9,400.00
Postage and Courier Charges	8,601.79	1,15,706.89
Showroom Expenses	1,12,733.00	2,04,840.00
Business Promotion	1,57,904.00	1,45,430.19
Conveyance expenses	3,12,310.00	3,34,950.00
Telephone expenses	1,74,662.00	2,07,021.00
Electricity and Water expenses	12,09,584.00	15,45,429.00
Travelling Expenses	5,20,868.78	1,54,034.24
Commission paid to other selling agents	65,25,722.95	29,30,028.40
Diwali Expenses	1,62,500.00	1,45,300.00
Vehicle running expenses	2,76,545.00	2,55,966.00
Rent	86,82,974.00	1,30,87,789.00
Generator Running and Maintenance	2,45,787.00	2,53,550.00
Books periodicals	-	1,530.00
Repair and Maintenance	53,303.00	1,16,382.00
Advertising expenses	1,79,776.00	5,23,865.00
Cartage Outward	1,32,850.00	2,08,440.00
Computer/Software Repair and Maintenance Charge	78,090.00	59,935.00
Packing Material	3,67,906.00	3,08,840.50
Modelling and Photoshoot Expenses	3,17,044.00	4,62,975.00
Sampling Expenses	6,05,592.44	3,55,903.79
Filing Fees	2,518.00	4,000.00
Additional Sales tax	11,806.00	95,937.00
Donations	-	12,000.00
Stamp Duty W/off	31,744.00	32,460.00
Sundry Party W/off	6,43,115.05	28,37,221.18
Insurance Charges	1,53,967.00	1,43,664.00
General Expenses	20,644.00	16,519.00
Rebate and Discount	-	95,638.83
Mail Maintenance Charges	8,50,454.00	10,62,144.00
Professional expenses	5,29,000.00	5,37,353.00

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*[Handwritten Signature]*



**LORENZINI APPARELS PRIVATE LIMITED**  
**F-38,, VJS SHOPPING MALL,, LAXMI NAGAR,, DELHI-110092**  
**CIN : U17120DL2007PTC163192**

Short and Excess	203.18	-
Auditor Remuneration	1,84,000.00	1,82,400.00
<b>Total</b>	<b>3,74,57,082.08</b>	<b>4,81,03,181.02</b>

**Note No. Y Current tax**

₹ in rupees

Particulars	31st March 2016	31st March 2015
Current tax pertaining to current year	1,76,000.00	4,30,000.00
<b>Total</b>	<b>1,76,000.00</b>	<b>4,30,000.00</b>

**Note No. Z Deferred tax**

₹ in rupees

Particulars	31st March 2016	31st March 2015
Provision for Deferred Tax	(52,613.00)	(5,49,747.00)
<b>Total</b>	<b>(52,613.00)</b>	<b>(5,49,747.00)</b>

**Note No. U(a) Loans and advances : Security Deposit: Unsecured, considered good**


₹ in rupees


Particulars	As at 31st March 2016		As at 31st March 2015	
	Long-term	Short-term	Long-term	Short-term
For Rent to Landlords	18,14,110.00	-	19,88,391.00	-
For Rent to Landlords Related Parties	50,00,000.00	-	-	-
<b>Total</b>	<b>68,14,110.00</b>	<b>-</b>	<b>19,88,391.00</b>	<b>-</b>

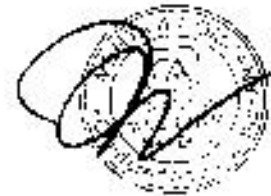
**Note No. X(a) Other expenses: Auditor Remuneration**

₹ in rupees

Particulars	31st March 2016
Audit fees	1,84,000.00
<b>Total</b>	<b>1,84,000.00</b>

  
 (DEEPIKA JAIN)  
 Director  
 (DIN-02365797)

  
 (MANOJ KUMAR)  
 Managing Director  
 (DIN-02385790)



**M/s LORENZINI APPARELS PVT. LTD.**  
**NEW DELHI**

**AA. NOTES ON ACCOUNTS**

**1. CONTINGENT LIABILITIES**

VAT Demand (2015-16)	Rs. 23,519/- (NIL)
Income Tax (TDS Penalty)	Rs. 5,25,200/- (5,25,200/-)

The Company has filed appeal against the above said demand of Penalty with the Appropriate Authority.

2. Previous year's figures have been regrouped or rearranged, wherever considered necessary.
3. In the opinion of directors, current assets and loans and advances have a value on realization in the ordinary course of the business at least equal to the amount at which these have been stated in the Balance Sheet.

**4. Foreign Currency Exposures**

The year end Foreign Currency Exposure is given below:

**I) Expenditure in Foreign Currency**

- Expenses-Travelling/others Rs. 4,76,606/- (Rs 1,24,668/-)

**II) Earnings in Foreign Currency** Rs. NIL (NIL)

5. The Company has not received any memorandum/declaration (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31<sup>st</sup> March 2016 as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is Nil.
6. The Company has not provided for the Employees Benefits as on the date of the Balance Sheet. In the opinion of the management, no provision is required for employees' benefits, as at present consolidated salaries are being paid to employees and there are no retirement benefit plans.

**7. Deferred Tax Asset/Liability**

As required by Accounting Standard (AS-22) 'Taxes on Income' issued by the ICAI, the Co. has recognized deferred taxes, which result from timing difference between book profits and tax profits. The deferred Tax Asset as on 31.03.2016 is as under:

Particulars	Deferred Tax Asset As on 31.03.2015	Credit/charge during the year	Deferred Tax Asset as on 31.03.2016
Depreciation	Rs. 9,75,806/-	Rs. 62,613/-	Rs. 10,38,419/-

**8. Related Parties Disclosures**

The Related Parties disclosure and transactions with them during the year in the ordinary course of business are as follow:

**Key Management Personnel**

- Sandeep Jain
- Deepika Jain







### List of Related Parties

- V.K. Jain
- Praveen Jain

### Transactions with the Related Parties during the year and balance as 31.03.2016

<u>Nature of transaction</u>	<u>Amount</u>	<u>Amount</u>	<u>Balance as on 31.03.16</u>
- Loan Received / Repaid	--	6,70,000/-	NIL
- Loan Given / Recvd back	--	53,86,302/-	NIL
- Advance/Security Given	50,00,000/-	--	50,00,000/-
- Directors' Remuneration	24,00,000/-	--	3,50,266/-
- Rent Paid	6,00,000/-	--	NIL

9. The parties' accounts, whether in debit or credit, are subject to confirmation.

10. Details of Auditors' Remuneration are as under :

	<u>2015-16</u>	<u>2014-15</u>
Audit Fees	1,10,000.00	1,10,000.00
Income Tax	50,000.00	50,000.00
Service Tax/Ed.cess	<u>24,000.00</u>	<u>22,400.00</u>
	<u>1,84,000.00</u>	<u>1,82,400.00</u>

11. Earning per Share

Basic & Diluted Earning per Share of the Company is as under:

	<u>2015-16</u>	<u>2014-15</u>
Profit after Tax (A)	Rs. 2,33,066/-	Rs. 6,37,093/-
Wtd. Average No. of Shares	10,000	10,000
Nominal Value per share	10/-	10/-
Earning per Share (Rs.)	Rs. 23.31	Rs. 63.71

### AB. SIGNIFICANT ACCOUNTING POLICIES

#### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accounts of the company are prepared under historical cost convention and on accrual basis, in accordance with the generally accepted accounting principles in India, the applicable Accounting Standards issued by the ICAI and the relevant provisions of The Companies Act, 1956, except otherwise stated.

#### 2. USE OF ESTIMATES

The preparation of financial statements requires management to make certain estimates assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual amounts and estimates are recognized in the period in which they materialize.

#### 3. FIXED ASSETS

Fixed Assets have been stated at cost. The cost means cost of acquisition inclusive of freight, duties and incidental expenses and as reduced by accumulated depreciation, if any.

#### 4. DEPRECIATION


Depreciation on fixed assets has been provided on 'WDV method' based on the useful life of the assets as prescribed in schedule II to the Companies Act, 2013.



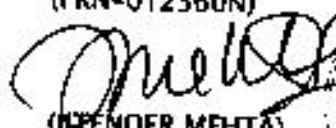
5. **INVESTMENTS**  
Investment in the Immovable Property have been shown at cost.
6. **INVENTORY**  
Inventories of stock in trade are valued at lower of cost and market value and has been taken at as valued, verified and certified by the management.
7. **REVENUE RECOGNITION & ACCRUAL OF EXPENSES**  
Sales are recognized at Sale Value exclusive of taxes and are recorded at net of discounts and sales returns, if any.  
All expenses are charged to Profit & Loss Account as and when accrued. Provisions are made for all known losses and liabilities.
8. **FOREIGN CURRENCY TRANSACTIONS**  
Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transaction.  
Foreign exchange differences arising at the time of settlement are recognized as income or expense, as "Exchange Difference" in the Statement of Profit & Loss.  
All Liabilities /Assets on account of foreign currency are converted at the exchange rate prevailing at the end of the year.
9. **BORROWING COSTS**  
Borrowing Cost related to general business activities are recognized as an expense in the period in which these are incurred.
10. **TAXES ON INCOME**  
Provision for Current Income Tax is made on the current tax rate based on the assessable income computed under the Income Tax Act, 1961.  
Deferred Tax Assets and Liabilities are recognized for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted as a the Balance Sheet date.

Place : New Delhi  
Dated: 29.08.2016

  
(SARDEEP JAIN)  
Mg. Director  
(DIN-02365790)

  
(Mrs. DEEPIKA JAIN)  
Director  
(DIN-02365797)

As per our separate report of even date.  
For J. MEHTA & COMPANY  
Chartered Accountants  
(FRN-012560N)

  
(J.PENDER MEHTA)  
Proprietor  
(M.No. 091174)

