

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of **HAKOBA LIFESTYLE LIMITED** will be held at the Registered Office of the Company situated at Unit No, 101B, 1st Floor, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (West), Mumbai - 400 058 Tuesday, the 4th September, 2018 at 11:00 a.m. to transact the following businesses:

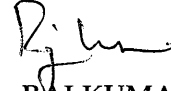
ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2018 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Harsh Vardhan Bassi (DIN 00102941) who retires by rotation and being eligible, offers himself for reappointment.
3. To re-appoint M/s. M B A H & CO, (ICAI Reg No. 121426W), Chartered Accountants as Statutory Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution:

"RESOLVED THAT pursuant to the provision of Companies Act, 2013 (as amended or re-enacted from time to time), the consent of the members be and is hereby accorded for re-appointment of M/s. M B A H & CO, (ICAI Reg No. 121426W), Chartered Accountants for a period five years i.e. from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in 2023, at a remuneration as decided in consultation with it.

"RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby authorised to file necessary Form with ROC."

By Order of the Board of Directors
For **HAKOBA LIFESTYLE LIMITED**



RAJ KUMAR SEKHANI

Chairman

DIN:00102843

Place : Mumbai
Date : 28th May, 2018

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. Proxy shall not have the right to speak at the meeting and shall not be entitled to vote at the meeting except on a poll.
2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The documents mentioned in the Notice of the Meeting are available for inspection to the Members of the Company at the registered office of the Company during business hours.



DIRECTORS' REPORT

To,
The Members,
HAKOBA LIFESTYLE LIMITED

Yours Directors are pleased to present the 25th Annual General Meeting Report together with the Audited Annual Accounts for the period ended on 31st March, 2018.

1. Financial summary or highlights/Performance of the Company

Particulars	(₹ In lakh)	
	Year Ended 31 st March, 2018	Year Ended 31 st March, 2017
Total Income	6.85	809.94
Less: Expenditure (before depreciation, interest and tax)	3.91	488.80
Net Profit/(Loss) for the year (before Depreciation, Finance Costs and Tax)	2.94	321.14
Less: Depreciation and Finance Costs	0.03	5.22
Net Profit for the year (before tax)	2.91	315.92
Less: Provision for Tax	--	--
Add/(Less): - Exception Items	--	--
Net Profit after Tax for the year	2.91	315.92

Net profit for the year stood at ₹2.94 lakh as against net profit of ₹321.14 lakh during the previous year, which was mainly due to write back of interest liabilities of ₹799.65 lakh on One Time Settlement (OTS) with Standard Chartered Bank.

2. Dividend:

Your Directors do not recommend any dividend for the year, so as to conserve the resources.

3. Reserves:

In view of carry forward losses, the Company does not propose to carry any amount to reserves.

4. Brief Description of the Company's Working during the Year/State Of Company's Affair:

There was no operation during the year under review.

5. Change in Nature of Business, if any:

There was no change in the nature of business.



6. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:

Your Directors' further states that there are no material changes have taken place affecting the financial position of the Company from the date of closure of financial year till the signing of Accounts.

7. Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future:

No material orders have been passed by Regulator or any Court or any Tribunal which can impact the going concern status and Company's operations in future.

8. Details of Subsidiary Companies:

The Company does not have any Subsidiary / Joint Ventures / Associate Companies.

9. Deposits:

During the year the Company has not accepted any Deposits falling within the preview of Chapter V of the Companies Act, 2013 and Rules made there under.

10. Statutory Auditors:

M/s M B A H & CO, Chartered Accountants, Mumbai having ICAI Firm Registration No.121426W were appointed for a period of 3 years to hold office of Statutory Auditor till the conclusion of 25th Annual General Meeting of the Company. Therefore, it is proposed to re-appoint for further period of 5 years from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in 2023 and are eligible for re-appointment.

M/s M B A H & CO had submitted written confirmation to the Company that their appointment, is in conformity with the limits specified in Section 139 of the Companies Act, 2013.

11. Share Capital:

During the year under review, there is no change in Share Capital of the Company.

12. Auditors' Report:

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There are no observations/qualifications contained in the Auditors' Report and therefore there are no explanations to be provided for in this report.



13. Extract of the Annual Return:

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the annual return in Form No. MGT-9 is appended as Annexure of the Board's Report.

14. Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The particulars as prescribed under Sub-section (3) (m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are as follows:

- A) Conservation of energy: NIL
- B) Technology absorption: NIL
- C) Foreign Exchange Earnings and Outgo: NIL

15. Directors and Key Managerial Personnel:

There were no changes in Directors or Key Managerial Person by way of appointment, re-designation, death or disqualification, variation made or withdrawn.

16. Number of Meetings of the Board of Directors:

The Board of Directors met Five (5) times during the Financial Year. The intervening gap between any two meetings was not more than 120 days as prescribed by the Companies Act, 2013. Details of date of Board meeting are as under:

Sr. No.	Type of Meeting	Date
1.	Board Meeting	29/05/2017
2.	Board Meeting	11/08/2017
3.	Board Meeting	14/09/2017
4.	Board Meeting	13/12/2017
5.	Board Meeting	12/02/2018

17. Particulars of Loans, Guarantees or Investments under Section 186:

The Company has not given any loans or made investment during the financial year as applicable under section 186 of the Companies, Act 2013.

18. Particulars of Contracts or Arrangements with Related Parties:

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.



19. Managerial Remuneration:

- A) Details of every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 - **Not Applicable**
- B) Any director who is in receipt of any commission from the Company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report. - **Not Applicable**

20. Risk Management Policy:

In the opinion of the Board no element of risk exists which threaten the existence of the Company.

21. Directors' Responsibility Statement:

As stipulated under clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors subscribe to the Directors Responsibility Statement and state that:

- a) In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation and there are no material departures from them;
- 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 the Companies Act, 2013 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;
- 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.

22. Corporate Social Responsibility:

The provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility are not applicable as the Company is not falling under the said parameters.

23. Internal Financial Controls:

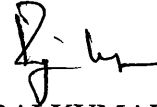
The Company has an Internal Financials Control system, commensurate with the size, scale and complexity of its operations.



24. Acknowledgements:

The Directors wishes to place on record their sense of appreciation of the devoted services rendered by the Executives, Staff and Workers for the continuous growth and success. Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Bankers, Government authorities, customers, vendors and members during the year under review.

For on behalf of the Board of Directors

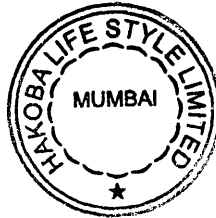


RAJ KUMAR SEKHANI
Chairman
DIN:-00102843



HARSH VARDHAN BASSI
Director
DIN:-00102941

Place:- Mumbai,
Date:- 28th May, 2018



FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on March 31, 2018
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:
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i	CIN	U67190MH1993PLCO72786
ii	Registration Date	12th July, 1993
iii	Name of the Company	Hakoba Lifestyle Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/ India Non-Government Company
v	Address of the Registered office & contact details	Unit 101b, 1st Flr, Abhishek Premises, Plot No.C5-6 , Dalia Ind. Est., Off. New Link Road, Andheri (W) Mumbai-400058. Tel No.:(022)42232323 Fax No.: (022)42232313
vi	Whether listed company	Unlisted
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No.	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Embroidered Fabric, Laces, Crochet Laces	13991	100.00

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	PIONEER EMBROIDERIES LIMITED Unit 101b, 1st Flr, Abhishek Premises, Plot No.C5-6 , Dalia Ind. Est., Off. New Link Road, Andheri (W) Mumbai-400058	L17291MH1991PLCO63752	HOLDING COMPANY	100.00	2(46)



IV SHAREHOLDING PATTERN (Equity Share capital Break up as % of total Equity) (Financial Year 2017-18)

(i) Category-wise Share Holding:-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	-	4846312	4846312	100.00	-	4846312	4846312	100.00	0.00
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL(A) (1):	-	4846312	4846312	100.00	-	4846312	4846312	100.00	0.00
(2) Foreign	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	4846312	4846312	100.00	-	4846312	4846312	100.00	0.00
B. PUBLIC SHAREHOLDING									-
(1) Institutions	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non Institutions									0.00
a) Bodies corporates	-	0	0	0	-	0	0	0	0.00
SUB TOTAL (B)(2):	-	0	0	0	-	0	0	0	0.00
Total Public Shareholding	-	0	0	0	-	0	0	0	0.00
C. Shares held by Custodian for	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	-	4846312	4846312	100	-	4846312	4846312	100	0.00

(ii) SHARE HOLDING OF PROMOTERS

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	PIONEER EMBROIDERIES LIMITED	4846312	100.00	-	4846312	100.00	-	0.00
	Total	4846312	100.00	-	4846312	100.00	-	0.00



(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sr. No.	Particulars	Share holding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	PIONEER EMBROIDERIES LIMITED				
	At the beginning of the year	4846312	100.00		
	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil	Nil	Nil	Nil
	At the end of the year			4846312	100.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Bought during the year	NIL	NIL	NIL	NIL
	Sold during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

(v) Shareholding of Directors & KMP

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
			Secured Loans excluding deposits	Total Indebtedness
Indebtness at the beginning of the financial year			-	-
i) Principal Amount			-	-
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			-	-
Total (i+ii+iii)			-	-
Change in Indebtedness during the financial year			-	-
Additions			-	-
Reduction(Net)			-	-
Net Change			-	-
Indebtedness at the end of the financial year			-	-
i) Principal Amount			-	-
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			-	-
Total (i+ii+iii)			-	-

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: NIL

B. Remuneration to other directors: (Financial Year 2017-18):-NIL

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:- NIL

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES (Financial Year 2017-18):-NIL



M B A H & CO

CHARTERED ACCOUNTANTS

120, MIDAS, Sahar Plaza Complex, Andheri Kurla Road,
Andheri (East), Mumbai 400059

INDEPENDENT AUDITOR'S REPORT

To,

The Members of Hakoba Lifestyle Limited,

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act.; This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditors' Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its loss (financial performance including comprehensive income), its cash flows and the changes in equity for the year ended on that date.



Report on Other Legal and Regulatory Requirements

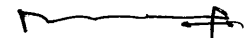
1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of Section 143(11) of the Act (hereinafter referred to the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Standalone Financial Statements dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - (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 disclosed the impact, if any, of 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;
 - iii. there is no amount that is required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosure requirements relating to holding as well as dealings in Specified Bank Notes were applicable for the period from 8th November, 2016 to 31st December, 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For M B A H & CO

Chartered Accountants

(Firm's Registration Number: 121426W)





MAHESH BHAGERIA

Partner

Membership Number: 034499

Place: Mumbai

Date: 28th May, 2018

Annexure "A" to the Independent Auditors' Report

Referred to in Paragraph 1 under section Report on Other Legal and Regulatory Requirements, of our report of even date to the members of Hakoba Lifestyle Limited on the standalone financial statements for the year ended 31st March, 2018.

- i. a) The Company is generally maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management in accordance with the phased verification program, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its fixed assets. No material discrepancies have been noticed on such verification.
- c) There are no immovable properties in the Company; therefore, this clause is not applicable.
- ii. As explained to us, the physical verification of inventories has been conducted at reasonable intervals by the management and there were no material discrepancies noticed on physical verification.
- iii. As per the information and explanation given to us and the records produced before us for verification, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
- 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 in respect of the loans, investments, guarantees, and securities except that such loans are given interest free.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits, in terms of 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 rules framed there under.
- vi. According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act.
- vii. a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. There are no undisputed statutory dues which are in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, details of dues of income-tax or sales-tax or service tax or duty of customs or duty of excise or value added tax, which have not been deposited as on 31st March, 2018 on account of any dispute are given below:

Particulars	Year to which the matter pertains	Forum where matter is pending	Amount (₹ in lacs)
Sales Tax	FY 2005-06	Deputy Commissioner (Appeals)	25.89

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks.
- ix. In our opinion and according to the information and explanations given to us, the company has not taken any term loans during the year.
- x. According to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.



- xi. According to the information and explanations given to us, no managerial remuneration has been paid or provided by the company.
- xii. In our opinion, the Company is not a Nidhi Company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M B A H & CO
Chartered Accountants
(Firm's Registration Number: 121426W)



MAHESH BHAGERIA
Partner

Membership Number: 034499

Place: Mumbai
Date: 28th May, 2018

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 Act.

We have audited the internal financial controls over financial reporting of **Hakoba Lifestyle Limited** ("the Company"), as of 31st March, 2018 in conjunction with our audit of the standalone 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 Act.

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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial 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 evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M B A H & CO
Chartered Accountants
(Firm's Registration Number: 121426W)



A handwritten signature in black ink, appearing to read "Mahesh Bhageria".

MAHESH BHAGERIA
Partner

Membership Number: 034499

Place: Mumbai
Date: 28th May, 2018

Hakoba Lifestyle Ltd.

Regd Office: 101-B, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate,
Off New Link Road, Andheri (W), Mumbai 400058

BALANCE SHEET AS AT MARCH 31, 2018

(Rs. in lakhs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I ASSETS				
1 Non-Current Assets				
(a) Property, Plant & Equipments	3			
(i) Tangible Assets		-	-	25.07
(ii) Other Intangible Assets		0.05	0.05	2.58
(b) Financial Assets				
(i) Other Non-Current Financial Assets	4	18.16	17.38	16.45
2 Current Assets				
(a) Inventories	5	67.76	64.47	73.71
(b) Financial Assets				
(i) Trade Receivables	6	257.02	258.42	257.54
(ii) Cash and Cash Equivalents	7	0.43	0.43	15.98
iii) Others	8	571.50	564.85	1,013.10
(c) Current Tax Assets	9	3.77	3.79	3.61
		918.69	909.39	1,408.04
1 Equity				
(a) Equity Share Capital	10	484.63	484.63	4,846.31
(b) Other Equity	11	(102.82)	(105.73)	(5,258.33)
2 Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	12	181.90	181.90	181.90
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	252.88	238.82	1,524.82
(ii) Trade Payables	14	46.09	52.40	51.13
(iii) Other Current Liabilities	15	56.01	57.37	62.21
		918.69	909.39	1,408.04

Significant Accounting Policies and other Notes to Financial Statements.

1-30

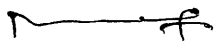
The accompanying Notes are an integral part of the Financial Statements.

As per our Report of even date

For M B A H & CO

Chartered Accountants

(Firm's Registration No.: 121426W)



MAHESH BHAGERIA

Partner

Membership Number: 034499

Place: Mumbai

Date: 28th May, 2018



For & on behalf of the Board


RAJ KUMAR SEKHANI

Chairman

DIN 00102843


HARSH VARDHAN BASSI

Director

DIN 00102941



Hakoba Lifestyle Ltd.

Regd Office: 101-B, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate,

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in lakhs)

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue			
I Revenue from Operations	16	(3.08)	6.26
II Other Income	17	9.93	803.68
III Total Revenue		6.85	809.94
IV Expenses			
Cost of Materials Consumed	18	(3.29)	9.24
Employee Benefits Expense	19	1.45	-
Finance Costs	20	0.03	5.22
Other Expenses	21	5.75	479.57
Total Expenses		3.94	494.02
V Profit before Exceptional Items and Tax (III-IV)		2.91	315.92
VI Exceptional Items		-	-
VII Profit/ (loss) before Tax		2.91	315.92
VIII Tax Expenses		-	-
IX Profit / (Loss) for the year (A)		2.91	315.92
X Other Comprehensive Income			
Items that will not reclassified to Statement of Profit and Loss (Net of Tax)		-	-
Other Comprehensive Income for the year (B)		-	-
XI Total Comprehensive Income for the year (A+B)		2.91	315.92
XII Earning per Equity Share of Rs. 10/-			
(1) Basic (Rs.)		0.06	6.52
(2) Diluted (Rs.)		0.06	6.52

Significant Accounting Policies and other Notes to Financial Statements. 1-30

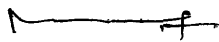
The accompanying Notes are an integral part of the Financial Statements.

As per our Report of even date

For M B A H & CO

Chartered Accountants

(Firm's Registration No.: 121426W)



MAHESH BHAGERIA

Partner

Membership Number: 034499

Place: Mumbai

Date: 28th May, 2018



For & on behalf of the Board


RAJ KUMAR SEKHANI

Chairman

DIN 00102843


HARSH VARDHAN BASSI

Director

DIN 00102941

Hakoba Lifestyle Limited

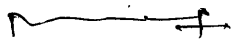
Regd Office: 101-B, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate,
Off New Link Road, Andheri (W), Mumbai 400058

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) before extraordinary items and tax	2.91	315.92
<u>Adjustment for :</u>		
Interest Income	(0.85)	(1.11)
Provision no longer required written back	-	(799.65)
Finance Costs	0.03	5.22
Sundry Balance written off	-	430.85
Fixed Assets written off	-	26.61
Loss on Sale of Fixed Assets	(0.82)	0.57
Operating Profit / (Loss) before working capital changes	2.09	(21.59)
<u>Changes in working capital:</u>		
Inventories	(3.29)	9.24
Trade and Other Receivables	(6.03)	15.59
Trade and Other Payables	(7.67)	(3.57)
Cash generated from operation	(14.90)	(0.33)
Net income tax (paid) / refunds	0.02	0.02
Net Cash from Operating Activities	(14.88)	(0.51)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from Sale of Fixed Assets	-	0.42
Interest Received - Others	0.85	1.11
Net cash from / (used) in Investing Activities	0.85	1.53
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Net increase / (decrease) in Working Capital Borrowings	-	(250.00)
Net increase / (decrease) in Other Short Term Borrowings	14.06	238.65
Finance Costs	(0.03)	(5.22)
Net cash used in Financing Activities	14.03	(16.57)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	-	(15.55)
Opening Cash and Cash Equivalent	0.43	15.98
Closing Cash and Cash Equivalent	0.43	0.43

As per our Report of even date attached herewith
For **M B A H & CO**
Chartered Accountants
(Firm's Registration Number: 121426W)


MAHESH BHAGERIA
Partner
Membership Number: 034499
Place: Mumbai
Date: 28th May, 2018



For & on behalf of the Board


RAJ KUMAR SEKHANI
DIN 00102843


HARSH VARDHAN BASSI
Director
DIN 00102941

Hakoba Lifestyle Ltd

Regd Office: 101-B, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate,
Off New Link Road, Andheri (W), Mumbai 400058

Statement of Change in Equity for the Year Ended March 31, 2018

(Rs. in lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount	No. of Shares	Amount
(a) Equity Share Capital & Reconciliation of number of shares outstanding at the beginning and end of the year :				
Balance at the beginning of the year	4,846,312	484.63	48,463,117	4,846.31
Changes in Equity Share Capital during the year (Reduction in Capital)	-	-	(43,616,805)	(4,361.68)
Balance at the end of the year	4,846,312	484.63	4,846,312	484.63

(b) Other Equity

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Security Premium Reserve	Retained Earnings	Remeasurement of Defined Benefit Plans	
Restated balance at the beginning of the reporting period	856.59	(6,114.92)	-	(5,258.33)
Profit for the year	-	315.92	-	315.92
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income for the year	-	315.92	-	315.92
Reduction in Capital	-	4,361.68	-	4,361.68
Consequent to Settlement of Loans	-	475.00	-	475.00
Balance at March 31, 2017	856.59	(962.32)	-	(105.73)
Profit / (Loss) for the year	-	2.91	-	2.91
Other Comprehensive Income for the year	-	-	-	-
Balance at March 31, 2018	856.59	(959.41)	-	(102.82)

Securities Premium Reserve: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

As per our Report of even date attached herewith

For **M B A H & CO**

Chartered Accountants

(Firm's Registration Number: 121426W)

MAHESH BHAGERIA

Partner

Membership Number: 034499



Place: Mumbai

Date: 28th May, 2018

For and on behalf of Board of Directors



[Signature]

RAJ KUMAR SEKHANI

Director

DIN 00102843

HARSH VARDHAN BASSI

Director

DIN 00102941

1 Reporting Entity

Hakoba Lifestyle Limited referred to as "the Company" is domiciled in India. The Company's registered office is at Mumbai. The Company is a manufacturer of Embroidery & Lace Products.

2 Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

2.1 Basis of Preparation

The standalone financial statements of Hakoba Lifestyle Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other accounting principles generally accepted in India.

The financial statement up to year ended March 31, 2017 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2014 issued by the Central Government and as per relevant provisions of the Companies Act, 2013 read together with Paragraph 7 of The Companies (Accounts) Rules, 2014.

The Company followed the provisions of Ind-AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition i.e. April 1, 2016 and transitional adjustment were recognized directly through retained earnings. (Refer Note No. 28).

2.2 Basis of Measurement

The financial statements have been prepared under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 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 inputs are unobservable inputs for the asset or liability.

2.3 Functional and Presentation Currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

2.4 Use of Judgements and Estimates

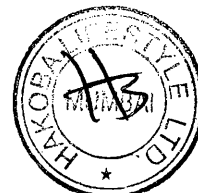
In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of leases into finance and operating lease
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.



Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

2.5 Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liabilities is treated as current when it is:

- Expected to be realised/settled (liabilities) or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets/liabilities.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.6 Property, Plant and Equipment (Fixed Assets)

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

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

Foreign exchange loss/gain arising on long-term foreign currency monetary items existing as on April 1, 2016 used for depreciable assets, which are capitalised as per transitional provision of Ind AS 101 "First time adoption".

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

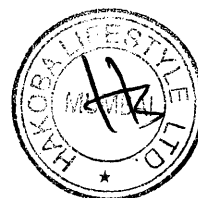
Individual assets costing below Rs. 5000 are fully depreciated in the year of purchase.

Capital work-in-progress

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.



2.7 Intangible Assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 10 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.8 Non-current Assets held for Sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.9 Impairment of Non-financial Assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.10 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

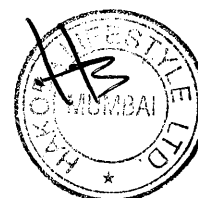
2.11 Foreign Currency Transactions

Transactions in foreign currencies are recorded by the Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- In respect of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind as financial reporting period, the Company has elected to recognise exchange differences on translation of such long term foreign currency monetary items in line with its Previous GAAP accounting policy.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.



2.12 Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.13 Revenue Recognition

The Company recognises revenue from sale of goods when;

- i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii) the amount of revenue can be measured reliably;
- iii) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- iv) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

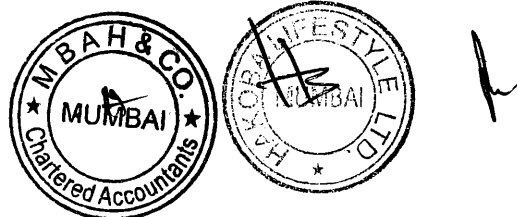
Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

Interest income are recognised on an accrual basis using the effective interest method.

2.14 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials and stores & spare parts is computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.



2.15 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.16 Measurement of Fair Value

a) Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

2.17 Financial Instruments

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Financial assets at fair value through profit and loss (FVTPL)

Any Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a Financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:



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- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities designated upon initial recognition as at fair value through profit and loss.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

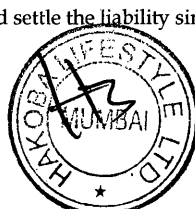
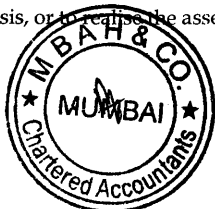
2.18 Income Tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- Has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



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Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In view of uncertainty to have taxable income in immediate future as prudent, no deferred tax assets are recognised for the year.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.19 Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the percentage value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company.

2.21 Standard issued but not yet effective

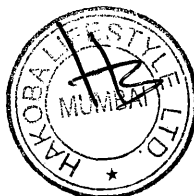
The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standards issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' and Ind AS 115, 'Revenue from Contracts with Customers.' The amendments are applicable to the Company from April 1, 2018.

(a) Amendment to Ind AS 21

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.



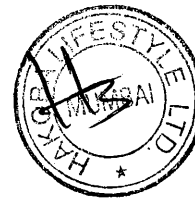
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(b) Amendment to Ind AS 115

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.



3. Property, Plant and Equipments

Hakoba Lifestyle Ltd.
Notes to Financial Statements for the year ended March 31, 2018

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As at April 1, 2017	ADDITION	DEDUCTION/ ADJUSTMENTS	As at March 31, 2018	As at April 1, 2017	ADDITION	DEDUCTION/ ADJUSTMENTS	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	As at April 1, 2017
Tangible Assets:												
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets												
Hakoba Brand	0.05	-	-	0.05	-	-	-	-	0.05	-	-	0.05
Sub Total	0.05	-	-	0.05	-	-	-	-	0.05	-	-	0.05
Total	0.05	-	-	0.05	-	-	-	-	0.05	-	-	0.05

3.1 Depreciation is provided on fixed assets over the remaining useful life in accordance with the provisions of Schedule II of the Act.

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As at April 1, 2016	ADDITION	DEDUCTION/ ADJUSTMENTS	As at March 31, 2017	As at April 1, 2016	ADDITION	DEDUCTION/ ADJUSTMENTS	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016	
Tangible Assets:												
Air Conditioners	7.98	-	7.98	-	-	-	-	-	-	-	7.98	
Vehicles	-	-	-	-	-	-	-	-	-	-	-	
Plant & Machinerries	0.99	-	0.99	-	-	-	-	-	-	-	0.99	
Office Equipments	-	-	-	-	-	-	-	-	-	-	-	
Computers	-	-	-	-	-	-	-	-	-	-	-	
Electrical Equipments	0.83	-	0.83	-	-	-	-	-	-	-	0.83	
Furniture & Fixtures	15.27	-	15.27	-	-	-	-	-	-	-	15.27	
Sub Total	25.07	-	25.07	-	-	-	-	-	-	-	25.07	
Intangible Assets												
Software	2.53	-	2.53	-	-	-	-	-	-	-	2.53	
Hakoba Brand	0.05	-	-	0.05	-	-	-	-	0.05	-	0.05	
Sub Total	2.58	-	2.53	0.05	-	-	-	-	0.05	-	2.58	
Total	27.65	-	27.60	0.05	-	-	-	-	0.05	-	27.65	

3.2 a) Depreciation is provided on fixed assets over the remaining useful life in accordance with the provisions of Schedule II of the Act.
b) Fixed Assets being obsolete and no longer in use are written off during the year.

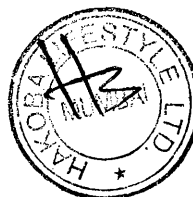


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Notes to Financial Statements for the Year Ended March 31, 2018

(Rs. in lakhs)

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
4. Other Non-Current Financial Assets			
Fixed Deposits in Banks with more than 12 months maturity	16.91	16.13	15.20
NSC	1.25	1.25	1.25
	18.16	17.38	16.45
5. Inventories			
Valued at Cost or NRV, whichever is lower			
Raw Materials	67.76	64.47	73.71
	67.76	64.47	73.71
6. Trade Receivables			
Unsecured			
Considered Good	257.02	258.42	257.54
	257.02	258.42	257.54
7. Cash & Cash Equivalents			
Bank Balances in Current Accounts	0.42	0.42	0.63
Cash on Hand	0.01	0.01	15.35
	0.43	0.43	15.98
8. Other Financial Current Assets			
Unsecured, Considered Good:			
Other Loans and Advances - Related Party	564.85	564.85	567.25
Advances recoverable in cash or in kind	-	-	365.85
Other Loans and Advances - Others	6.65	0.00	80.00
	571.50	564.85	1,013.10
9. Current Tax Assets			
Unsecured, Considered Good:			
Advance Taxes & TDS	3.77	3.79	3.61
	3.77	3.79	3.61



Notes to Financial Statements for the Year Ended March 31, 2018

10. Share Capital

(a) Details of authorised, issued and subscribed share capital

(Rs. in lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised						
Equity Shares of Rs.10 each	50,000,000	5,000.00	50,000,000	5,000.00	50,000,000	5,000.00
Issued, Subscribed & Paid up						
Equity Shares of Rs.10 each with voting rights	4,846,312	484.63	4,846,312	484.63	48,463,117	4,846.31
	4,846,312	484.63	4,846,312	484.63	48,463,117	4,846.31

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

As at the beginning of the financial year	4,846,312	484.63	48,463,117	4,846.31		
Less: Reduction during the year	-	-	43,616,805	4,361.68		
As at the end of the financial year	4,846,312	484.63	4,846,312	484.63	48,463,117	4,846.31

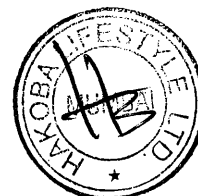
The Company has reduced its share capital from 48,463,117 equity shares of `10 each to 4,846,312 of `10 each during the year vide high court order dated 2nd December, 2016.

Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of equity shares having a par value of `10 per share. Each shareholders is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In case 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 Equity Shareholding more than 5% in the Company on reporting date:

Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights						
Pioneer Embroideries Ltd. (Holding Co.)	4,846,312	100%	4,846,312	100.00%	46,439,000	95.82%

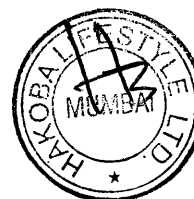


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Notes to Financial Statements for the Year Ended March 31, 2018

(Rs in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
11. Other Equity			
Securities Premium Reserve			
Opening Balance	856.59	856.59	
	<u>856.59</u>	<u>856.59</u>	
Retained Earnings			
Opening Balance	(962.32)	(6,114.92)	
Reduction in Capital	-	4,361.68	
Add: Consequent to Settlement of Loans	-	475.00	
Add: Profit/(Loss) for the year	2.91	315.92	
Balance as at the end of the year	<u>(959.41)</u>	<u>(962.32)</u>	
	<u>(102.82)</u>	<u>(105.73)</u>	
12. Long Term Borrowings			
Unsecured Loans			
Related Party	1.90	1.90	
Others	180.00	180.00	
	<u>181.90</u>	<u>181.90</u>	
12.1 All unsecured loans are interest free and repayable after 31.03.2019. These loans are subject to confirmation and reconciliation.			
13. Short Term Borrowings			
Secured Loans			
Cash Credit Facility from Bank	-	-	1,524.65
Unsecured Loans			
Related Party			
Pioneer Embroideries Ltd. (Holding Co.)	252.88	238.82	0.17
	<u>252.88</u>	<u>238.82</u>	<u>1,524.82</u>
14. Trade Paybles			
For Goods and Services	46.09	52.40	51.13
	<u>46.09</u>	<u>52.40</u>	<u>51.13</u>
14.1 The Company has not received any intimation from its suppliers being registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSME). Hence the necessary disclosure required under MSME Act, 2006 can not be made.			
15. Other Current Financial Liabilities			
Payables			
For Others	56.01	57.37	62.21
	<u>56.01</u>	<u>57.37</u>	<u>62.21</u>



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Notes to Financial Statements for the Year Ended March 31, 2018

(Rs. in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
16 Revenue From Operations		
Sale of products - Fabrics		
Domestic Sales *	(3.08)	6.26
	(3.08)	6.26
* net of returns.		
17. Other Income		
Interest on Bank Deposits	0.85	1.11
Interest Provision no longer required written back	-	799.65
Miscellaneous Income	-	2.92
Sundry Balance Written Off/back	9.08	-
	9.93	803.68
18. Cost Of Material Consumed		
Opening Stock	64.47	73.71
Less: Closing Stock	67.76	64.47
	(3.29)	9.24
19. Employee Benefit expense		
Salary & Wages	1.45	-
	1.45	-
20. Finance Costs		
Interest on Borrowings	-	5.11
Others	0.03	0.11
	0.03	5.22
21. Other Expenses		
Auditors Remuneration*	0.19	0.35
Insurance	0.14	0.20
Legal & Professional Expense	2.86	1.75
Miscellaneous Expenses	1.27	2.12
Rates & Taxes	-	3.50
Penalty on Taxes	0.63	0.12
Prior Period Expenses	0.16	13.50
Loss on Sale of Fixed Assets	-	0.57
Fixed Assets Written off	-	26.61
Sundry Balance written off	-	430.85
Travelling & Conveyance	0.50	-
	5.75	479.57
* Details of Auditor's Remuneration		
Payments to the auditor as		
	0.19	0.35
	0.19	0.35



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Particulars	As at	As at	As at
	31 March 2018	31 March 2017	1 April 2016
22 Contingent Liabilities not provided for in respect of			
a) Corporate Guarantees to its Holding Company	1,783.00	1,783.00	1,676.00
b) VAT/Sales Tax demand raised by the Sales Tax Department	25.89	25.89	25.89

In the opinion of the management, there is no contingent liability other than stated above and adequate provision have been made for all known liabilities, except interests and penalties as may arise.

23 As there is no virtual certainty that sufficient future taxable income will be available, as a prudent consideration, the deferred tax asset/liability have not been recognized in the accounts.

24 According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Textile" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

25 Earning per Equity Share

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit/(Loss) after Tax	2.91	315.92
Weighted Average Number of Equity Shares of Rs. 10 each (fully paid-up)	4,846,312	4,846,312
Earning per Share -Basic & Diluted (Rs.)	0.06	6.52

26 Related Party Transactions :

Name of related party and nature of relationship:
Holding Company
Associate Concerns

Pioneer Embroideries Ltd.
Pioneer E-Com Fashions LLP
(formerly known as Pioneer E-Com Fashions Ltd.)

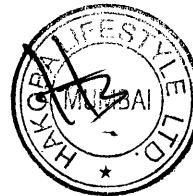
Key Management Personnel

Shri Raj Kumar Sekhani
Shri Harsh Vardhan Bassi
Raj Kumar Sekhani (HUF)

Relative of Key Management Personnel & their Enterprises

Nature of Transactions:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
i) Loans and Advances received/(paid) during the year		
Pioneer E-Com Fashions LLP		2.40
ii) Balance outstanding as at the year end		
Borrowings		
Pioneer Embroideries Ltd.	252.88	238.82
Raj Kumar Sekhani (HUF)	1.90	1.90
Loans & Advances		
Pioneer E-Com Fashions LLP	564.85	564.85



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27 Financial instruments

I. Fair value measurements

A. Financial instruments by category

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets						
Trade receivables	-	257.02	-	258.42	-	257.54
Cash and cash equivalents	-	0.43	-	0.43	-	15.98
Others						
Non Current	-	18.16	-	17.38	-	16.45
Current	-	571.50	-	564.85	-	1,013.10
	-	847.11	-	841.08	-	1,303.07
Financial liabilities						
Long Term Borrowings	-	181.90	-	181.90	-	181.90
Short terms borrowings	-	252.88	-	238.82	-	1,524.82
Trade payables	-	46.09	-	52.40	-	51.13
Others	-	56.01	-	57.37	-	62.21
	-	536.88	-	530.49	-	1,820.06

The carrying amounts of the abovementioned financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

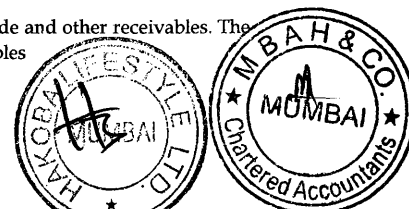
Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the President of the Company.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

Signature



Notes to Financial Statements for the Year Ended March 31, 2018

(Rs. in lakhs)

The carrying amount net of credit loss allowances of trade receivables is Rs. 257.02 (March 31, 2017 – Rs. 258.42, April 1, 2016 – Rs. 257.54).

Ageing of trade receivables are as under-

Particulars	Less than 6 months	6-12 months	More than 12 months	Total
As at March 31, 2018	-	-	257.02	257.02
As at March 31, 2017		6.68	251.74	258.42
As at April 1, 2016			257.54	257.54

During the period, the Company has made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amounts March 31, 2018	Contractual cash flows				
		Total	0-1 Year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	181.90	181.90	-	181.90	-	-
Short term borrowings	252.88	252.88	252.88	-	-	-
Trade payables	46.09	46.09	46.09	-	-	-
Other current financial liabilities	56.01	56.01	56.01	-	-	-
Total non-derivative liabilities	556.88	536.88	354.98	181.90	-	-

Particulars	Carrying Amounts March 31, 2017	Contractual cash flows				
		Total	0-1 Year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	181.90	181.90	-	181.90	-	-
Short term borrowings	238.82	238.82	238.82	-	-	-
Trade payables	52.40	52.40	52.40	-	-	-
Other current financial liabilities	57.37	57.37	57.37	-	-	-
Total non-derivative liabilities	530.49	530.49	348.59	181.90	-	-

Particulars	Carrying Amounts April 1, 2016	Contractual cash flows				
		Total	0-1 Year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	181.90	181.90	-	-	181.90	-
Short term borrowings	1,524.82	1,524.82	1,524.82	-	-	-
Trade payables	51.13	51.13	51.13	-	-	-
Other current financial liabilities	62.21	62.21	62.21	-	-	-
Total non-derivative liabilities	1,820.06	1,820.06	1,638.16	-	181.90	-

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for liquidity / credit management purposes and which are not usually closed out before contractual maturity.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives like forward contracts to manage market riskson account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of Directors.

v. Currency risk

The Company does not have foreign exchange risk arising from foreign currency transactions.



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Interest rate risk

The Company's main interest rate risk arises from long-term & short-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2017, the Company's borrowings at variable rate were denominated in Indian Rupees.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal Amount		
	March 31, 2018	March 31, 2017	April 1, 2016
Variable-rate instruments			
Financial liabilities	434.78	420.72	1,706.72
	434.78	420.72	1,706.72

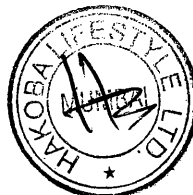
Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain

	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2018				
Cash flow sensitivity	0.22	(0.22)	0.15	(0.15)
March 31, 2017				
Variable-rate instruments	0.21	(0.21)	0.14	(0.14)
Cash flow sensitivity	0.21	(0.21)	0.14	(0.14)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.



Hakoba Lifestyle Ltd.
Notes to Standalone Financial Statements for the year ended March 31, 2018

(Rs. in lakhs)

28 First Time Adoption of Ind AS

As stated in note 2, these are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS statement of financial position at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Previous GAAP. An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

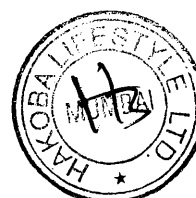
Reconciliation of equity

Particulars	Notes to first-time adoption	As at April 1, 2016			As at March 31, 2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
ASSETS							
Non-current assets							
Property, Plant and Equipment		25.07	-	25.07	-	-	-
Other Intangible Assets		2.58	-	2.58	0.05	-	0.05
Financial assets							
(ii) Other Non-Current Financial assets		16.45	-	16.45	18.16	-	18.16
Current assets							
Inventories		73.71	-	73.71	67.76	-	67.76
Financial assets							
(i) Trade receivables		257.54	-	257.54	257.02	-	257.02
(ii) Cash and cash equivalents		15.98	-	15.98	0.43	-	0.43
(iii) Other current financial assets		1,013.10	-	1,013.10	571.50	-	571.50
Current Tax Assets		3.61	-	3.61	3.77	-	3.77
TOTAL ASSETS		1,408.04	-	1,408.04	918.69	-	918.69

Particulars	Notes to first-time adoption	As at April 1, 2016			As at March 31, 2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
EQUITY AND LIABILITIES							
Equity							
Equity share capital		4,846.31	-	4,846.31	484.63	-	484.63
Other equity		(5,258.33)	-	(5,258.33)	(105.72)	-	(105.72)
LIABILITIES							
Non-current liabilities							
Financial liabilities							
(i) Borrowings		181.90	-	181.90	181.90	-	181.90
Current liabilities							
Financial liabilities							
(i) Borrowings		1,524.82	-	1,524.82	238.82	-	238.82
(ii) Trade payables		51.13	-	51.13	52.40	-	52.40
(iii) Other financial liabilities		62.21	-	62.21	57.37	-	57.37
TOTAL EQUITY AND LIABILITIES		1,408.04	-	1,408.04	909.39	-	909.39

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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Hakoba Lifestyle Ltd.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in lakhs)

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Revenue				
Revenue from operations		6.26	-	6.26
Other income		803.68	-	803.68
Total income		809.94	-	809.94
Expenses				
Cost of materials consumed		9.24	-	9.24
Finance costs		5.22	-	5.22
Other expenses		479.57	-	479.57
Total Expenses		494.03	-	494.03
Profit/ (loss) before tax		315.91	-	315.91
Profit/ (loss) for the period (A)		315.91	-	315.91
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plans		-	-	-
Total other comprehensive income for the period (B)		-	-	-
Total comprehensive income for the period (A + B)		315.91	-	315.91

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of Other equity as at March 31, 2017 and April 1, 2016

Particulars	Notes to first-time adoption	March 31, 2017	April 1, 2016
Other equity as per as per previous GAAP and Ind AS		(105.72)	(5,258.33)

Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Notes to first-time adoption	Amount
Total Comprehensive income for the year (Previous GAAP and Ind AS)		315.91

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017

There is no impact in cash flow statement on adoption of Ind-AS

- 29 a. Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.
b. Realisable value of current assets, deposits, loans and advances in the ordinary course of business will be at least equal to the amount at which they have been stated in the financial statements.
c. Some of the fixed deposits and bank accounts are subject to confirmations though reconciled with available bank statements. Some of the secured loans are also subject to confirmations though reconciled with bank statements.

30 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Company :


Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Equity Share Capital	484.63	484.63	4,846.31
Other Equity	(102.82)	(105.73)	(5,258.33)
Total Equity	381.81	378.90	(412.02)
Non-Current Borrowings	181.90	181.90	181.90
Current Borrowings	252.88	238.82	1,524.82
Total Debts	434.78	420.72	1,706.72
Less: Cash & Cash Equivalents	0.43	0.43	15.98
Net Debts	434.35	420.29	1,690.74
Capital & Net Debts	816.16	799.19	1,278.72
Debts Equity Ratio	1.14	1.11	-ve
Capital Gearing Ratio	53%	53%	132%

As per our Report of even date attached herewith

For M B A H & CO

Chartered Accountants

(Firm's Registration No.: 121426W)

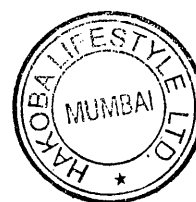

MAHESH BHAGERIA

Partner

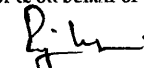
Membership Number: 034499

Place: Mumbai

Date: 28th May, 2018



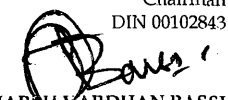
For & on behalf of the Board



RAJ KUMAR SEKHANI

Chairman

DIN 00102843



HARSHVARDHAN BASSI

Director

DIN 00102941