

**AUDITOR'S REPORT**

To,  
THE MEMBERS,  
**ENCOMPASS DESIGN INDIA PRIVATE LTD**

We have audited the attached Balance Sheet of **ENCOMPASS DESIGN INDIA PRIVATE LTD**, as at 31st, March 2012 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. **This report does not include** statement on the matter specified in paragraph 4 & 5 of The Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Sub Section (4A) of section 227 of the Companies Act, 1956 as in our opinion, the reporting requirement are not applicable to the company.
2. Further to our comments in the annexure referred to in paragraph (1) above, we report that :
  - (a) We have 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 appears from our examination of those books of the Company;
  - (c) The Balance Sheet and Profit & Loss Account dealt with by this Report are in agreement with the books of accounts;
  - (d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
  - (e) On the basis of written representation received from the directors, as on 31/03/2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March, 2012 from being appointed as a director in terms of section 274(1) (g) of the Companies Act, 1956.



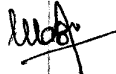
(f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India.

i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and

ii) In the case of the Profit & Loss Account, of the **Loss** of the Company for the year ended on that date which is transferred to **Pre-Operative Expenses**.



**FOR M. SABOO & CO.**  
**Chartered Accountants**

  
**(MAHESH SABOO)**  
**Proprietor**

**Membership No. 35914**

**Place: Mumbai**

**Dated: 7 JUL 2012**

**ENCOMPASS DESIGN INDIA PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2012**

|                               | <b>Note<br/>No.</b> | <b>31-03-2012<br/>Rs.</b> | <b>31-03-2011<br/>Rs.</b> |
|-------------------------------|---------------------|---------------------------|---------------------------|
| <b>EQUITY AND LIABILITIES</b> |                     |                           |                           |
| <b>Shareholders' Funds</b>    |                     |                           |                           |
| Share Capital                 | 2                   | 100,000                   | 100,000                   |
|                               |                     | <b>100,000</b>            | <b>100,000</b>            |
| <b>Current Liabilities</b>    |                     |                           |                           |
| Short-term Borrowings         | 3                   | -                         | 5,000                     |
| Other Current Liabilities     | 4                   | 5,618                     | 5,515                     |
|                               |                     | <b>5,618</b>              | <b>10,515</b>             |
| <b>TOTAL</b>                  |                     | <b>105,618</b>            | <b>110,515</b>            |
| <b>ASSETS</b>                 |                     |                           |                           |
| <b>Non Current Assets</b>     |                     |                           |                           |
| Other Non- Current Assets     | 5                   | 43,462                    | 36,141                    |
|                               |                     | <b>43,462</b>             | <b>36,141</b>             |
| <b>Current assets</b>         |                     |                           |                           |
| Cash And Bank Balances        | 6                   | 62,156                    | 74,374                    |
|                               |                     | <b>62,156</b>             | <b>74,374</b>             |
| <b>TOTAL</b>                  |                     | <b>105,618</b>            | <b>110,515</b>            |

Significant Accounting Policies  
Notes to Financial Statements from Nos 1 to 7

1

As per our report of even date attached

**For M. SABOO & CO.**  
Chartered Accountants

(MAHESH SABOO)  
Proprietor  
M. No. : 35914



For and on behalf of Board of Directors  
of Encompass Design India Pvt. Ltd.

*[Signature]*  
Director

*[Signature]*  
Director

Place : Mumbai

Date : 17 JUL 2012

**ENCOMPASS DESIGN INDIA PRIVATE LIMITED**

Notes to Financial Statements for the year ended 31 March, 2012

**2. Share Capital****Authorised**

50,000 (31 March 2011: 50,000) Equity Shares of Rs. 10/- each

**31-03-2012****Rs.****500,000****31-03-2011****Rs.****500,000****Issued, Subscribed & Fully Paid up Shares**

10,000 (31 March 2011: 10,000) Equity Shares of Rs. 10/- each fully paid up

**100,000****100,000****Total****100,000****100,000****2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period****Equity Shares:**

At the beginning of the period

**31-03-2012****Nos. Amount**  
10,000 100,000**31-03-2011****Nos. Amount**  
- -

Shares issued during the period

- -

10,000 100,000

Shares bought back during the period

- -

- -

**Outstanding at the end of the period****10,000 100,000****10,000 100,000****2.2 Terms/Rights attached to equity shares:**

The company has only one class of equity share having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

**2.5 Details of shareholders holding more than 5% share in the company Equity Shares:****31-03-2012****31-03-2011****Nos. % of Holding in the Class****Nos. % of Holding in the Class**

Mr. Rahul Mehta

5000 50%

5000 50%

Mr. Amit Dalmia

5000 50%

5000 50%

**10000 100%****10000 100%**

As per record of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



**ENCOMPASS DESIGN INDIA PRIVATE LIMITED**

Notes to Financial Statements for the year ended 31 March, 2012

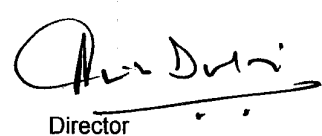
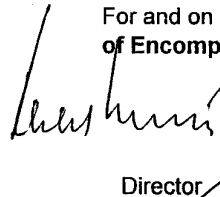
|   | 31-03-2012    | 31-03-2011    |
|---|---------------|---------------|
|   | Rs.           | Rs.           |
| <b>3. Short Term Borrowings (Unsecured)</b>                                     |               |               |
| 3.1 Interest free loans and advances from related parties (repayable on demand) | -             | 5,000         |
|   | <u>-</u>      | <u>5,000</u>  |
| <b>4. Other Current Liabilities</b>   |               |               |
| 4.1 Other payables  |               |               |
| Others  | 5,618         | 5,515         |
|   | <u>5,618</u>  | <u>5,515</u>  |
| <b>5 Other Non-Current Assets</b>   |               |               |
| 5.1 Unamortised Expenditure   | 43,462        | 36,141        |
|   | <u>43,462</u> | <u>36,141</u> |
| <b>6. Cash and Bank Balances</b>  |               |               |
| 6.1 Cash and Cash Equivalents   |               |               |
| Cash on hand  | 400           | 4,960         |
| Balance with banks  | 61,756        | 69,414        |
|   | <u>62,156</u> | <u>74,374</u> |
| <b>7. Other Expenses</b>  |               |               |
| Audit Fees  | 5,618         | 5,515         |
| Miscellaneous Expenses  | 1,703         | 12,126        |
|   | <u>7,321</u>  | <u>17,641</u> |

As per our report of even date attached

For M. SABOO & CO.  
Chartered Accountants(MAHESH SABOO)  
Proprietor  
M. No. : 35914

Place : Mumbai

Date : 7 JUL 2012

For and on behalf of Board of Directors  
of Encompass Design India Pvt. Ltd.  
Director Director