

INDEPENDENT AUDITOR'S REPORT

To the Members of **Encompass Design India Private Limited,**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Encompass Design India Private Limited** ("the Company"), which comprises the Balance Sheet as at March 31st, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of 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 financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding of the assets of the company 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 the 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 misstatements, whether due to fraud or error.

Auditor's 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 issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether



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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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at September 16, 2014 and
- (b) In the case of statement of Profit and Loss, of the **Loss** for the period ended on that date.

Report on Other Legal and Regulatory Requirements

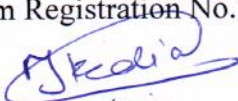
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- f) 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 does not have any pending litigations which would impact its financial position.
- ii) The company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For **V.K. Beswal & Associates**
Chartered Accountants
Firm Registration No.101083W


CA Tanay Kedia
(Partner)
Membership No.154778



Place: Mumbai
Date: **17 AUG 2015**

Annexure to the Auditor's Report even date
(Referred to in paragraph 1 thereof)

1. In respect of Fixed Assets:

- a) The Company has maintained proper records showing full particulars, quantitative details and situation of its fixed assets.
- b) The fixed assets have been physically verified by the management at reasonable intervals during the year. We are informed that no material discrepancies were noticed by the management on such verification.

2. In respect of Inventories:

- a) As explained to us physical verification of inventories has been conducted during the year by the management at reasonable intervals.
- b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification.

3. In respect of loans, secured or unsecured granted by the Company to the companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:

- a) During the year Company has not granted any loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- b) In view of our comments above, clause 4 (iii) (a), (b) of the said order is not applicable to the company.

4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of goods and fixed assets and sale of goods. Further, on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct weaknesses in the aforesaid internal control system.

5. According to the information and explanations given to us, the Company has not accepted any deposits from public.
6. As per the information and explanations provided to us, we are the opinion that the maintenance of cost records u/s. 148(1) (d) of the Companies Act, 2013 has not been prescribed by the Central Government for any of the services rendered by the company.
7. In respect of Statutory Dues:
 - a) According to record of the Company produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education And Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2015 for a period of more than six months from the date they became payable.
 - b) According to the records of the company there are no dues of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty/Cess which have not been deposited on account of any dispute.
 - c) According to the records of the company there are no amounts to be transferred to Investor Education & Protection Fund.
8. The Company does not have any accumulated loss at the end of the financial year and has incurred cash loss of Rs. 70.81 Lakhs during the financial year covered by our audit and Rs 92.19 Lacs in the immediately preceding financial year.
9. According to the records of the Company and as per the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. Further the Company has not borrowed loans from financial institutions and issued debentures.
10. The company has not given any Corporate guarantees in connection with loan taken by others from banks or financial institutions.

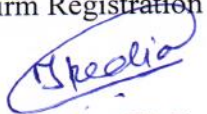


11. According to the records of the Company, the Company has not taken any term loans during the year hence this clause is not applicable.
12. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **V.K. BESWAL & ASSOCIATES**

Chartered Accountants

Firm Registration No.: 101083W


CA Tanay Kedia

(Partner)

Membership Number – 154778



Place: Mumbai

Date: **17 AUG 2015**

ENCOMPASS DESIGN INDIA PRIVATE LIMITED
BALANCE SHEET AS AT 31st MARCH, 2015

PARTICULARS	Note	As at 31st March, 2015	As at 31st March, 2014
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	2,452,610	2,166,650
Reserves and Surplus	3	11,665,404	(752,250)
		14,118,014	1,414,400
		5,000,000	
Share Application Money Pending Allotment			
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	4	-	3,737,779
Other Long Term Liabilities	5	80,000,000	40,000,000
Long Term Provisions	6	657,029	273,042
		80,657,029	44,010,821
Current Liabilities			
Short-Term Borrowings	7	24,068,737	7,403,340
Trade Payables	8	16,446,716	10,521,905
Other Current Liabilities	9	16,049,372	4,512,080
		56,564,826	22,437,326
Total		156,339,869	67,862,548
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		2,910,734	745,973
Intangible Assets		48,222,185	12,227,063
Deferred Tax Assets (Net)	4	8,011,136	-
Long-Term Loans and Advances	11	192,348	192,349
		59,336,403	13,165,385
Current Assets			
Inventories	12	45,635,315	12,449,711
Trade Receivables	13	46,836,738	39,150,977
Cash and Bank Balances	14	496,632	635,520
Short-Term Loans and Advances	15	4,034,781	2,460,954
		97,003,466	54,697,163
Total		156,339,869	67,862,548

Significant Accounting Policies

1

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date attached

For **V K BESWAL & ASSOCIATES**

CHARTERED ACCOUNTANTS

Firm No. 101083W

CA Tanay Kedia
(Partner)

M No. 154778

Place : Mumbai

Date :

17 AUG 2015



[Signature]
Director
AD



[Signature]
Director
AA

ENCOMPASS DESIGN INDIA PRIVATE LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	Note	Year ended on 31st March, 2015	Year ended on 31st March, 2014
Income :			
Revenue from operations	16	96,492,167	51,718,126
Other Income	17	845,153	129,769
Total Revenue		97,337,319	51,847,895
Expenses:			
Purchase of Stock in Trade		116,345,730	60,810,760
(Increase)/Decrease in Inventories	18	(33,185,604)	(12,449,711)
Employee Benefits Expense	19	9,839,359	6,104,744
Finance Costs	20	1,923,907	282,941
Depreciation and Amortization		1,585,062	48,048
Other Expenses	21	17,998,457	6,317,823
Total expenses		114,506,910	61,114,605
Loss before tax		(17,169,591)	(9,266,710)
Tax expense :			
Current Tax		11,748,915	(3,737,779)
Deferred Tax		(5,420,676)	(13,004,490)
Loss for the year			
Loss transferred to Balance Sheet as Pre-Operative Expenses			
Balance carried forward		(5,420,676)	(13,004,490)
Earnings per share			
Basic and diluted - par value Rs 10. per share		(27.87)	(66.86)
Significant Accounting Policies	2		

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date attached

For **V K BESWAL & ASSOCIATES**

CHARTERED ACCOUNTANTS

Firm No.101083W

CA Tanay Kedia
(Partner)

M No. 154778

Place : Mumbai

Date : 17 AUG 2015



[Signature]
Director

AD



[Signature]
Director

AA

ENCOMPASS DESIGN INDIA PRIVATE LIMITED
Cash Flow Statement for the period ended 31 March 2015

Particulars	As at 31st March, 2015	As at 31st March, 2014
A. Cash flows from operating activities		
Net Loss before taxation and extraordinary items	(17,169,591)	(9,266,710)
Adjustments for:		
Depreciation	1,585,062	48,048
Interest and Finance Charges	1,923,907	282,941
Operating Loss before working capital changes	(13,660,622)	(8,935,721)
Adjustments for:		
Inventories	(33,185,604)	(12,449,711)
Trade Receivables	(7,685,761)	(39,150,977)
Short Term Loans and Advances	(1,513,826)	(2,460,954)
Other Current Assets	-	60,527
Trade Payables	5,924,811	50,521,905
Other liabilities and provisions	11,537,292	4,509,575
Cash generated from Operations	(38,583,710)	(7,905,357)
Income taxes paid	60,000	-
Net Cash Flow from Operating Activities	(38,643,710)	(7,905,357)
B. Cash flows from Investing Activities		
Purchase of fixed assets	(39,744,945)	(13,021,084)
Net Cash Flow from Investing Activities	(39,744,945)	(13,021,084)
C. Cash flows from financing activities		
Increase in Share Capital	285,960	2,066,650
Increase in Share Application Money	5,000,000	-
Increase in Share Premium	17,838,330	12,252,240
Increase in Borrowings	56,665,397	7,403,340
Increase in Other Long term Liabilities	383,987	269,929
Interest and Finance Charges	(1,923,907)	(282,941)
Increase in Other Long term Advances	-	(167,349)
Net cash generated from financing activities	78,249,767	21,541,869
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(138,888)	615,429
Cash and cash equivalents at the beginning of the year	635,520	20,091
Cash and cash equivalents at the end of the year	496,632	635,520

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date attached

For V K BESWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm No. 101083W

CA Tanay Kedia

(Partner)

M No. 154778

Place : Mumbai

Date : 17 AUG 2015



For and on behalf of the Board of Directors

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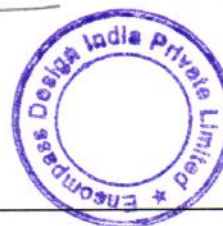
Director

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Director

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ENCOMPASS DESIGN INDIA PRIVATE LIMITED
Notes Forming Part of Financial Statements for the year ended March 31, 2015

Particulars	Note	As on 31st March, 2015		As on 31st March, 2014	
				No of Shares	Amount in Rs.
Share Capital	2				
Authorised					
Equity Shares of Rs.10/- each		200,000	2,000,000	200,000	2,000,000
Preference Shares of Rs.10/- each		100,000	1,000,000	100,000	1,000,000
		300,000	3,000,000	300,000	3,000,000
Issued, Subscribed and fully paid up					
Equity Shares of Rs.10/- each		194,489	1,944,890	194,489	1,944,890
Preference Shares of Rs.10/- each		50,772	507,720	22,176	221,760
		245,261	2,452,610	216,665	2,166,650
Reconciliation of No. of Shares outstanding at the beginning and end of the reporting period	2.1				
Equity Shares of Rs.10/- each			194,489		10,000
Outstanding at the beginning of the year			-		184,489
Add : Allotted during the year			194,489		194,489
Outstanding at the end of the year					
Preference Shares of Rs.10/- each			22,176		-
Outstanding at the beginning of the year			28,596		22,176
Add : Allotted during the year			50,772		22,176
Outstanding at the end of the year					
Rights, Preferences and restrictions attached to equity shares	2.2				
The company has only one class of equity shares referred to as equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.					
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 in proportion to the number of equity shares held by the shareholders.					
Rights, Preferences and restrictions attached to Preference shares	2.3				
The company has only one class of preference shares referred to as preference shares having a par value of Rs.10 per share.					
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 in proportion to the number of equity shares held by the shareholders.					
Details of Shareholders holding more than 5% Equity shares in the Company	2.4	No of Shares	% of Shareholding	No of Shares	% of Shareholding
Amit Dalmia		52,500	27.01%	52,500	27.01%
Vijay Kumar Agarwal		134,389	69.13%	134,389	69.13%
Details of Shareholders holding more than 5% Preference shares in the Company	2.5	No of Shares	% of Shareholding	No of Shares	% of Shareholding
Vijay Kumar Agarwal		5,511	10.85%	5,511	24.85%
Arunanshu Agarwal		15,360	30.25%	-	-
IL & FS Trust Company Limited		29,901	58.89%	16,665	75.15%
Details pursuant to Part I of Schedule III of the Companies Act, 2013					
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash			NIL		NIL
Fully paid up by way of bonus shares			NIL		NIL
Shares bought back			NIL		NIL



ENCOMPASS DESIGN INDIA PRIVATE LIMITED
Notes Forming Part of Financial Statements for the year ended March 31, 2015

Particulars	Note	As on 31st March, 2015		As on 31st March, 2014	
Reserves and Surplus	3				
Surplus in Statement of Profit and Loss					
Opening balance			(13,004,490)		-
Add: Net Loss for the current year			(5,420,676)		(13,004,490)
Closing Balance			(18,425,166)		(13,004,490)
Share Premium Account					
Opening balance			12,252,240		-
Add: Added during the current year			17,838,330		12,252,240
Closing Balance			30,090,570		12,252,240
Total Reserves and Surplus			11,665,404		(752,250)
Deferred Tax Liability	4				
<u>Deferred Tax Liability</u>					
Net Block as per Companies Act (31.03.2015)		51,132,919		12,973,036	
Net Block as per Income Tax Act (31.03.2015)		2,477,137		606,734	
Difference			48,655,782		12,366,302
Deferred tax liability (A)		30.9000%	15,034,637	30.9000%	3,821,187
<u>Deferred tax assets</u>					
Expenditure to be disallowed u/s 43B -					269,929
Gratuity		657,029			
Business Loss		73,090,957			
Unabsorbed Depreciation Loss		833,801	74,581,787		
Deferred tax assets(B)		30.9000%	23,045,772	30.9000%	83,408
Deferred Tax Asset			-8,011,136		3,737,779
Less : Deferred Tax (Liability) (Opening)			3,737,779		-
To be Dr/(Cr) in the P & L			-11,748,915		3,737,779
Other Long Term Liabilities	5				
From Related Parties			80,000,000		40,000,000
Repayable on Demand			80,000,000		40,000,000
Long Term Provisions	6				
<u>Provision for Employee benefits:</u>					
Gratuity			657,029		273,042
Total Other Long Term Liabilities			657,029		273,042
Short Term Borrowings	7				
CC limits from Canara Bank			24,068,737		7,403,340
[The above loan is secured against hypothecation of Stock and Book debts. Further security has been offered by way of Corporate Guarantee of [M/s. Creative Global Services Private Limited]					
Total Short Term Borrowings			24,068,737		7,403,340
Trade Payables	8				
Trade payables (Refer Note 8.1 and 8.2)			16,446,716		10,521,905
Total Trade Payables			16,446,716		10,521,905
The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.	8.1				
Trade payables are subject to reconciliation and confirmation.	8.2				



ENCOMPASS DESIGN INDIA PRIVATE LIMITED
Notes Forming Part of Financial Statements for the year ended March 31, 2015

Particulars	Note	As on 31st March, 2015		As on 31st March, 2014	
Other Current Liabilities	9				
Outstanding Liabilities			2,228,070		1,043,644
Security Deposits Payables			252,560		20,000
Statutory Dues			1,210,975		839,419
Creditors for Fixed Assets			68,720		-
Creditors for Expenses			12,289,048		2,609,017
Total Other Current Liabilities			16,049,372		4,512,080
Long Term Loans and Advances (Unsecured and Considered Good)	11				
<u>Security Deposits</u>					
-With Govt. Bodies			25,000		25,000
-With Others			167,348		167,349
Total Long Term Loans and Advances			192,348		192,349
Inventories	12				
As certified by the management					
Finished goods (Valued at cost or Net realisable value whichever is lower)			45,635,315		12,449,711
Total Inventories			45,635,315		12,449,711
Trade Receivables	13				
(Unsecured, considered good)					
Outstanding for a period exceeding Six months			46,836,738		39,150,977
Others			46,836,738		39,150,977
Total Trade Receivables					
Cash and Bank Balances	14				
Cash on Hand			301,541		302,539
Balances with Banks			195,091		332,981
In Current Accounts			496,632		635,520
Total Cash and Bank Balances					
Short Term Loans and Advances	15				
(Unsecured, considered good)					
Prepaid Expenses			114,563		134,766
Balance with Statutory Authorities			71,934		33,017
Advances to Employees			411,452		145,763
Advances to others			3,436,832		2,147,408
Total Short Term Loans and Advances			4,034,781		2,460,954



Schedule 10: Fixed Assets

Tangible Assets

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 01/04/2014	Additions during the year	Deletions during the year	As at 31/03/2015	As at 01/04/2014	Depreciation w/back	As at 31/03/2015	As at 31/03/2014
Computers & Peripherals	292,757	900,859	-	1,193,616	35,905	222,516	258,421	256,852
Furnitures & Fixtures	383,449	1,279,477	-	1,662,926	9,305	72,516	81,821	374,144
Office Equipment	117,815	336,581	-	454,396	2,838	57,124	59,962	114,977
Total	794,021	2,516,917	-	3,310,938	48,048	352,156	400,204	745,973
Previous year		794,021		794,021		48,048	48,048	

Intangible Assets

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 01/04/2014	Additions during the year	Deletions during the year	As at 31/03/2015	As at 1 April 2013	Depreciation w/back	As at 31/03/2015	As at 31/03/2014
BED BATH MORE BRANDS	12,227,063	37,228,028	-	49,455,091	-	1,232,906	1,232,906	12,227,063
Total	12,227,063	37,228,028	-	49,455,091	-	1,232,906	1,232,906	12,227,063
Previous year		12,227,063		12,227,063		-	-	
Grand Totals	13,021,084	39,744,945	-	52,766,029	48,048	1,585,062	1,633,110	12,973,036



ENCOMPASS DESIGN INDIA PRIVATE LIMITED					
Notes Forming Part of Financial Statements for the year ended March 31, 2015					
Particulars	Note	Year ended on 31st March, 2015		Year ended on 31st March, 2014	
Revenue from Operations	16				
<u>Sale of Products</u>			96,492,167		51,718,126
Total			96,492,167		51,718,126
Other Income	17				
Interest Received			-		128,935
Miscellaneous Income			600,000		834
Miscellaneous Balances Written back			245,153		-
Total			845,153		129,769
(Increase)/Decrease in Inventories	18				
Opening Stock of Finished Goods			12,449,711		-
Less: Closing Stock of Finished Goods			45,635,315		12,449,711
			(33,185,604)		(12,449,711)
Employee Benefits Expense	19				
Salaries, Wages and Other Benefits			9,625,866		5,966,746
Staff Welfare Expenses			213,493		137,998
			9,839,359		6,104,744
Finance Costs	20				
Interest			1,923,907		282,941
			1,923,907		282,941
Other Expenses	21				
Housekeeping Expenses		834,717		326,641	
Printing and Stationary		255,707		111,344	
Auditors Remuneration *		112,360		112,360	
Legal Professional and Consultancy Charges		3,824,271		1,493,603	
Travelling and Conveyance Expenses		1,218,523		481,375	
Forex Fluctuation		3,094		1,965	
Internet Gateway and Domain charges		1,008,955		485,180	
Insurance Charges		202,351		13,774	
Miscellaneous Expenses		639,748		298,797	
Marketing Expenses **		4,680,545		948,284	
Other Interest		147,915		46,467	
Postage and Courier Charges		2,857,690		999,399	
Electricity Charges		381,944		220,331	
Rent, Rates and Taxes		807,031		74,065	
Registration and Filing Fees		9,480		158,811	
Repairs and Maintenance		379,982		359,323	
Telephone Expenses		175,404		60,367	
Bank Charges		122,142		65,211	
Job Work Charges		336,598		-	
Miscellaneous Expenses written off				60,527	
			17,998,457		6,317,823
			17,998,457		6,317,823
*Auditors Remuneration					
Audit fee		84,270		84,270	
Tax Audit		28,090		28,090	
			112,360		112,360
**Marketing Expenses					
Current year		4,680,545		388,080	
Prior Period		-		560,204	
			4,680,545		948,284
Depreciation and Amortization					
On tangible assets		352,156		48,048	
On intangible assets		1,232,906	1,585,062	-	48,048



Schedule 7: Trade Payables

Creditors for Goods

A K Retail Inc	59,113	21,614
Alok Industries Limited		
Anika Apparels Private Limited (Creditors)	185,977	
ANS Apparels	34,112	
Bombay Furnitures	75,600	
Concept Home Textiles	13,752	4,126
Creative Garments Private Ltd	750,269	
Creative Global Services Pvt Ltd	3,887,545	1,519,679
Creative Portico (India) Pvt Ltd (Domestic Div)	36,750	36,750
Creative Portico Private Limited	5,747,733	47,710,899
Creative Textile Mills Pvt. Ltd.	467,550	324,511
Dolphin Bean Bags	152,676	
East Coast Distributors Pvt Ltd	0	
Elephant Company Retail Pvt Ltd	0	917
Envogue Furnishings (India) Pvt Ltd.	131,119	18,905
Eterna Enterprises(P)LTD.	14,170	
Excel Creations	3,830	
Faustuss Global Pvt Ltd	49,897	
FNS International Pvt Ltd	3,163	
Home Collective India Pvt Ltd	8,573	13,645
House of Clocks & Watches Pvt Ltd	1,625	
H P Associates		
India Circus Retail Pvt Ltd	0	0
Indian Home Variations & Distributions LLP	226,474	68,836
Jayanita Exports Pvt Ltd	8,335	3,341
Jhaveri Bros. Manufacturing India P. Ltd.	203	
K.D.Impex	115,138	
Kiaana	259,369	2,503
Linen Design Company Private Limited	498,627	114,952
Magpie International Ltd	4,225	
Magpie Retail Ltd	10,858	
M.K.Traders	197,521	
Nidra Textiles Private Limited	1,299	
OM Creation	2,880	
Omkar Polymers	169,354	
Orchid Industries Pvt Ltd	760	
Parin Furniture Pvt. Ltd.	217,705	
Petals	223,020	
Raymond Limited	2,032,836	728,097
Renaissance Creations Pvt Ltd	9,679	
Sands Incorporation	1,551	
Sankalan	5,552	
Sassoon Fab International Pvt Ltd	3,636	
Shah Distributors	1,718	
Shreeji & Sons	3,462	3,462
Shrijee Lifestyle Private Limited	652	
Sofiabrand	5,939	
Spread Home Products Pvt. Ltd.	172,015	37,796
S.T. Unicom Pvt. Ltd.	14,576	
The Bombay Dyeing & Mfg. Co. Ltd.		-100,184
Tree of Life	100,995	
Unitrade Corporation	177,975	0
Valiant Glass Works (P) Ltd	21,000	
Vdesign2shine	0	
Victorinox India Pvt Ltd	152,663	
Vividha Home Fashions Pvt Ltd		2,522
VS Associates	4,082	
VSC Silk Pvt Ltd	7,813	
Welspun Global Brands Limited	91,315	
Winmark Enterprises Pvt Ltd	31,492	
Wonderchef Home Appliances Pvt Ltd	9,938	9,534
Woodmark	38,607	
	<u>16,446,716</u>	<u>50,521,905</u>

Schedule 8: Other Current Liabilities

Outstanding Liabilities

Audit Fees Payable	112,360	112,360
Medical Payable	0	74,719
Salary Payable	2,056,203	843,262
Provision for Expenses	42,232	6,486
Telephone Expenses Payable	17,275	6,817
	<u>2,228,070</u>	<u>1,043,644</u>



Other Payables		
Security Deposit-Locville Online Private Limited	20,000	20,000
Nageshwar Verma	10,000	
Security Deposit-Dealamazing.Com	30,000	0
Security Deposit -City Traders Association	20,000	
Advance Received from Customer	172,560	
	<u>252,560</u>	<u>20,000</u>
Statutory Dues		
TDS on Advertisement	72,917	5,328
TDS on Contract	15,838	
TDS on Professional Fees	175,556	22,217
TDS on Salary	87,093	51,200
CST Payable	209,718	294,748
Employee's Cont. to MWF	1,440	1,440
Employee's Cont. to P.F.	41,230	1,560
Employees' Contn to ESIC	238	
Profession Tax	87,100	46,175
Service Tax Payable	4,230	5,653
Maharashtra Welfare Fund	804	
TDS Payable	0	62,127
VAT Payable	514,811	348,970
	<u>1,210,975</u>	<u>839,419</u>
Creditors for Fixed Assets		
FDM India (A Unit of GSMS)	68,720	
	<u>68,720</u>	<u>0</u>
Creditors for Expenses		
21 Trends Private Limited	0	4,403
Aarya Logistics Solutions Pvt Ltd	101,962	
Allied Group Security Force	0	18,791
Archana Kushwah	45,000	
Asheet Combine	5,658	5,658
Assured Advertising & Media Pvt Ltd	375,462	
Bajrang Dyeing	1,500	
Basak Babies	0	
Best Electrical Undertaking	26,418	51,150
Bharti Axa General Insurance Company Limited	0	
Bluedart Express Limited	19,022	28,357
Blume Ventures Advisors Pvt Ltd	0	
Bombay Stationery Mart	13,432	3,342
Cama Industrial Estate Association	72,318	
Chetna Poly Prints	0	
Creative Global Services P L (MM Salary)	0	644
Dreamseller Entertainment	94,632	
Deeptronics	0	
East Village Technologies Pvt Ltd	1,143	
Ebay India Pvt. Ltd.	0	
Equal Communications	80,702	
Exotel Techom Private Limited	0	
Facebook	3,071,621	
FedEx Express Services (India) Pvt. Ltd	471,616	128,856
Four C Plus (Internet) Co. Limited	56,237	51,169
Gamooga Second Screen	0	5,259
Google India Private Limited	3,357,619	
Gurunath B.Patil	45,000	
IC Legal	90,000	
India On Time Express Pvt Ltd	0	177,032
Interactive Avenues	0	1,480,722
Jitendra Kewat	4,800	23,213
Kavita Tandel	14,100	14,100
Klass Enterprises	4,123	
Kunal Consultancy Private Limited	7,865	
Lex Firmus	54,000	
LinkedIn	6,000	
Logix Infosecurity Pvt Ltd	15,730	
Merging Layers	460,620	
Microart Systems (India) Pvt. Ltd.	7,617	2,810
Honesty Subscription Agency.	0	
Muster	18,000	
Nano Job Consultants Pvt Ltd	0	
Neon Turtle Studio Pvt Ltd	0	
Netmagic IT Services Private Limited	199,713	6,241
Nexus Computers Pvt Ltd	254,928	112,725
Nikhath Jawed	64,800	
Nilesh Panchal	4,250	
Nyasa Enterprises	68,750	
One97 Communications Limited	11,236	
Oriensoft Technologies Pvt Ltd	1,346	1,346
Payal Chadha Malik	56,700	31,500
Pinpoint (India) Pvt Ltd	0	
Platinum Services	17,839	
Positive Advertising	5,050	
Poonam Enterprise	0	2,843
P. Padma	12,600	10,000
Prabhakar B Pawar	10,055	25,000
Pradeep Naik	0	4,820
Proshots	117,387	
Provenance Land Private Ltd	21,000	
Provision for Salary	0	113,661
Pyxis Pictures Private Limited	0	
Quickdel Logistics Private Limited	62,412	
Quickchex Pvt Ltd	11,787	
Right Choice Tours N Travels Private Limited	0	
RouteSms Solutions Limited	0	
Sagar Tailor	0	



Saharsh Professional Services	1,000		1,000
Sai Pooja Enterprises	0		1,050
Scarecrow Communications Ltd	332,670		
Scribble The Design People	25,200		
Seema S. Dubey	80,749		
SGMS Maintenance Service	0		35,925
Shiv International	6,264		6,228
Shiv Shankar Singh Kushwah	0		
Shree Net			6,050
Siddhivinayak Enterprises	5,848		0
S K Enterprises	10,590		4,900
Smruti Digital	67,582		6,854
Sokrati Technologies Pvt Ltd	470,558		
Studio 127	98,645		
Sun N Sand Hotels Pvt Ltd	0		95,656
Tanay Kedia	45,000		
TATA Communications	41,040		
Tata Sky Ltd	467,154		
Teja Lele	67,500		
The American Express Corporate Card	12,442		67,383
Torrent Power Limited	6,359		
Trotrac	11,941		1,972
Unicommerce Esolutions Pvt Ltd	98,265		
United India Ins. Co. Ltd	0		
Venora Lobo	38,640		
Vijaybahadur L.Yadav	4,320		
Vilas Raul	0		7,500
Vishal Advertising Photography	63,328		63,328
V K Biswal & Associates			
VXL Service	0		7,528
Webbutterjam Digital Solutions Pvt Ltd	122,832		
Yahoo India Private Limited	769,072		
	<u>12,289,048</u>		<u>2,609,017</u>

Schedule 11: Long Term Loans and Advances

Security Deposits			
Deposit for VAT Registration	25,000		25,000
Bipin Narshi Shah	43,011	43,011	
Darshini Bipin Shah	43,011	43,011	
Nayna Shailish Shah	38,315	38,316	
Shailish Narshi Shah	43,011	43,011	167,349
			<u>192,349</u>

Schedule 13: Trade Receivables

Others	20,936		
Sundry Debtors	35,830,656	28,257,604	
	35,830,656	-91,772	28,165,831
Claims Receivable	10,985,146		10,985,146
	<u>46,836,738</u>		<u>39,150,977</u>

Schedule 15: Short Term Loans and Advances

Prepaid Expenses	0		134,766
Balance with Statutory Authorities			
TDS 2013 2014	11,934	11,934	
TDS 2014 2015	60,000		
VAT 12.50%		4,623	
VAT 5.00%		16,460	33,017
	<u>71,934</u>		



Advance to employees	16,500		
Abhishek Desai (Adv)	1,000		
Aditya S (Adv)	0		
Amit Parmanandka (Advance)	8,000		
Bharath Belur (Adv.)	670	1,000	
Dhananjay Singh (Advance)	500		
Ketan Bhargale (Adv.)	2,160		
Krishna (ADV)	0		
Krishna Sahu (ADV)	42,863	22,863	
K.S. Hariharan (Adv)	0		
Mahendra Singh (Adv)	204,600		
Manish Malik (ADV)	5,000	2,000	
Nitin Chavan (Advance)	200		
Omkar Kadam (Adv)	9,000		
Prakash Shinde(ADV)	-2,750		
Prashant Sojwal	8,728		
P Srishailam (ADV)	8,000		
Rahul Desai (Advance)	14,000	8,000	
Raju Shivmat	10,000		
Rakesh Sonawane (ADV)	5,272		
Roshan (ADV)	0	6,000	
Sachin Trivedi (Adv)	22,000	16,000	
Sachin Trivedi (Petty Cash)	190		
Sailesh (Advance)	8,358	900	
Sandeep Mandal (ADV)	0		
Shanil Pawar (ADV)	41,000	29,000	
Shubangini Naidu (Adv)	-12,819	60,000	
S P Dubey (Advance)	1,000		
Suresh Parmar (Adv)	0		
Vinod Panjala (Adv)	9,980		
Yamini (Adv)	8,000	411,452	145,763
Anish George			

Advance to Others

Worldwide Media Pvt Ltd	1,000,000		
Wire Media Consulting Pvt Ltd	125,000		
Shree Net	2,500		
Nano Job Consultants Pvt Ltd	900,000		
Right Choice Tours N Travels Private Limited	184,881		
Alok Industries Limited	6,500		
H P Associates	3,000		
The Bombay Dyeing & Mfg. Co. Ltd.	100,184		
Vividha Home Fashions Pvt Ltd	7,359		
Sparkle	0	40,000	
Anika Apparels Private Limited	0	1,000,000	
Pyxis Pictures Private Ltd	1,000,000		
Gajanan Tubes	107,408		
	3,436,832	1,107,408	2,147,408
	<u>3,920,218</u>		<u>2,460,954</u>

Schedule 17: Sales

Total Gross Sales	109,738,846	61,290,980
Less : Trade and Coupon Discount	87	608,310
Net Sales Value	109,738,759	60,682,670
Less : CST 2%	1,252,931	806,035
Less : VAT 12.5%	1,273,380	505,104
Less : VAT 5%	1,430,616	629,805
Sales - Net of VAT/CST	105,781,833	58,741,725
Less : Credit Notes	0	2,256,531
Less : Rate Difference	9,289,666	4,767,069
Total Sales as per P&L	<u>96,492,167</u>	<u>51,718,126</u>

Schedule 18: Other Income

Interest		9,593	
Interest on LC		119,342	128,935
Interest Received - Gajanan	0		
			834
Mis Other Income	0		<u>129,769</u>

Schedule 20: Employee Benefit Expense

Salaries, Wages and Other Expenses		
Employer Contribution on Provident Fund	99,204	11,375
Gross Salary	9,133,950	5,681,314
PF Admin Chg	8,725	1,015
Gratuity	383,987	273,042
	<u>9,625,866</u>	<u>5,966,746</u>

Staff Welfare Expenses

Medical Expenses	200	81,844
Medical Exp (Max Bupa Health Ins)	29,405	5,859
Staff Welfare Exp	147,784	50,295
	<u>177,389</u>	<u>137,998</u>

Schedule 21: Finance Costs

Interest on CC	1,923,907	282,941
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ENCOMPASS DESIGN INDIA PRIVATE LIMITED

NOTE 1

Significant accounting policies annexed to & forming part of balance sheet as at 31st March 2015

1. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The Company follows the mercantile system of accounting and recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis as a going concern and are consistent with generally accepted accounting principles.

B. FIXED ASSETS

Fixed Assets are stated at cost less depreciation. The cost includes all expenses incurred to bring the assets to its present location & condition.

Intangible Assets are stated at cost less accumulated amortization.

C. DEPRECIATION

Depreciation on Fixed Assets is provided based on the useful life of the assets in the manner prescribed in Schedule II to the Companies Act, 2013.

Intangible assets are amortized pro-rata on Straight Line basis over the useful life of the assets, estimated by the management.

D. INVESTMENTS

Current investments are carried at lower of cost or quoted / fair value, computed category wise. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

E. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the exchange rate on the date of transaction. Gains & losses arising out of subsequent fluctuations in exchange rate are accounted for on actual payment or realization. Monetary items denominated in foreign currency as at the Balance Sheet date are converted at the exchange rates prevailing on balance sheet date. Exchange difference is recognized in the Profit and Loss Account.

F. TAXATION

Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognized on timing differences between the accounting income & the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.



Deferred Tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

G. RETIREMENT BENEFITS

Gratuity provision is made for qualifying employees. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit cost method.

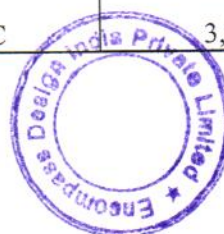


NOTE TO ACCOUNTS**22. Gratuity and other employment benefits:**

I	Assumptions as at	Valuation Date 31st March, 2015	Valuation Date 31st March, 2014
	Discount Rate	7.80%	9.10%
	Rate of increase in compensation	6.00%	9%
II	Changes in present value of obligations		
	PVO at beginning of period	2,73,042	-
	Interest cost	21,297	-
	Current Service Cost	3,97,766	2,73,042
	Benefits Paid	-	-
	Actuarial (gain)/loss on obligation	(35,076)	-
	PVO at end of period	657,029	2,73,042
III	Changes in fair value of plan assets		
	Fair Value of Plan Assets at beginning of period	-	-
	Adjustment to Opening Fair Value of Plan Assets	-	-
	Expected Return on Plan Assets	-	-
	Contributions	-	-
	Benefit Paid	-	-
	Actuarial gain/(loss) on plan assets	-	-
	Fair Value of Plan Assets at end of period	-	-
IV	Fair Value of Plan Assets		
	Fair Value of Plan Assets at beginning of period	-	-
	Adjustment to Opening Fair Value of Plan Assets	-	-



	Actual Return on Plan Assets	-	-
	Contributions	-	-
	Benefit Paid	-	-
	Fair Value of Plan Assets at end of period	-	-
	Funded Status	-	(2,73,042)
	Excess of actual over estimated return on Plan Assets	-	-
V	Actuarial Gain/(Loss) Recognized		
	Actuarial Gain/(Loss) for the period (Obligation)	35,076	-
	Actuarial Gain/(Loss) for the period (Plan Assets)	-	-
	Total Gain/(Loss) for the period	35,076	-
	Actuarial Gain/(Loss) recognized for the period	-	-
	Unrecognized Actuarial Gain/(Loss) at end of period	-	-
VI	Amounts to be recognized in the Balance Sheet and statement of Profit & Loss Account		
	PVO at end of period	657,029	2,73,042
	Fair Value of Plan Assets at end of period	-	-
	Funded Status	-	(2,73,042)
	Unrecognized Actuarial Gain/(Loss)	-	-
	Net Asset/(Liability) recognized in the balance sheet	(657,029)	(2,73,042)
VII	Expense recognized in the statement of P & L A/C		
	Current Service Cost	3,97,766	2,73,042
	Interest cost	21,297	-
	Expected Return on Plan Assets	-	-
	Net Actuarial (Gain)/Loss recognized for the period	(35,076)	-
	Expense recognized in the statement of P & L A/C	3,83,987	2,73,042



28. Calculation of EPS

Earnings Per Share is calculated in accordance with Accounting Standard 20-'Earnings Per Share' - (AS20), notified by the Company's (Accounting Standards) Rules, 2006 as Under:

Particulars	Current Year	Previous Year
Profit after tax (Rs.)	(56,94,178)	(1,30,04,490)
Weighted Average No. of Equity Shares	1,94,489	1,94,489
Earnings Per Share- (In Rs.) Basic	(29.28)	(66.86)

29. Figures of previous years have been regrouped/rearranged wherever necessary. Figures in bracket indicate previous year figures.

As per our report of even date, For **ENCOMPASS DESIGN INDIA PRIVATE LIMITED**

For **V.K. BESWAL & ASSOCIATES,**
Chartered Accountants,
Firm Registration 101083W

CA TANAY KEDIA

[Partner]

Membership Number - 154778

PLACE: Mumbai

DATED: **17 AUG 2015**



[Signature] *[Signature]*

[DIRECTOR]

[DIRECTOR]

AD

AA



Groupings**Schedule 21: Other Expenses****Administrative Charges**

Housekeeping Exp.
Inspection Chg
Octroi Chg
Office Expenses
Printing & Stationery
Printing & Stationery - WH
Security Chg
Society Maintenance
Warehouse Expenses
Water Charges
Computer Expenses

Typ	Amt
Adm	326,641
Adm	3,483
Adm	5,532
Adm	139,111
Adm	55,804
Adm	55,540
Adm	36,404
Adm	6,462
Adm	49,843
Adm	12,750
Adm	
Adm Total	691,571

Legal & Professional Charges

Consultancy Chg
Professional Fees

Cons	90,000
Cons	1,403,603
Cons Total	1,493,603

Travelling and Conveyance Expenses

Car Hiring Charges
Conveyance - WH
Conveyance Expense
Hire Charges
Petrol Exp
Travelling Expenses

Conv	149,550
Conv	54,456
Conv	72,171
Conv	5,469
Conv	139,870
Trav	59,859
Conv Total	481,375

Foreign Exchange Fluctuation

Forex	1,965
Forex Total	1,965

Internet Gateway and Domain Charges

Domain Registration Fees
Hosting Charges
Internet Access Expense
Internet Gateway Charges

Inet	1,346
Inet	290,159
Inet	101,531
Inet	92,144
Inet Total	485,180

Insurance Charges

Insurance Charges
United India Ins. Co. Ltd

Ins	490
Ins	13,284
Ins Total	13,774

Miscellaneous Expenses

Balances W/ff
Bonus and Incentives
General Expenses
R/off Diff
Roundoff Diff

Misc	1,853
Misc	3,000
Misc	65,353
Misc	(341)
Misc	91
Misc Total	69,956

Marketing Expenses

Commision
Market Place Charges
Royalty

Mkt	55,782
Mkt	325,293
Mkt	7,005
Mkt Total	388,080

Prior Period Expenses

Advertising Exp - Prior Period
Advertising Expenses - Prior Period

Prior	427,619
Prior	132,585
Prior Total	560,204

Other Interest

Int on Service Tax
Int on TDS
Interest on Sales Tax

Oth Int	279
Oth Int	5,967
Oth Int	40,221
Oth Int Total	46,467

Courier & Postage Charges

Post	999,399
Post Total	999,399

Electricity Charges

Electricity Charges
Electricity Charges (WH)

Power	213,845
Power	6,486
Power Total	220,331

Rent

Adm	55,783
Adm	55,783



Registration and Filing Fees

Filing Fees
Franking Charges
Registrars of Trademarks
Registration Fee

Regn	59,791
Regn	62,080
Regn	3,500
Regn	33,440
Regn Total	<u>158,811</u>

Repair & Maintenance

Annual Maintenance Charges - Uniware
Repair & Maintenance

Rep	130,338
Rep	222,523
Rep Total	<u>352,861</u>

Telephone Expenses

27780065 (WH)
8879365652 Dujon (Data Cared)
9004314214 Sunidhi Mehta
9619348112 Sachin S Trivedi
9619501435 Susmita Dalmia
9619501438 (Amit Dalmia)
9619719283 (Data Card W H)
Telephone Expenses (Sachin Trivedi)
Telephone Expenses (Anish George)
Telephone Expenses (Shanil Pawar)
Telephone Expenses (Shubangini Naidu)

Tel	23,157
Tel	164
Tel	720
Tel	7,886
Tel	5,277
Tel	5,277
Tel	1,092
Tel	4,706
Tel	668
Tel	9,401
Tel	2,019
Tel Total	<u>60,367</u>

Grand Total 2,666,548

