

## **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 comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and 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 financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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.

### **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 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 standalone 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 controls 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:

- (a) In case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2017;
- (b) In case of Statement of Profit and Loss, of the **Profit** from the period ended on that date; and
- (c) In the case of cash flow statement, of the cash flows for the period ended on that date.

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

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I 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.
  - 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);





- e. On the basis of the written representations received from the directors as on 31 March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- f. Reporting under Sec 143(3)(i) for audit of internal financial controls is not applicable since turnover of the company does not exceed Rs. 50 crores and borrowings do not exceed 25 crores as per latest audited balance sheet.
- 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) Amendment Rules, 2017, 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.
  - iv. The company has provided requisite disclosure in its standalone Financial Statements as to holding as well as dealings with specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note No. 29 of the notes to Financial statements.

**For V.K. Beswal & Associates**

Chartered Accountants



**CA Tanay Kedia**

(Partner)

Membership No. 154778

Firm Registration No.: 101083W

Place: Mumbai

Date: 11 JUN 2017



**Annexure I to the Auditor's Report even date CARO 2016:**

1. In respect of Fixed Assets:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of 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.
- c. There are no immovable properties held in the name of the company, so the said clause is not applicable.

2. In respect of Inventories:

As explained to us, inventory of the Company has been physically verified during the year by the management at reasonable intervals and in our opinion and according to the information and explanations 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 3 (iii) (a), (b) of the said order is not applicable to the company

4. The company has not granted any loans or made any investments or given guarantees or securities during the year.

5. During the year the company has not accepted any deposits from public or by any means hence the said clause 3 (v) of the said order is not applicable to the Company.

6. As Informed to us ,the Central Government has not prescribed the maintenance of Cost records u/s 148(1) (d) of the Companies Act, 2013.

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, service tax, customs duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanation given to us, there were no outstanding statutory dues as on 31<sup>st</sup> March, 2017 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.
8. The company has not defaulted in repayment of loans from banks. The company has taken loan from banks and has not taken loans from financial institutions. The company has not issued debentures.
9. During the year the Company has not raised any fund by way of initial public offer or further public offer (including debt instruments) and term loans, therefore no comments under the clause are called for.
10. 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.
11. As the Company is a Private Limited Company, the provisions of section 197 read with Schedule V to the Companies Act 2013 do not apply to the Company. Hence, reporting under this clause is not called for.
12. In our opinion and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a Nidhi company. Hence, in our opinion the clause does not apply to the company.
13. The Company has disclosed all the transactions with the related parties in the Financial Statements during the year and the transactions are in compliance with sections 177 and 188 of Companies Act, 2013.
14. During the year under consideration, the company has made preferential allotment of Equity & preference shares. In our opinion, prices at which shares have been issued is not prejudicial to the interest of the Company.



15. According to the provisions of section 192 of Companies Act, 2013 the company has not entered into any non-cash transactions with directors or persons connected with him during the year hence no comments under this clause are called for.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence this clause is not applicable and no comments under this clause are called for.

For **V.K. Beswal & Associates**  
Chartered Accountants

  
**CA Tanay Kedia**

(Partner)

Membership No. 154778

Firm Registration No.: 101083W

Place: Mumbai

Date: 19 JUN 2017



**ENCOMPASS DESIGN INDIA PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2017**

PARTICULARS	Note	As at 31st March, 2017	As at 31st March, 2016
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	2	30,92,930	30,58,500
Reserves and Surplus	3	5,00,85,208	4,35,16,005
Money received against Share Warrants		42,00,000	42,00,651
		<b>5,73,78,138</b>	<b>5,07,75,156</b>
<b>Share Application Money Pending Allotment</b>		-	47,75,641
<b>Non-Current Liabilities</b>			
Other Long Term Liabilities	5	2,22,64,621	28,02,500
Long Term Provisions	6	1,95,854	1,24,659
		<b>2,24,60,475</b>	<b>29,27,159</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	4,47,17,355	4,95,77,596
Trade Payables	8	1,38,48,607	11,89,02,516
Other Current Liabilities	9	4,06,21,184	1,79,97,954
		<b>9,91,87,146</b>	<b>18,64,78,066</b>
<b>Total</b>		<b>17,90,25,759</b>	<b>24,49,56,022</b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Fixed Assets	10		
Tangible Assets		18,30,107	21,38,851
Intangible Assets		8,03,41,181	9,04,70,857
Deferred Tax Assets (Net)	4	1,12,15,770	1,42,25,882
Long-Term Loans and Advances	11	43,94,040	43,94,040
		<b>9,77,81,098</b>	<b>11,12,29,630</b>
<b>Current Assets</b>			
Inventories	12	6,62,65,307	6,10,18,683
Trade Receivables	13	1,00,83,607	6,78,76,563
Cash and Bank Balances	14	2,07,032	9,96,660
Short-Term Loans and Advances	15	46,88,714	38,34,486
		<b>8,12,44,661</b>	<b>13,37,26,392</b>
<b>Total</b>		<b>17,90,25,759</b>	<b>24,49,56,022</b>

Significant Accounting Policies

1

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date attached

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 : 19 Jun 2017



For Encompass Design India Private Limited

*[Signature]*

Amit Dalmia

Director

DIN: 00210919

*[Signature]*

Arunanshu Agarwal

Director

DIN : 00166400



**ENCOMPASS DESIGN INDIA PRIVATE LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March, 2017**

Particulars	Note	Year ended on 31st March, 2017	Year ended on 31st March, 2016
<b>Income :</b>			
Revenue from operations	16	17,30,12,074	13,00,79,197
Other Income	17	6,328	8,84,719
<b>Total Revenue</b>		<b>17,30,18,402</b>	<b>13,09,63,915</b>
<b>Expenses:</b>			
Purchase of Stock in Trade		11,52,33,431	12,07,11,521
(Increase)/Decrease in Inventories	18	(52,46,624)	(1,53,83,368)
Employee Benefits Expense	19	50,19,695	1,33,58,328
Finance Costs	20	65,02,379	50,17,348
Depreciation and Amortization		1,04,69,669	1,07,33,702
Other Expenses	21	3,66,28,480	1,89,05,219
<b>Total expenses</b>		<b>16,86,07,030</b>	<b>15,33,42,750</b>
<b>Profit/ (Loss) before tax</b>		<b>44,11,372</b>	<b>(2,23,78,835)</b>
Tax expense :			
Current Tax		-	-
Deferred Tax		30,10,112	(62,14,747)
<b>Profit/ (Loss) for the year</b>		<b>14,01,260</b>	<b>(1,61,64,088)</b>
<b>Balance carried forward</b>		<b>14,01,260</b>	<b>(1,61,64,088)</b>
<b>Earnings per share</b>			
Basic and diluted - par value Rs 10. per share		6.54	(75.43)
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**

*(Signature)*  
**CA Tanay Kedia**

(Partner)

M No. 154778

Place : Mumbai

Date : **19 JUN 2017**



*(Signature)*

Amit Dalmia

Director

DIN: 00210919

*(Signature)*

Arunanshu Agarwal

Director

DIN : 00166400



**ENCOMPASS DESIGN INDIA PRIVATE LIMITED**  
**Cash Flow Statement for the period ended 31 March 2017**

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>A. Cash flows from operating activities</b>		
Net Profit/(Loss) before taxation and extraordinary items	44,11,373	(2,23,78,835)
<b>Adjustments for:</b>		
Depreciation	1,04,69,669	1,07,33,702
Profit on Sale of Asset		(1,20,296)
Taxes Paid		79,643
Interest and Finance Charges	65,02,379	50,17,348
Loss on sale of assets		
<b>Operating Loss before working capital changes</b>	2,13,83,421	(66,68,438)
<b>Adjustments for:</b>		
Inventories	(52,46,624)	(1,53,83,368)
Trade Receivables	5,77,92,956	(2,10,39,825)
Short Term Loans and Advances	(8,54,228)	2,00,295
Other Current Assets		-
Trade Payables	(10,50,53,909)	10,24,55,800
Other liabilities and provisions	2,26,23,229	19,48,582
<b>Cash generated from Operations</b>	(93,55,155)	6,15,13,045
Income taxes paid		79,643
<b>Net Cash Flow from Operating Activities</b>	<b>(93,55,155)</b>	<b>6,14,33,402</b>
<b>B. Cash flows from Investing Activities</b>		
Purchase of fixed assets	(31,250)	(5,45,90,194)
Sale of Asset		25,00,000
<b>Net Cash Flow from Investing Activities</b>	<b>(31,250)</b>	<b>(5,20,90,194)</b>
<b>C. Cash flows from financing activities</b>		
Increase in Share Capital	34,430	6,05,890
Increase/(Decrease) in Share Application Money	(47,76,292)	39,76,292
Increase in Share Premium	51,67,943	4,80,14,689
Increase/(Decrease) in Borrowings	(48,60,241)	2,55,08,858
Increase/ (Decrease) in Other Long term Liabilities	1,94,62,121	(7,71,97,500)
Increase/ (Decrease) in Other Long term Liabilities	71,195	(5,32,370)
Interest and Finance Charges	(65,02,379)	(50,17,348)
Increase in Other Long term Advances	-	(42,01,692)
<b>Net cash generated from financing activities</b>	<b>85,96,777</b>	<b>(88,43,181)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(7,89,628)</b>	<b>5,00,028</b>
Cash and cash equivalents at the beginning of the year	9,96,660	4,96,632
Cash and cash equivalents at the end of the year	<b>2,07,032</b>	<b>9,96,660</b>
Accompanying Notes form an integral part of the Financial Statements		

For V K BESWAL & ASSOCIATES  
**CHARTERED ACCOUNTANTS**

Firm No. 101083W

CA Tanay Kedia

(Partner)

M No. 154778

Place : Mumbai

Date : **19 JUN 2017**



Amit Dalmia

Director

DIN: 00210919

Arunanshu Agarwal

Director

DIN : 00166400

**ENCOMPASS DESIGN INDIA PRIVATE LIMITED**  
**Notes Forming Part of Financial Statements for the period March 31, 2017**

Particulars	Note	As on 31st March, 2017		As on 31st March, 2016	
<b>Share Capital</b>	<b>2</b>			<b>No of Shares</b>	<b>Amount in Rs.</b>
<b>Authorised</b>					
Equity Shares of Rs.10/- each		3,00,000	30,00,000	3,00,000	30,00,000
Preference Shares of Rs.10/- each		1,50,000	15,00,000	1,50,000	15,00,000
		4,50,000	45,00,000	4,50,000	45,00,000
<b>Issued, Subscribed and fully paid up</b>					
Equity Shares of Rs.10/- each		2,14,289	21,42,890	2,14,289	21,42,890
Preference Shares of Rs.10/- each		95,004	9,50,040	91,561	9,15,610
		3,09,293	30,92,930	3,05,850	30,58,500
<b>Reconciliation of No. of Shares outstanding at the beginning and end of the reporting period</b>	<b>2.1</b>				
Equity Shares of Rs.10/- each					
Outstanding at the beginning of the year			2,14,289		1,94,489
Add : Allotted during the year			-		19,800
Outstanding at the end of the year			2,14,289		2,14,289
Preference Shares of Rs.10/- each					
Outstanding at the beginning of the year			91,561		50,772
Add : Allotted during the year			3,443		40,789
Outstanding at the end of the the year			95,004		91,561
<b>Rights, Preferences and restrictions attached to equity shares</b>	<b>2.2</b>				
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.					
<b>Rights, Preferences and restrictions attached to Preference shares</b>	<b>2.3</b>				
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.					
<b>Details of Shareholders holding more than 5% Equity shares in the Company</b>	<b>2.4</b>				
		<b>No of Shares</b>	<b>% of Shareholding</b>	<b>No of Shares</b>	<b>% of Shareholding</b>
Amit Dalmia		72,250	33.72%	72,250	33.72%
Vijay Kumar Agarwal		1,34,389	62.71%	1,34,389	62.71%
<b>Details of Shareholders holding more than 5% Preference shares in the Company</b>	<b>2.5</b>				
		<b>No of Shares</b>	<b>% of Shareholding</b>	<b>No of Shares</b>	<b>% of Shareholding</b>
Vijay Kumar Agarwal		7,629	8.03%	5,511	6.02%
Arunanshu Agarwal		40,646	42.78%	40,316	44.03%
M/s Vista ITCL (India) Limited		33,541	35.30%	33,210	36.27%
<b>Note :</b>					
Name of the "M/s IL & FS Trust Company Limited" has been changed to M/s Vista ITCL (India) Limited" during the F.Y. 2016-17					
<b>Details pursuant to Part I of Schedule III of the Companies Act, 2013</b>					
<b>Equity Shares :</b>					
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 period March 31, 2017**

Particulars	Note	As on 31st March, 2017		As on 31st March, 2016	
<b>Reserves and Surplus</b>	<b>3</b>				
<b>Surplus in Statement of Profit and Loss</b>					
Opening balance			(3,45,89,254)		(1,84,25,166)
Add: Net Profit for the current year			14,01,260		(1,61,64,088)
Closing Balance			<b>(3,31,87,994)</b>		<b>(3,45,89,254)</b>
<b>Share Premium Account</b>					
Opening balance			7,81,05,259		3,00,90,570
Add: Added during the current year			51,67,943		4,80,14,689
Closing Balance			<b>8,32,73,202</b>		<b>7,81,05,259</b>
<b>Total Reserves and Surplus</b>			<b>5,00,85,208</b>		<b>4,35,16,005</b>
<b>Deferred Tax Liability</b>	<b>4</b>				
<u>Deferred Tax Liability</u>					
Net Block as per Companies Act		8,21,71,288		9,26,09,708	
Net Block as per Income Tax Act		23,16,788		36,18,057	
Difference			7,98,54,501		8,89,91,650
Deferred tax liability (A)		25.7500%	2,05,62,534	30.9000%	2,74,98,420
<u>Deferred tax assets</u>					
Expenditure to be disallowed u/s 43B -					
Gratuity				1,24,659	
Business Loss		11,95,47,365		13,10,30,670	
Unabsorbed Depreciation Loss		38,63,525	12,34,10,890	38,74,776	13,50,30,105
Deferred tax assets(B)		25.7500%	3,17,78,304	30.9000%	4,17,24,302
Deferred Tax Asset (Net)			1,12,15,770		1,42,25,882
Less : Deferred Tax Asset (Net) (Opening)			1,42,25,882		(37,37,779)
<b>To be Dr/(Cr) in the P &amp; L</b>			<b>30,10,112</b>		<b>(1,79,63,662)</b>
<b>Other Long Term Liabilities</b>	<b>5</b>				
Canara Bank Loan A/c		50,80,137			
Inter-Corporate Loans		31,35,814			
Loan from Sister Concern		-			
Loan From Director		1,40,48,670		28,02,500	28,02,500
			<b>2,22,64,621</b>		<b>28,02,500</b>
<b>Long Term Provisions</b>	<b>6</b>				
<u>Provision for Employee benefits:</u>					
Gratuity			1,95,854		1,24,656
<b>Total Other Long Term Liabilities</b>			<b>1,95,854</b>		<b>1,24,656</b>
<b>Short Term Borrowings</b>	<b>7</b>				
CC limits from Canara Bank *		2,00,66,677		2,45,52,884	
CC limits from RBL Bank Ltd **		2,46,50,678		2,50,24,712	
*[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]					
**[The above loan is secured against First Paripasu charge on current assets(Current & Future) & hypothecation on Fixed assets(except Vechicles) with other working capital Lenders. 30% of share of company are also pledged as Security.					
<b>Total Short Term Borrowings</b>			<b>4,47,17,355</b>		<b>4,95,77,596</b>
<b>Trade Payables</b>	<b>8</b>				
Trade payables (Refer Note 8.1 and 8.2)			1,38,48,607		11,89,02,516
<b>Total Trade Payables</b>			<b>1,38,48,607</b>		<b>11,89,02,516</b>
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.	<b>8.1</b>				
Trade payables are subject to reconciliation and confirmation.	<b>8.2</b>				





**ENCOMPASS DESIGN INDIA PRIVATE LIMITED**  
**Notes Forming Part of Financial Statements for the period March 31, 2017**

Particulars	Note	As on 31st March, 2017		As on 31st March, 2016	
<b>Other Current Liabilities</b>	<b>9</b>				
Book Overdraft					
Outstanding Liabilities					5,25,166
Security Deposits Payables	9.1		5,61,356		5,40,179
Statutory Dues	9.2		18,203		50,000
Creditors for Expenses	9.3		17,45,812		6,01,875
Advances from employees	9.4		2,61,64,482		1,59,09,316
Advances from Customers	9.5		7,954		1,17,175
<b>Total Other Current Liabilities</b>	9.6		1,21,23,376		2,54,244
			<b>4,06,21,184</b>		<b>1,79,97,954</b>
<b>Long Term Loans and Advances</b>	<b>11</b>				
<b>(Unsecured and Considered Good)</b>					
<u>Security Deposits</u>					
-With Govt. Bodies					
-With Others			25,000		25,000
Other Current Assets			43,68,000		43,69,040
<b>Total Long Term Loans and Advances</b>			1,040		
			<b>43,94,040</b>		<b>43,94,040</b>
<b>Inventories</b>	<b>12</b>				
<b>As certified by the management</b>					
<b>Finished goods (Valued at cost or Net realisable value whichever is lower)</b>					
Stores and spares			6,62,65,307		6,10,18,683
<b>Total Inventories</b>			<b>6,62,65,307</b>		<b>6,10,18,683</b>
<b>Trade Receivables</b>	<b>13</b>				
<b>(Unsecured, considered good)</b>					
Outstanding for a period exceeding Six months			-		
Others			57,84,831		70,22,216
			42,98,776		6,08,54,347
<b>Total Trade Receivables</b>			<b>1,00,83,607</b>		<b>6,78,76,563</b>
<b>Cash and Bank Balances</b>	<b>14</b>				
Cash on Hand					
<u>Balances with Banks</u>			1,22,836		9,53,800
In Current Accounts					
In Fixed Deposits			84,196		42,860
<b>Total Cash and Bank Balances</b>			<b>2,07,032</b>		<b>9,96,660</b>
<b>Short Term Loans and Advances</b>	<b>15</b>				
<b>(Unsecured, considered good)</b>					
Advances to related parties					
Prepaid Expenses			-		-
Balance with Statutory Authorities			1,18,196		57,299
Advances to Employees			13,29,678		95,328
Advance to Creditors			1,76,382		6,20,657
Advances to others			8,40,650		30,61,202
			22,23,808		
<b>Total Short Term Loans and Advances</b>			<b>46,88,714</b>		<b>38,34,486</b>



Schedule 10: Fixed Assets

Tangible Assets

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 01/04/2016	Additions till 31-03-17	Deletions till 31-03-	As at 31/03/2017	As at 01/04/2016	Additions till 31-03-17	As at 31/03/2017	As at 1/04/2016
Computers & Peripherals	4,82,162	31,250	-	5,13,412	1,84,787	1,49,238	1,79,386	2,97,374
Furniture & Fixtures	16,77,281	-	-	16,77,281	2,41,554	1,59,342	12,76,385	14,35,727
Office Equipment	4,96,274	-	-	4,96,274	90,525	31,414	3,74,335	4,05,749
<b>Total</b>	<b>26,55,717</b>	<b>31,250</b>	<b>-</b>	<b>26,86,967</b>	<b>5,16,866</b>	<b>3,39,994</b>	<b>18,30,107</b>	<b>21,38,851</b>

Intangible Assets

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 01/04/2016	Additions till 31-03-17	Deletions till 31-03-	As at 31/03/2017	As at 01/04/2016	Depreciation till 31-03-17	As at 31/03/2017	As at 1/04/2016
BED BATH MORE BRANDS	9,47,99,620	-	-	9,47,99,620	1,07,12,868	94,79,962	7,46,06,790	8,40,86,752
Software	68,39,080	-	-	68,39,080	4,54,976	6,49,713	57,34,391	63,84,104
<b>Total</b>	<b>10,16,38,700</b>	<b>-</b>	<b>-</b>	<b>10,16,38,700</b>	<b>1,11,67,844</b>	<b>1,01,29,675</b>	<b>8,03,41,181</b>	<b>9,04,70,856</b>
<b>Grand Totals</b>	<b>10,42,94,417</b>	<b>31,250</b>	<b>-</b>	<b>10,43,25,667</b>	<b>1,16,84,710</b>	<b>1,04,69,669</b>	<b>8,21,71,288</b>	<b>9,26,09,707</b>



**ENCOMPASS DESIGN INDIA PRIVATE LIMITED**  
Notes Forming Part of Financial Statements for the FY 2016-2017

Particulars	Note	Year ended 31st March, 2017		Year ended on 31st March, 2016	
<b>Revenue from Operations</b>	<b>16</b>				
<u>Sale of Products</u>	16A	15,37,72,133		12,76,19,905	
<u>Sale of Services</u>	16B	1,92,39,941		24,59,292	
<b>Total</b>			<b>17,30,12,074</b>		<b>13,00,79,197</b>
Other Income	<b>17</b>				
Interest Received		6,307		3,476	
Miscellaneous Income		21		1,94,081	
Commission Income				34,496	
Reversal of provision of Gratuity				5,32,370	
Profit on Sale of Asset				1,20,296	
<b>Total</b>			<b>6,328</b>		<b>8,84,719</b>
(Increase)/Decrease in Inventories	<b>18</b>				
Opening Stock of Finished Goods		6,10,18,683		4,56,35,315	
Less: Returns out of Opening Stock					
Less: Closing Stock of Finished Goods		6,62,65,307		6,10,18,683	
			<b>(52,46,624)</b>		<b>(1,53,83,368)</b>
Employee Benefits Expense	<b>19</b>				
Salaries, Wages and Other Benefits		48,89,387		1,27,98,793	
Staff Welfare Expenses		1,30,308		5,59,535	
			<b>50,19,695</b>		<b>1,33,58,328</b>
Finance Costs	<b>20</b>				
Discount					
Interest		65,02,379		50,17,348	
			<b>65,02,379</b>		<b>50,17,348</b>
Other Expenses	<b>21</b>				
Administrative Selling and General Expenses		42,090			
Housekeeping Expenses		37,744			
Printing and Stationary		5,778		12,52,266	
Auditors Remuneration *		1,20,238		2,88,301	
Legal Professional and Consultancy Charges		1,30,000		1,15,000	
Travelling and Conveyance Expenses		18,86,917		32,78,267	
Transport		2,96,615		18,63,784	
Internet Gateway and Domain charges		1,35,600			
Insurance Charges		11,32,733		22,75,159	
Miscellaneous Expenses		1,10,916		2,89,889	
Marketing Expenses **		25,677		7,11,945	
Other Interest		21,02,195		32,69,618	
Postage and Courier Charges		1,16,737		77,852	
Electricity Charges		6,43,264		17,91,249	
Rent, Rates and Taxes		1,35,771		11,50,384	
Registration and Filing Fees		23,72,237		10,30,043	
Repairs and Maintenance		1,84,126		1,20,130	
Telephone Expenses		3,63,713		5,05,217	
Bad Debts		42,425		1,91,622	
Bank Charges		14,67,334			
Contract Charges		3,59,500		4,11,080	
Job Work Charges		1,15,36,264			
Commission		55,607		2,83,413	
		1,33,25,000			
			<b>3,66,28,480</b>		<b>1,89,05,219</b>
<u>*Auditors Remuneration</u>					
Audit fee		1,30,000		86,250	
Tax Audit				28,750	
			<b>1,30,000</b>		<b>1,15,000</b>
<u>**Marketing Expenses</u>					
Current year		21,02,195		32,69,618	
Prior Period			<b>21,02,195</b>		<b>32,69,618</b>
<u>Depreciation and Amortization</u>					
On tangible assets		3,39,994		7,98,764	
On intangible assets		1,01,29,675	<b>1,04,69,669</b>	99,34,938	<b>1,07,33,702</b>





<b>Note 8: Trade Payables</b>	31/03/2017	31/03/2017	31/03/2016	31/03/2016
<b>Creditors for Goods</b>				
Aggarwal Plywood & Timber Store	-		9795	
Anantam	-		2793	
Anika Apparels Pvt. Ltd. - Creditors	1,73,619.00		173619	
ANS Apparels	-		623	
Bergner Impex (India) Private Limited	18,587.00		18587	
Bianca	-		7913	
Bodyline Creations	-		180	
Bombay Furnitures	-		229712	
Creative Garments Private Ltd	1,11,268.78		1409862.54	
Creative Global Services Private Limited	33,55,374.82		56440227.95	
Creative Portico (India) Pvt Ltd (Domestic Div)	36750		36750	
Creative Portico Private Limited	25,07,449.00		29468525	
Creative Textile Mills Pvt. Ltd.	-		1352205	
Diamond Interiors	11,797.00			
Dicitex Retail Pvt Ltd	10,10,452.86		1735588.25	
Dolphin Bean Bags	2,04,600.00		10499	
Dreams Linen Pvt Ltd	-		6780	
East Coast Distributors Pvt Ltd	-		25712	
Elephant Company Retail Pvt Ltd	-		28936	
Envogue Furnishings (India) Pvt Ltd.	-		3116	
Eternia Enterprises(P)LTD.	-		2230	
Excel Creations	-		42106	
FNS International Pvt Ltd	6,663.00		12140	
Gulmohar Comforts Pvt Ltd	1,743.00		2539	
Home Collective India Pvt Ltd	2,710.00		0	
House of Clocks & Watches Pvt Ltd	-		5135	
H P Associates	-		118085	
Indian Home Variations & Distributions LLP	49,563.84		172105.38	
International Trade Linkers	97,984.00			
Ishwar Steel	-		41685	
Jhaveri Bros. Manufacturing India P. Ltd.	-		248	
Kiaana	29,526.70		42570.7	
Linen Design Company Private Limited	4,42,304.21		299988.98	
Magick Woods Exports Pvt Ltd	6,993.00			
Mahalaxmi Arts	11,665.00			
Mauria Udyog Ltd	3,190.00			
M. H. Windows Decor Pvt. Ltd.	-		13331	
Minaxi Electric & Hardware Stores	-		3250	
Mohammadi Frames	-		38703	
Nandu Trading Co.	-		20500	
National Plastic Industries Ltd	7,191.00		43328	
Natures Mania	518.00		518	
Open Sesame	1,365.00		0	
Patio Furniture Export	13,362.00		0	
Petals	1,14,392.00		160915	
Pure Play Media	-		3056	
Rajprabhu Traders Pvt Ltd	-		15764	
Raymond Limited	24,795.10		1639268.1	
Real Innerspring Technologies Pvt Ltd	67,863.00		69926	
Renaissance Creations Pvt Ltd	-		15186	
S9 Home Pvt Ltd	-		5196	
Sands Incorporation	-		3659	
Shraddha Synthetics Pvt Ltd	42,36,841.00		0	
SMG Interdecor Pvt Ltd	-		12587277	
Spacewood Office Solutions Pvt Ltd	2,031.00			
Spread Home Products Pvt. Ltd.	16,470.59		137608.59	
Textrade International Ltd	9,496.00			
Tree of Life	-		5512.48	
Tuni Textile Mills Ltd	-		10114260	
Viral Enterprises	-		11484	
Welspun Global Brands Limited	25,870.00		2202318	
Winmark Enterprises Pvt Ltd	66,518.00		7296	
Wonderchef Home Appliances Pvt Ltd	-		21517	
Yellows Spun And Linens Pvt Ltd	5,70,545.00			
Habitat Craft	-		2376	
Home Enterprises	55,728.00			
M.S International	34,680.00			
Style Homez Incorporation	5,18,700.00			
<b>Total</b>		<b>1,38,48,607</b>		<b>11,88,22,506</b>



	31/03/2017	31/03/2017	31/03/2016	31/03/2016
<b>Note 8.2: Trade Payables</b>				
<b>Sundry Creditors For Projects</b>				
Abdulla Glass Center	1,61,157.00			
Amardeep Designs India P Ltd	1,08,940.00			
Crystal Glass	20,250.00			
Hina Electricals	28,679.00			
Homecraft Online Private Limited	80,98,419.62			
Iqra Fabrication	85,519.00			
Jai Mahakali Enterprises	85,424.00			
Jalaram Lights Studio	2,120.00			
Kamal Marbles	1,46,321.00			
Keshnath S. Sahani	12,221.00			
Komal Decorators Painting Contractor	67,150.00			
Majestic Woodkraft	3,89,981.00			
M. H. Windows Decor Pvt. Ltd.	5,35,705.00			
Mrudu Aluminium	3,34,532.00			
Neha Enterprises	27,700.00			
Parryware Care	83,298.00			
PCM Interiors	82,161.00			
Prakash Electric & Hardware Stores	1,30,466.00			
Real Innerspring Technologies Pvt Ltd -Vat	31,631.00			
Rich Flora Pest Control Services	250.00			
Ronak Electricals	69,026.00			
R. R. INTERIORS	84,437.00			
Rukumuddin Hyder Shaikh	5,200.00			
Shah Ply & Wood	6,06,083.00			
Shri Shakti Facilities Services	10,000.00			
Spas Storage Solutions	28,352.00			
Super Cool	58,048.00			
T.Com Network Solution	82,008.00			
The Urbane Decor Group	65,504.00			
Venus Systems Solutions	11,691.00			
Vijay Aliminium & Glass	8,000.00			
Vivek Singh	5,44,400.00			
<b>Total</b>		<b>1,20,04,673.62</b>		
<b>Note 9: Other Current Liabilities</b>				
<b>9.1 Outstanding Liabilities</b>				
Audit Fees Payable	1,30,000.00		115000	
Salary Payable	3,85,489.00		405655	
Provision for Expenses	39,894.00		0	
Telephone Expenses Payable	5,973.00		19523.71	
		<b>5,61,356</b>		<b>5,40,179</b>
<b>9.2 Other Payables</b>				
Security Deposit-Locville Online Private Limited	18,203		20000	
Security Deposit-Dealamazing.Com			30000	
		<b>18,203</b>		<b>50,000</b>
<b>9.3 Statutory Dues</b>				
TDS on Interest	15,090		8,302	
TDS on Contract	9,152		5,140	
TDS on Commission-Brokerage	6,50,000			
Tds on Plant & Machanery Rent - 94I	1,075			
TDS on Rent	4,515		4,515	
TDS on Professional Fees			7,001	
TDS on Salary	4,911		4,246	
<b>TDS Payable</b>		<b>6,84,743</b>		<b>29,204</b>
CST Payable	-14,256			
Employee's Cont. to P.F.	12,997		46,072	
Employees' Contn to ESIC			238	
Gratuity Payable				
VAT Payable	10,59,129		309870	
Profession Tax	3,200		2000	
Service Tax Payable	0		214491	
<b>Other Statutory Dues Payable</b>		<b>10,61,069</b>		<b>572671</b>
<b>Total Statutory dues</b>		<b>17,45,812</b>		<b>6,01,875</b>



	31/03/2017	31/03/2017	31/03/2016	31/03/2016
Torrent Power Limited	4,607		0	
Trootrac	0		49325	
Unicommerce Esolutions Pvt Ltd	1,08,440		50160	
Vichare Express & Logistics Pvt. Ltd	2,525			
Vichare Courier Services Pvt Ltd	0		2527	
Vinstall India	4,370			
Vijaybahadur L.Yadav	5,808			
V.K. Beswal & Co.	1,57,500			
Webbutterjam Digital Solutions Pvt Ltd	0		112800	
Yahoo India Private Limited	5,69,072		569071.87	
Asha Sanitary Ware	2,221			
FedEx Express TSCS (India) Pvt. Ltd.(Mah)	1,35,869			
Seema Dubey	52,650			
Tarak Nagda	73,217			
		1,41,59,808		1,59,89,326
<b>9.4 Advance from Employees</b>				
Ajay Sinha			12,777.00	
Ketan Palkar			10,000.00	
Shivshankar Singh(Adv)			94,398.00	
Pawan Singh Deora	2,612.00			
Adv-Gabriel Malachi	1,964.00			
Adv. Ritesh Dhumak	2,706.00			
Shrikant Adv	672.00			
Total		7,954.00		1,17,175.00
<b>9.6 Advance Received from Customer</b>				
RS - Bluedart			5014.03	
RS - Fedex	13,721.76		55334.80	
RS-Flipkart			8435.97	
RS-Gati			270.00	
RS - Quickdel			23,261	
RS - Homeshop18			34987.90	
RS - Indiatimes			9,033	
RS-Jiby Thomas James			31068.00	
RS-Myntra	1,587.58			
RS - Ringabell			109	
RS - My Nest Home			5,966	
Home Craft Online Pvt Ltd				
Anuradha Bansal	8,00,000.00			
Bhoomi Sales	25,402.00			
Blume Venture Advisors Pvt Ltd	20,09,053.00			
Cama Industrial Estate Association- Debtor	5,00,000.00			
Creative Computer & Marketing Pvt Ltd-SALE	71,322.00			
Creative Textile Mills Pvt Ltd - Dr	75,67,384.00			
Jai Mata DI Home Constructions Pvt Ltd	4,57,982.00			
Kajaria				
Khelomore Sports Pvt Ltd	6,76,924.00			
Phulchand Export Pvt Ltd				
Retail Stores				
Total		1,21,23,376	80,763	2,54,243
<b>Schedule 11: Long Term Loans and Advances</b>				
<b>Security Deposits</b>				
Deposit With VAT Department	25,000			
Bennett Coleman & Co Ltd	42,00,651			
Warehouse Deposit	1,67,349			
		43,93,000		
<b>Schedule 13: Trade Receivables</b>				
<b>Others</b>				
<b>Sundry Debtors</b>				
More than six months	57,84,831			
Others	42,98,776			
		1,00,83,607		





	31/03/2017	31/03/2017	31/03/2016	31/03/2016
<b>9.4 Creditors for Expenses</b>				
21 Trends Private Limited	0		80010	
Aarya Logistics Solutions Pvt Ltd	63,736			
Ajay Dubey	4,000			
Ananda Shripati Jadhav	0		4400	
Assured Advertising & Media Pvt Ltd	2,24,293		374293	
B.B.Jain & Associates	0		6840	
Best Electrical Undertaking	12,690		5030	
Bipin Narshi Shah	13,549			
Bosco A.S.D Souza	0		7500	
Cama Industrial Estate Association	0		6462	
Darshini Bipin Shah	13,549			
Facebook	77,28,202		7728202.36	
FedEx Express Services (India) Pvt. Ltd	0		194078.41	
Fred Travels Pvt. Ltd.	3,320			
Global Housekeeping and Facility Management	0		11689	
GOOGLE INDIA PVT LTD	24,25,668		2425668.35	
Grafigo Creation	300			
Kamal Kishor Sharma	2,000			
Kamal Steel	5,747			
Klass Enterprises	0		1698	
Kunal Consultancy Private Limited	0		7980	
Kushal Jajodia	0		2000	
Lex Firmus	0		54000	
Mangal Compusolution Pvt Ltd	0		57389	
Mangesh Patil	40,000			
Mamta Nagda	10,800			
Mazda Imaging Pvt Ltd	3,413			
Merging Layers	52,000		208000	
Microart Systems (India) Pvt. Ltd.	6,598		8543.93	
Moe's Art Private Limited	5,04,500		616500	
Moti Singh Chouhan	1,500			
Nayna Shailesh Shah	13,411			
Netmagic IT Services Private Limited	5,46,093		6446.34	
Netmagic Solutions Pvt Ltd	99,188		488	
Nexus Computers Pvt Ltd	2,44,440		758836	
Nitin Mishra	10,000		2500	
Nu-Dezine Furniture	0		214083	
Nyasa Enterprises	0		478500	
One97 Communications Limited	0		11236	
Paradox Communications Private Ltd	1,05,000			
Paris Collection	0		2468	
Playce	0		18240	
Poonam Enterprise	0		6936	
Prakash Electric & Hardware Stores	0		35190	
Proshots	0		16584	
Quickdel Logistics Private Limited	0		62412	
Quikchex Pvt Ltd	0		25617	
Radhakrishnan Ashokkumar	6,680			
Ravindra R.Sharma	0		9907	
Right Choice Tours N Travels Private Limited	5,161		5161	
R. Jadhav Seating System	0		2650	
Sai Pooja Enterprises	3,430		4515	
Sadguru Aqua	0		6700	
Saharsh Professional Services	0		3000	
Scarecrow Communications Ltd	3,65,340		665340	
Seema S. Dubey	0		72270	
Shah Mepshi Narshi	1,458			
Shailesh Narshi Shah	13,549			
Shivaami Cloud Services Pvt Ltd	16,957		14997	
Shiv International	0		1949	
Shree Arihant Maintenance	31,987		31814	
Siddhivinayak Enterprises	0		8774	
S K Constellation Blu Advisory Pvt. Ltd.	0		186750	
S K Enterprises	6,215		4114.88	
Smruti Digital	35,630		71692	
Sokrati Technologies Pvt Ltd	3,41,824		441824	
SSN Logistics Pvt Ltd	65,342		88129.4	
Standard Stationers & Printers	0		11117	
Superior Frames	5,958			
Sutra Services Pvt Ltd	0		28291	
T.Com Network Solution	0		35007	
Tanay Kedia	10,000		10000	
TATA Communications	0		58997	
The American Express Corporate Card	0		2622.3	



<b>Schedule 15: Short Term Loans and Advances</b>	31/03/2017	31/03/2017	31/03/2016	31/03/2016
Prepaid Expenses	1,18,196			
Balance with Statutory Authorities				
TDS 2014 2015			79643	
TDS Receivable 2016-17	4,70,939			
CST Payable			15684.65	
Krishi Kalyan Cess 0.50% (Input)	0			
Output Vat 5.5%	0			
Service Tax Input @ 14%	829128			
Krishi Kalyan Cess 0.50% (Input)	29,611			
		<b>13,29,678</b>		<b>95,328</b>
<b>Advance to employees</b>				
Amit Joshi(Adv)	0		1000	
Anagha Pansare	0		379	
ANISH GEORGE (ADV)	1,000		9000	
Bharath Belur ( Adv. )	0		8000	
Dhananjay Singh (Advance)	0		17125	
Dujon Fernandes (ADV)	0		1000	
Jason Lobo	0		10000	
Kashif Egbal (Adv)	0		30000	
Krishna (ADV)	0		2160	
K.S. Hariharan (Adv)	1,07,988		442116	
Priyanka Ghagare (Adv)	2,000			
P Srishailam (ADV)	0		8728	
Prakash Shinde(ADV)	0		12825	
Raju Shivmat	0		4000	
Roshan (ADV)	5,400		7345	
Rupa Angre	4,000			
Sachin Trivedi ( Petty Cash )	16,023		22000	
Sandeep Mandal (ADV)	5,979		3979	
Shubangini Naidu (Adv)	0		41000	
Bhupesh Dalvi Advance	1,000			
Dost Chavan(ADV)	1,488			
S P Dubey (Advance)	27,504			
Loan-Shivaji Dhumale	4,000			
<b>Total</b>		<b>1,76,382</b>		<b>6,20,657</b>
<b>Advance to Others</b>				
A.K.Pandey Colour Decoration	-		23,000.00	
Axima Corporation	-		18,375.00	
Gamooga Softtech Private Limited	-		5,181.00	
Home Collective India Pvt Ltd	-		179.00	
Iqra Fabrication	-		5,000.00	
Pyxis Pictures Private Limited	10,00,000.00		10,00,000.00	
Ronak Electricals	-		1,75,390.00	
Sai Painting & POP Works	-		26,600.00	
Jubilee Leather Works	-		2,31,901.00	
Worldwide Media Pvt Ltd	10,00,000.00		10,00,000.00	
Gajanan Tubes	1,07,408.00		1,07,408.00	
Manish Malik	1,00,000.00		2,00,000.00	
Plugged India Enterprises LLP	12,957.25			
RR Interior	-		1,26,552.00	
Viaton Energy Pvt Ltd	3,443.00		7,359.00	
Vividha Home Fashions Pvt Ltd	-		15,000.00	
VXL Service	-			
<b>Total advance to Creditors (Others)</b>		<b>22,23,808.25</b>		<b>29,41,945.00</b>
<b>Advance to creditors for goods</b>				
Aakaar International	-		36000	
Aircare Centre	-		45000	
Creative Global Services Private Limited	-			
Furniture Kraft International Private Limited	13,450.00			
V K Beswal & Associates	13,640.00			
The Bombay Dyeing & Mfg. Co. Ltd.	-		38257	
Ahmed Electricals	1,00,000.00			
J. B. Interiors	3,21,550.00			
Mohammed Farukh Choudhari	1,92,352.00			
Nu-Dezine Furniture	1,96,758.00			
S A Taiyabi & Co	2,900.00			
<b>Advance To Creditors for Goods</b>		<b>8,40,650</b>		<b>1,19,257</b>



	31/03/2017	31/03/2017	31/03/2016	31/03/2016
<b>Schedule 16: Sales</b>				
16A				
Total Sale of Products	15,44,85,846		153013972	
Less : Trade and Coupon Discount				
Net Sales Value			127619905	
Less : CST 2%				
Less : VAT 12.5%				
Less : VAT 5%				
Sales - Net of VAT/CST				
Less : Credit Notes	7,13,713			
Less : Rate Difference				
Total Sale of Products		15,37,72,133		12,76,19,905
16B				
Total Services provided	1,92,39,941		2459292	
Less: Credit Note	0			
Total Sale of Services		1,92,39,941		24,59,292
Total Sales as per P&L		17,30,12,074		13,00,79,197
<b>Schedule 17: Other Income</b>				
Interest	6,307		3476	
Miscellaneous Income	21		194081	
Commision Income			34496	
Reversal of Provision for Gratuity			532370	
Profit on Sale of Asset			120926	
		6328		885349
<b>Schedule 19: Employee Benefit Expense</b>				
Salaries, Wages and Other Expenses				
Employer Contribution on MWF	792		216522	
Employer Contribution on Provident Fund	75,203			
Gratuity	71,195			
Gross Salary	46,39,932		31146513	
Variable Salary	90,719		229073	
PF Admin Chg	11,546		18490	
Less : Capitalised during the year			18811805	
		48,89,387		1,27,98,793
Staff Welfare Expenses				
Medical Expenses			2234	
Medical Exp ( Max Bupa Health Ins)			-13746	
Staff Welfare Exp	74,918		5,23,861	
Stipend			18000	
Diwali Expense	31,926			
Warehouse staff welfare	23,464			
		1,30,308		5,30,349
<b>Schedule 20: Finance Costs</b>				
Interest on CC	57,88,149		4934332	
Interest on Loan	7,14,230		83016	
		65,02,379		50,17,348





Notes	Expense Breakup 1-4-2016 to 31-03-2017		FY 16-17
	Head	Particulars	
19	Admin Exp	Books & Periodicals	
		Computer Expenses	
		Housekeeping Exp.	5,778
		Office Expenses	42,090
		Printing & Stationery	73,312
		Printing & Stationery - WH	46,926
		Transport	93,500
		Transport-WH	42,100
		Water-warehouse	22,015
		Other charges	15,729
		<b>Admin Exp Total</b>	<b>3,41,450</b>
20	Finance Cost	Interest on CC	57,88,149
		Interest on Bank Loan	3,55,217
		Interest on Loan	3,59,013
		<b>Total</b>	<b>65,02,379</b>
21	Bank Charges	Bank Charges	72,124
		Processing Charges	2,87,376
		<b>Total</b>	<b>3,59,500</b>
	Courier & Postage Charges	Courier & Postage Charges	6,43,264
			<b>6,43,264</b>
	Depreciation	Depreciation	1,04,69,669
			<b>1,04,69,669</b>
	Electricity Charges	Electricity Charges	63,220
		Warehouse admin	72,551
			<b>1,35,771</b>
	Forex	Foreign Exchange Fluctuation	-
	Forex Total		
	Insurance Charges	Insurance Charges	1,10,916
		<b>Total</b>	<b>1,10,916</b>
	Internet Gateway and Domain Charges	8879365652 Dujon (Data Cared)	
		9619431501 (Prakash Shinde Data Card)	6,840
		Domain Registration Fees	1,875
		Hosting Charges	9,82,660
		Internet Access Expense	64,416
		Warehouse Internet	76,942
		<b>Total</b>	<b>11,32,733</b>
	Legal & Professional Charges	Consultancy Charges	
		Legal & Professional Charges	1,50,000
		Professional Fees	3,16,825
		Recruitment Charges	20,092
		Architect Fees	14,00,000
		<b>Total</b>	<b>18,86,917</b>
	Marketing & Advertisement Expenses	Advertising Expenses	21,60,600
		Commision	
		Market Place Charges	17,03,765
		Marketing Expenses	1,02,381
		Packaging & Designing Expenses	29,534
		Discount	1,21,438
		Sundry Balance W/o(Bad Debts)	15,524
		<b>Total</b>	<b>41,02,195</b>



Notes	Expense Breakup 1-4-2016 to 31-03-2017		FY 16-17
	Head	Particulars	
	Miscellaneous Expenses	Balances W/ff	5,530
		Demat Charges	2,000
		General Expenses	7,820
		Donation	2,000
		Misc Expenses Written Off	
		Warehouse	8,212
		Roundoff Diff	115
		<b>Total</b>	<b>25,677</b>
	Miscellaneous Balances written back Total	Sundry Balance Written Off	-
	Other Interest & Penalty	Interest on Service Tax	29,027
		Interest on TDS	249
		Interest on Professional Tax	
		Interest on Sales Tax	10,961
		Late Filing fees	12,500
		Penalty on Sales Tax	64,000
		<b>Total</b>	<b>1,16,737</b>
	Prior Period Expenses	Advertising Exp - Prior Period	
		Advertising Expenses - Prior Period	
	Prior Period Expenses Total	Prior Period Expenses	-
	Registration and Filing Fees	Filing Fees	1,82,546
		Filing Fees	
		Franking Charges	1,580
		Registrars of Trademarks	
		Registration Fee	
		<b>Total</b>	<b>1,84,126</b>
	Rent, Rates & Taxes	Licence, Renewals, AMC & Rengs.	
		Taxes Expenses	5,67,544
		Shop Establishment	3,940
		Computer Rent	9,05,132
		Rent - WH	7,02,876
		Octroi	1,92,745
		<b>Total</b>	<b>23,72,237</b>
	Repair & Maintenance	Annual Maintanance Charges - Uniware	1,28,000
		Office Maintenance	43,591
		Repair & Maintenance	1,20,055
		Society Maintenance	
		Repair & Maintance - WH	14,745
		Warehouse maintenance	57,322
		<b>Total</b>	<b>3,63,713</b>
	Telephone Expenses	022-30440066 (Reliance BBM NO.)	493
		7045358668 (Amit Dalmia)	11,418
		7506727616 (Bharath Belur)	2,247
		7506984249 K S Hariharan	1,885
		8879404245 (Prakash Shinde)	3,017
		9619501435 Susmita Dalmia	5,229
		9619501438 (Amit Dalmia)	5,228
		9619875869 (Nikth Khan)	2,698
		Telephone Expenses	7,503
		Telephone Expenses-9869462876	1,657
		Telephone Expenses-9869463997	172
		9619348112 Sachin S Trivedi	11,265
	Less: Excess Received		10,386
		<b>Total</b>	<b>42,425</b>



Notes	Expense Breakup 1-4-2016 to 31-03-2017		FY 16-17
	Head	Particulars	
	Travelling	Car Hiring Charges	3,133
		Conveyance Expense	1,54,355
		Motor Car Expense	1,15,128
		Travelling Expenses	17,700
		Warehouse	6,299
		<b>Total</b>	<b>2,96,615</b>
	Contract Expense	Loading Charges	28,350
		Production Exp - WH	5,779
		Varai	80,604
		Contract Charges	1,04,47,020
		Contract Charges - Furniture	9,74,511
			<b>1,15,36,264</b>
	Job Work Charges	Job Work Charges	48,000
		Job Work Embroidery	7,607
		<b>Total</b>	<b>55,607</b>
	Commission	Commission	1,33,25,000
		<b>Total</b>	<b>1,33,25,000</b>





## ENCOMPASS DESIGN INDIA PRIVATE LIMITED

### NOTE 1

Significant accounting policies annexed to & forming part of balance sheet as at 31<sup>st</sup> March 2017

#### 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.

#### 22 Gratuity and other employment benefits:

Annexure 1: Funded status of the plan		
Particulars	31-Mar-2017	31-Mar-2016
	Rs.	Rs.
Present value of unfunded obligations	1,95,854	1,24,659
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Liability (Asset)	1,95,854	1,24,659

Annexure 2: Profit and loss account for current period		
Particulars	31-Mar-2017	31-Mar-2016
	Rs.	Rs.
Current service cost	56,338	2,41,199
Interest on obligation	9,709	50,679
Expected return on plan assets	-	-
Net actuarial loss/(gain)	5,148	(8,24,248)
Past service cost	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	71,195	(5,32,370)
Total Charge to P&L	71,195	(5,32,370)
Loss/(gain) on obligation as per Annexure 3	5,148	(8,24,248)
Loss/(gain) on assets as per Annexure 4	-	-
Net actuarial loss/(gain)	5,148	(8,24,248)



**Annexure 3: Reconciliation of defined benefit obligation**

Particulars	31-Mar-2017	31-Mar-2016
	Rs.	Rs.
Opening Defined Benefit Obligation	1,24,659	6,57,029
Transfer in/(out) obligation	-	-
Current service cost	56,338	2,41,199
Interest cost	9,709	50,679
Actuarial loss (gain)	5,148	(8,24,248)
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plan	-	-
Benefits paid	-	-
Benefits payable	-	-
Closing Defined Benefit Obligation	1,95,854	1,24,659

**Annexure 4: Reconciliation of plan assets**

Particulars	31-Mar-2017	31-Mar-2016
	Rs.	Rs.
Opening value of plan assets	-	-
Transfer in/(out) plan assets	-	-
Expenses deducted from the fund	-	-
Expected return	-	-
Actuarial gain/(loss)	-	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Closing value of plan assets	-	-





**Annexure 5: Reconciliation of net defined benefit liability**

Particulars	31-Mar-2017	31-Mar-2016
	(12 months)	(12 months)
	Rs.	Rs.
Net opening provision in books of accounts	1,24,659	6,57,029
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Annexure 2	71,195	(5,32,370)
	1,95,854	1,24,659
Benefits paid by the Company	-	-
Contributions to plan assets	-	-
Closing provision in books of accounts	1,95,854	1,24,659

0%

**Annexure 6: Composition of the plan assets**

Particulars	31-Mar-2017	31-Mar-2016
	(12 months)	(12 months)
	%	%
Government of India Securities	0%	0%
State Government Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Policy of insurance	0%	0%
Bank Balance	0%	0%
Other Investments		
<b>Total</b>	<b>0%</b>	<b>0%</b>

### Annexure 7: Bifurcation of liability as per schedule III

Particulars	31-Mar-2017 (12 months)	31-Mar-2016 (12 months)
	Rs.	Rs.
Current Liability*	566	381
Non-Current Liability	1,95,288	1,24,278
Net Liability	1,95,854	1,24,659

\* The current liability is calculated as expected benefits for the next 12 months.

### Annexure 8: Table of experience adjustments

Particulars	31-Mar-2017 (12 months)	31-Mar-2016 (12 months)
	Rs.	Rs.
Defined Benefit Obligation	1,95,854	1,24,659
Plan Assets	-	-
Surplus/(Deficit)	(1,95,854)	(1,24,659)
Experience adjustments on plan liabilities	(5,667)	(8,24,248)
Actuarial loss/(gain) due to change in financial Assumptions	10,815	-
Actuarial loss/ (gain) due to change in demographic Assumption	-	-
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	5,148	(8,24,248)

Particulars	31-Mar-2017 (12 months)	31-Mar-2016 (12 months)
Discount Rate	7.40%	7.80%
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	6.00%	6.00%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages



**26. Contingent Liability**

NIL

NIL

27. In the opinion of the Board of Directors, the current assets, loans and advances have a value, which on realization in the ordinary course of business is at least equal to the amount stated in the Balance Sheet. Sundry Debtors and Creditors are subject to confirmation.

**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/Loss after tax (Rs.)	14,01,260	(1,61,64,781)
Weighted Average No. of Equity Shares	2,14,289	2,14,289
Earnings Per Share- (In Rs.) Basic	6.54	(75.43)

**29. Disclosure on Specified Bank Note (SBNs):**

During the year the company had specified bank notes or other denomination notes as defined in MCA notification G.S.R. 308(E) dated March, 31, 2017. The details of specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016 is given below:

(Amount in Rs.)			
Particulars	SBNs	Other denomination notes	Total
Closing cash on held as on November 8, 2016	17,90,000	2,00,295	19,90,295
(+) Permitted receipts	-	48,363	48,363
(-) Permitted payments	-	1,03,822	1,03,822
(-) Cash Deposited in Bank	17,90,000	20,000	18,10,000
Closing cash in hand as on Dec 30, 2016	-	1,24,836	1,24,836

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

CA TANAY KEDIA

[Partner]

Membership Number - 154778

PLACE: Mumbai

DATE: 19 JUN 2017



**For ENCOMPASS DESIGN INDIA PRIVATE LIMITED**

Amit Dalmia

Director

DIN: 00210919

Arunanshu Agarwal

Director

DIN: 00166400