

Independent Auditor's Report

To the Members of ENCOMPASS DESIGN INDIA PRIVATE LIMITED

Report on the Financial Statements

1. Opinion

We have audited the accompanying financial statements of **M/s. Encompass Design India Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss, the statement of Cash Flows for the year then ended and notes to the financial statement including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its financial performance for the year ended on that.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. There matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



4. Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding the assets of the Company; for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

6. Auditors Responsibility for the Audit of the Standalone Financial Statements



Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Companies Act 2013, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

A. 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 Balance sheet, the standalone statement of profit and loss 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 relevant rule issued thereunder.
- e. On the basis of the written representations received from the directors as on 31 March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- f. Reporting on internal financial controls over financial reporting (IFCoFR) under this clause is not applicable since turnover of the company does not exceed Rs.50 crores or borrowings do not exceed Rs.25 crores as per latest audited balance sheet.

B. With respect to the other matters to be included in the Auditors' 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 may impact its standalone financial statements;
- ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

C. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act: The company being a private limited, the provision of section 197 read with schedule 5 to the act are not applicable to the company and hence reporting under section 197(16) is not required.

For V.K.BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
ICAI Firm Regn No-101083W


CA KUNAL V BESWAL

[PARTNER]

M.NO. 131054

PLACE: MUMBAI

DATED: 06.09.2021

UDIN: 21131054AAAEP11590



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 31st March, 2018 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.

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.

9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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
ICAI Firm Regn No-101083W



CA KUNAL V BESWAL :
[PARTNER]

M.NO. 131054

PLACE: MUMBAI

DATED: 06.09.2021

UDIN: 21131054AAAEP11590



ENCOMPASS DESIGN INDIA PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH, 2021

PARTICULARS	Note	As at 31st March, 2021	As at 31st March, 2020
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	2	3,092,930	3,092,930
Reserves and Surplus	3	50,540,146	52,058,210
Money received against Share Warrants		-	4,200,000
		53,633,076	59,351,140
Non-Current Liabilities			
Long-term borrowings	4	102,862,005	120,558,001
Long Term Provisions	5	503,071	346,422
		103,365,076	120,904,423
Current Liabilities			
Short-Term Borrowings	6	16,349,512	10,892,841
Trade Payables	7	83,875,186	87,779,607
Other Current Liabilities	8	14,567,147	11,072,575
Short Term Provisions	9	430,600	346,814
		115,222,446	110,091,837
Total		272,220,598	290,347,400
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		1,298,019	1,405,165
Intangible Assets		93,372,671	104,003,084
Deferred Tax Assets (Net)	11	11,142,513	10,717,530
Long-Term Loans and Advances	12	383,389	4,784,040
		106,196,592	120,909,819
Current Assets			
Inventories	13	102,159,720	102,437,746
Trade Receivables	14	23,938,089	17,706,668
Cash and Bank Balances	15	37,919	224,475
Short-Term Loans and Advances	16	252,193	391,981
Other Current Assets	17	39,636,085	48,676,711
		166,024,005	169,437,582
Total		272,220,598	290,347,400

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 Kunal V. Beswal

(Partner)

M No. 131054

Place : Mumbai

Date : 06/09/2021



For Encompass Design India Private Limited



Amit Dalmia

Director

DIN: 00210919

Susmita Dalmia

Director

DIN : 02401290

ENCOMPASS DESIGN INDIA PRIVATE LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March, 2021

Particulars	Note	Year ended on 31st March, 2021	Year ended on 31st March, 2020
Income :			
Revenue from operations	18	156,581,393	141,516,595
Other Income	19	2,790,373	592,332
Total Revenue		159,371,766	142,108,927
Expenses:			
Purchases		95,367,794	66,463,280
Increase/(Decrease) in Inventories	20	278,026	29,340,665
Employee Benefits Expense	21	19,553,255	24,515,681
Finance Costs	22	2,086,785	2,328,598
Depreciation and Amortization	10	15,780,182	14,002,527
Other Expenses	23	28,210,093	19,347,935
Total expenses		161,276,134	155,998,686
Profit/ (Loss) before tax		(1,904,368)	(13,889,760)
Tax expense :			
Current Tax		-	-
Earlier Year Tax		38,679	-
Deferred Tax		(424,983)	(3,609,287)
Profit/ (Loss) for the year		(1,518,064)	(10,280,473)
Balance carried forward		(1,518,064)	(10,280,473)
Earnings per share			
Basic and diluted - par value Rs 10. per share		(7.08)	(47.97)
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 Kunal V. Beswal
(Partner)

M No. 131054

Place : Mumbai

Date : 06/09/2021



For Encompass Design India Private Limited


Amit Dalmia
Director
DIN: 00210919


Susmita Dalmia
Director
DIN : 02401290

ENCOMPASS DESIGN INDIA PRIVATE LIMITED
Cash Flow Statement for the period ended 31 March 2021

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Cash flows from operating activities		
Net Profit/(Loss) before taxation and extraordinary items	(1,904,368)	(13,889,760)
Adjustments for Non cash & Non Operating Expenses:		
Depreciation	15,780,182	14,002,527
Interest and Finance Charges	2,086,785	2,328,598
Operating profit before working capital changes	15,962,599	2,441,365
Adjustments for changes in working capital (current assets & current liabilities):		
Inventories	278,026	29,340,665
Trade Receivables	(6,231,421)	14,518,808
Short Term Loans and Advances	139,788	(144,122)
Trade Payables	(3,904,421)	(19,810,928)
Other Current Assets	9,040,626	(23,244,898)
Other liabilities and provisions	3,578,358	(352,016)
Cash generated from Operations	18,863,555	2,748,874
Earlier Year Tax	38,679	-
Income taxes paid	-	-
Net Cash Flow from Operating Activities	18,824,876	2,748,874
B. Cash flows from Investing Activities		
Changes in fixed assets	(5,042,623)	(15,201,861)
Changes in Long-Term Loans and Advances	4,400,651	(215,000)
Net Cash Flow from Investing Activities	(641,972)	(15,416,861)
C. Cash flows from financing activities		
Increase/(Decrease) in Short-term borrowings	5,456,672	14,265,808
Increase/(Decrease) in Long-term borrowings	(17,695,996)	759,048
Increase/ (Decrease) in Other Long term Liabilities	156,649	30,704
Change in Money received against Share Warrants	(4,200,000)	-
Interest and Finance Charges	(2,086,785)	(2,328,598)
Net cash generated from financing activities	(18,369,461)	12,726,962
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(186,556)	58,975
Cash and cash equivalents at the beginning of the year	224,475	165,500
Cash and cash equivalents at the end of the year	37,919	224,475

Accompanying Notes form an integral part of the Financial Statements

For V K BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm No. 101083W

CA Kunal V. Beswal
(Partner)

M No. 131054

Place : Mumbai

Date : 06/09/2021



For Encompass Design India Private Limited

Amit Dalmia
Director

DIN: 00210919

Susmita Dalmia
Director

DIN : 02401290

ENCOMPASS DESIGN INDIA PRIVATE LIMITED

NOTE 1 NOTES FORMING A PART OF BALANCE SHEET AS AT 31ST MARCH 2021.

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. REVENUE RECOGNITION

Expenses & Income have been accounted for on accrual basis

C. PROPERTY, PLANT & EQUIPMENTS

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.

D. 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.

E. 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.

F. 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.

G. INVENTORIES

Inventories are stated at cost or net realisable value whichever is lower.

H. 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.

I. BORROWING COST:

Borrowing costs that are attributable to the acquisition or construction of the qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to revenue

J. IMPAIRMENT OF ASSETS:

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal / external factors, i.e. when the carrying amount of the asset exceeds the recoverable amount, an impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed or reduced if there has been a favorable change in the estimate or the recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use.

K. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Estimation of the probability of any loss that might be incurred on outcome of contingencies on basis of information available up to the date on which the financial statements are prepared. A provision is recognized when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonable possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made in the financial statements. In case of remote possibility neither provision nor disclosure is made in the financial statement. The company does not account for or disclose contingent asset, if any

L. EMPLOYEE RETIREMENT AND OTHER BENEFITS

Gratuity:

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.

Provident Funds:

Contributions to defined contributions scheme i.e. Provident Fund is made to the government owned funds and are charged to the Profit & Loss Account on accrual basis.

Leave Encashment:

As per the policy of the company the employee is not entitled to carry forward the leave and thereby requiring no provisions or actuarial valuations to be done.



ENCOMPASS DESIGN INDIA PRIVATE LIMITED

Notes Forming Part of Financial Statements for the year ended March 31, 2021

Particulars	Note	As on 31st March, 2021		As on 31st March, 2020	
		No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Share Capital	2				
Authorised Capital :					
Equity Shares of Rs.10/- each		300,000	3,000,000	300,000	3,000,000
Preference Shares of Rs.10/- each		150,000	1,500,000	150,000	1,500,000
		450,000	4,500,000	450,000	4,500,000
Issued, Subscribed and fully paid up					
Equity Shares of Rs.10/- each		214,289	2,142,890	214,289	2,142,890
Preference Shares of Rs.10/- each		95,004	950,040	95,004	950,040
		309,293	3,092,930	309,293	3,092,930
Reconciliation of No. of Shares outstanding at the beginning and end of the reporting period	2.1				
Equity Shares of Rs.10/- each					
Outstanding at the beginning of the year			214,289		214,289
Add : Allotted during the year			-		-
Outstanding at the end of the year			214,289		214,289
Preference Shares of Rs.10/- each					
Outstanding at the beginning of the year			95,004		95,004
Add : Allotted during the year			-		-
Outstanding at the end of the the year			95,004		95,004
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 preference 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		72,250	33.72%	72,250	33.72%
Arunanshu Agarwal		134,389	62.71%	134,389	62.71%
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		7,629	8.03%	7,629	8.03%
Arunanshu Agarwal		40,646	42.78%	40,646	42.78%
M/s Vista ITCL (India) Limited		33,541	35.30%	33,541	35.30%
Note :					
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					
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, 2021

Particulars	Note	As on 31st March, 2021		As on 31st March, 2020	
Reserves and Surplus	3				
Surplus/(Deficit) in Statement of Profit and Loss					
Opening balance			(31,214,992)		(20,934,519)
Add: Net Profit/(Loss) for the current year			(1,518,064)		(10,280,473)
Closing Balance			(32,733,056)		(31,214,992)
Share Premium Account					
Opening balance			83,273,202		83,273,202
Add: Added during the current year			-		-
Closing Balance			83,273,202		83,273,202
Total Reserves and Surplus			50,540,146		52,058,210
Long-term borrowings	4				
Unsecured, considered good					
ICICI Bank Loan A/c			206,052		759,048
Inter-Corporate Loans			87,500,314		97,500,314
Other Loans			15,155,639		22,298,639
			102,862,005		120,558,001
Details of Current & Non Current	4.1				
Current			552,996		467,101
Non- Current			206,052		759,048
Total			759,048		1,226,149
Long Term Provisions	5				
Provision for Employee benefits:					
Gratuity			503,071		346,422
Total Other Long Term Liabilities			503,071		346,422
Short Term Borrowings	6				
Secured Loan					
CC limits from Canara Bank *			16,349,512		10,892,841
*[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			16,349,512		10,892,841
Trade Payables	7				
Due to Micro, Small & Medium Enterprises for Goods			1,953,903		661,529
Trade Payable for Goods-Others			61,872,286		63,399,696
Trade Payable for Agro Goods-Others			6,516,879		6,516,879
Creditors for Expenses			13,532,118		17,201,504
Total Trade Payables			83,875,186		87,779,607
Other Current Liabilities	8				
Current Maturities of Loan					
-ICICI Bank Loan A/c			552,996		467,101
Advances from Customers			11,336,043		8,496,542
Outstanding Expense Payable			1,459,635		1,651,331
Security Deposits			18,203		18,203
Statutory Dues			408,818		279,147
Other Current Liabilities			791,452		160,251
Total Other Current Liabilities			14,567,147		11,072,575
Short Term Provisions	9				
Gratuity Provision			129,870		118,442
Provision for Expenses			300,730		228,372
Total Short Term Provisions			430,600		346,814
Deferred Tax Assets (Net)	11				
Deferred Tax Liability					
Net Block as per Companies Act		94,670,690		105,408,249	
Net Block as per Income Tax Act		35,444,451		41,965,704	
Difference			59,226,239		63,442,544



ENCOMPASS DESIGN INDIA PRIVATE LIMITED

Notes Forming Part of Financial Statements for the year ended March 31, 2021

Particulars	Note	As on 31st March, 2021		As on 31st March, 2020	
Deferred tax liability (A)		26.00%	15,398,822	26.00%	16,495,061
Deferred tax assets					
Expenditure to be disallowed u/s 43B -					
Gratuity		632,941		464,864	
Business Loss		86,756,883		89,323,609	
Unabsorbed Depreciation Loss		14,692,235	102,082,059	14,875,340	104,663,813
Deferred tax assets(B)		26.00%	26,541,335	26.00%	27,212,591
Deferred Tax Asset (Net)			11,142,513		10,717,530
Less : Deferred Tax Asset (Net) (Opening)			10,717,530		7,108,243
To be Dr/(Cr) in the P & L			(424,983)		(3,609,287)
Long Term Loans and Advances (Unsecured and Considered Good)	12				
Security Deposits					
-With Others			383,389		4,784,040
Total Long Term Loans and Advances			383,389		4,784,040
Inventories	13				
Finished goods (Valued at cost or Net realisable value whichever is lower)			102,159,720		102,437,746
Total Inventories			102,159,720		102,437,746
As certified by the management					
Trade Receivables (Unsecured, considered good)	14				
Outstanding for a period exceeding Six months			6,829,006		11,395,556
Others			17,109,084		6,311,113
Total Trade Receivables			23,938,089		17,706,668
Cash and Bank Balances	15				
Cash on Hand			11,381		18,159
Balances with Banks					
In Current Accounts			26,538		206,316
Total Cash and Bank Balances			37,919		224,475
Short Term Loans and Advances (Unsecured, considered good)	16				
Prepaid Expenses			252,193		391,981
Total Short Term Loans and Advances			252,193		391,981
Other Current Assets	17				
Balance with Statutory Authorities			10,401,392		10,409,618
Advances to Employees			99,461		8,751
Advance to Creditors			27,996,567		37,384,159
Advances to others			1,138,665		874,183
			39,636,085		48,676,711



Schedule 10: Fixed Assets

Tangible Assets

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 01/04/2020	Additions till 31-03-21	Deletions till 31-03-21	As at 31/03/2021	As at 01/04/2020	Additions till 31-03-21	As at 31/03/2021	As at 1/04/2020
Computers & Peripherals	728,316	155,923	-	884,239	582,053	92,792	674,845	146,263
Furnitures & Fixtures	1,701,679	-	-	1,701,679	880,523	161,659	1,042,183	821,155
Office Equipment	583,352	36,700	-	620,052	189,333	37,951	227,284	394,019
Mobiles	49,106	-	-	49,106	5,379	7,366	12,745	43,727
Total	3,062,453	192,623	-	3,255,076	1,657,288	299,769	1,957,057	1,405,165
Total Previous Year	2,909,766	152,687	-	3,062,453	1,386,382	270,906	1,657,288	1,523,384

Intangible Assets

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 01/04/2020	Additions till 31-03-21	Deletions till 31-03-21	As at 31/03/2021	As at 01/04/2020	Additions till 31-03-21	As at 31/03/2021	As at 1/04/2020
BED BATH MORE BRANDS	152,663,609	4,500,000	-	157,163,609	52,489,536	14,823,961	67,313,497	100,174,073
Software	6,887,830	350,000	-	7,237,830	3,058,819	656,452	3,715,271	3,829,011
Total	159,551,439	4,850,000	-	164,401,439	55,548,355	15,480,413	71,028,768	104,003,084
Total Previous Year	144,502,265	15,049,174	-	159,551,439	41,816,734	13,731,621	55,548,355	102,685,531
Grand Totals	162,613,892	5,042,623	-	167,656,515	57,205,643	15,780,182	72,985,825	105,408,249
Total Previous Year	147,412,031	15,201,861	-	162,613,892	43,203,116	14,002,527	57,205,643	104,208,915



ENCOMPASS DESIGN INDIA PRIVATE LIMITED
Notes Forming Part of Financial Statements for the FY 2020-2021

Particulars	Note	Year ended 31st March, 2021		Year ended on 31st March, 2020	
Revenue from Operations	18				
Sale of Goods	18A	146,667,298		105,331,276	
Sale of Services	18B	9,914,096		36,185,319	
Total			156,581,393		141,516,595
Detail of Sales					
Sale of Goods	18A				
Domestic			146,667,298		105,331,276
Export			-		-
Total			146,667,298		105,331,276
Sale of Services	18B				
Domestic			5,895,800		35,806,244
Export			4,018,295		379,075
Total			9,914,096		36,185,319
Revenue from operations			156,581,393		141,516,595
Other Income	19				
Commission Received		68,250		173,785	
Interest on IT Refund		116,592		66,142	
Other Misc Income		2,605,530		352,405	
			2,790,373		592,332
Increase/(Decrease) in Inventories	20				
Opening Stock of Finished Goods		102,437,746		131,778,411	
Less: Closing Stock of Finished Goods		102,159,720		102,437,746	
			(278,026)		(29,340,665)
Employee Benefits Expense	21				
Salaries, Wages and Other Benefits		19,133,925		24,243,326	
Staff Welfare Expenses		419,330		272,355	
			19,553,255		24,515,681
Finance Costs	22				
Bank Charges		58,471		102,551	
Interest		2,028,314		2,226,047	
			2,086,785		2,328,598
Other Expenses	23				
Advertisement & Marketing Expenses		614,795		519,696	
Auditors Remuneration *		180,000		185,081	
Contract Charges		-		292,504	
Commission		5,707,242		2,798,887	
Market Place Expenses		11,457,492		6,404,083	
Electricity Charges		80,430		152,670	
Insurance Charges		119,193		113,004	
Legal Professional and Consultancy Charges		1,789,597		1,544,498	
Labour Charges		80,000		80,000	
Job Work Charges		34,350		259,200	
Travelling and Conveyance Expenses		399,702		661,431	
Travelling and Conveyance Expenses-Foreign		-		322,820	
Internet Gateway and Domain charges		567,702		700,744	
Miscellaneous Expenses		189,308		158,410	
Office Expenses		51,890		171,865	
Postage and Courier Charges		1,605,329		1,175,154	
Packaging & Designing Expenses		948,143		1,102,776	
Printing and Stationary		579,825		243,187	
Rent, Rates and Taxes		1,892,276		1,341,105	
Repairs and Maintenance		666,590		783,311	
Sundry Balance Written Off		627,716		-	
Transport Charges		596,960		304,053	
Telephone Expenses		21,552		33,455	
			28,210,093		19,347,935
*Auditors Remuneration					
Audit fee			150,000		150,000
Taxation Matters			30,000		30,000
Others			-		5,081
			180,000		185,081



ENCOMPASS DESIGN INDIA PRIVATE LIMITED**Notes Forming Part of Financial Statements for the FY 2020-2021****24. Gratuity and other employment benefits:****Annexure 1: Funded status of the plan**

Particulars	31-Mar-2021	31-Mar-2020
	Rs.	Rs.
Present value of unfunded obligations	6,32,941	4,64,864
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Un recognized Past Service Cost	-	-
Net Liability (Asset)	6,32,941	4,64,864

Annexure 2: Profit and loss account for current period

Particulars	31-Mar-2021	31-Mar-2020
	Rs.	Rs.
Current service cost	1,44,209	1,92,499
Interest on obligation	23,324	26,877
Expected return on plan assets	-	-
Net actuarial loss/(gain)	544	(1,03,906)
Past service cost (Unvested)	-	24,044
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	1,68,077	1,39,514
Total Charge to P&L	1,68,077	1,39,514
Loss/(gain) on obligation as per Annexure 3	544	(1,03,906)
Loss/(gain) on assets as per Annexure 4	-	-
Net actuarial loss/(gain)	544	(1,03,906)



Annexure 3: Reconciliation of defined benefit obligation

Particulars	31-Mar-2021	31-Mar-2020
	Rs.	Rs.
Opening Defined Benefit Obligation	4,64,864	3,49,394
Transfer in/(out) obligation	-	-
Current service cost	1,44,209	1,92,499
Interest cost	23,324	26,877
Actuarial loss (gain)	544	(1,03,906)
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	6,32,941	4,64,864

Annexure 4: Reconciliation of plan assets

Particulars	31-Mar-2021	31-Mar-2020
	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-2021	31-Mar-2020
	(12 months)	(12 months)
	Rs.	Rs.
Net opening provision in books of accounts	4,64,864	3,25,350
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Annexure 2	1,68,077	1,39,514
	1,95,854	1,24,659
Benefits paid by the Company	-	-
Contributions to plan assets	-	-
	1,95,854	1,24,659
Closing provision in books of accounts	1,95,854	1,24,659

0%

Annexure 6: Composition of the plan assets

Particulars	31-Mar-2021	31-Mar-2020
	(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		
Total	0%	0%



Annexure 7: Bifurcation of liability as per schedule III

Particulars	31-Mar-2021 (12 months)	31-Mar-2020 (12 months)
	Rs.	Rs.
Current Liability*	1,29,870	1,18,442
Non-Current Liability	5,03,071	3,46,422
Net Liability	6,32,941	4,64,864

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

Annexure 8: Table of experience adjustments

Particulars	31-Mar-2021 (12 months)	31-Mar-2020 (12 months)
	Rs.	Rs.
Defined Benefit Obligation	6,32,941	4,64,864
Plan Assets	-	-
Surplus/(Deficit)	(6,32,94)	(4,64,864)
Experience adjustments on plan liabilities	(3,265)	(33,505)
Actuarial loss/(gain) due to change in financial Assumptions	3,809	32,515
Actuarial loss/ (gain) due to change in demographic Assumption	-	(1,02,916)
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	544	(1,03,906)

Annexure 9: Principle actuarial assumptions

Particulars	31-Mar-2021 (12 months)	31-Mar-2020 (12 months)
Discount Rate	5.60%	5.75%
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	6.00%	6.00%
Withdrawal Rates	50% at younger ages reducing to 10% at older ages	50% at younger ages reducing to 10% at older ages



25. RELATED PARTY TRANSACTIONS:

Disclosure in respect of related parties pursuant to AS – 18 Related Party Disclosures is as under:

(A) Key Management Personnel & Relatives of Key Management Personnel:

Mr. Amit Dalmia	Director - Key Managerial Personnel
Mrs. Susmita Dalmia	Director - Key Managerial Personnel

(B) Other Concerns / Companies:

Creative Portico Private Limited	Accio global private limited
Creative Global Services Private Limited	Omnitex industries (India) limited
Creative Garments Private Limited	Alluvium beauty and skincare private limited
Creative Textile Mills Private Limited	Plugged India enterprises LLP
Home Craft Online Private limited	Dazzala textile LLP
OTH Online Private limited	Brand spring ventures LLP
Creative Logistics Services DBA COS	Viaton Energy Private Limited

(C) The summary of transactions is as under:

Particulars	Nature of Transaction	31.03.2021 (Rs.)	31.03.2020 (Rs.)
Director & Key Management Personnel			
Mr. Amit Dalmia	Director Salary	21,50,200	20,65,000
	Loan taken/Repaid (Net)	71,43,000	54,30,000
	Telephone Expense	1,101	-
	Closing Balance (Payable)	2,21,876	72,98,639
Other Related Parties			
Creative Global Services Private Limited	Closing Balance (Payable)	1,04,87,806	-
Creative Garments Private Limited	Purchase	85,500	5,56,646
	Sales (net of return)	-	3,30,681
	Closing Balance (Receivable)	12,35,464	19,06,143
Creative Logistics Services DBA COS	Support Service – Income	86,388	3,79,075
	Closing Balance (Receivable)	-	1,74,141
Creative Portico Private Limited	Purchase	-	21,937
	Sales	-	28,503
	Closing Balance (Receivable)	3,58,304	3,39,695

4/

OTH Online Private limited	Branding & Advertisement	45,00,000	1,35,00,000
	Commission Paid	3,773	5,562
	Sales	16,179	57,614
	Closing Balance (Receivable)	2,45,47,984	2,54,45,741
Home Craft Online Private Limited	Closing Balance (Receivable)	1879,031	31,79,031
Creative Textile Mills Private Limited	Purchase	-	95,000
	Sales of Services	30,000	-
	Closing Balance (Receivable)	4,48,167	4,48,167
Viaton Energy Private Limited	Sales	63,839	5,592
	Closing Balance (Receivable)	2,54,617	2,54,617

26. MSME Disclosure

The company has received information from creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid at the end of the year the under this act has been given as follow.

Particulars	31.03.2021 (Rs.)	31.03.2020 (Rs.)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	19,53,903	6,61,529
The amount of interest accrued and remaining unpaid at the end of the year;	56,017	8,784

27. Expenditure In Foreign Currency

a. Expenses	Rs.3,39,835	NIL
b. Travelling Expense	NIL	Rs. 3,22,820

28. Earning In Foreign Currency

a. Supply of Services	Rs.40,18,295	Rs. 3,79,075
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29. Contingent Liability

NIL	NIL
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30. 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.

31. 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.)	(15,18,064)	(1,02,80,473)
Weighted Average No. of Equity Shares	2,14,289	2,14,289
Earnings Per Share- (In Rs.) Basic	(7.08)	(47.97)

32. The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The company's operations slowed down during the last month of the Financial Year due to this pandemic.

33. Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021 i.e. for FY 2021-22. Key amendments relating to Division I which relate to companies whose financial statements are required to comply with Companies (Accounting Standards) Rules 2015 are:

A. Balance Sheet:

- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.:

B. Statement of Profit & Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency Specified under the head 'additional information' in the notes forming part of the standalone financial statements etc.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

34. The Code on Social Security, 2020.


The Code on Social Security 2020 ('Code') has been notified in the Official Gazette on 29th September, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.



35. 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

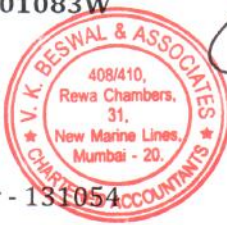

CA Kunal V. Beswal
[Partner]

Membership Number - 131054


PLACE: Mumbai

DATE: 06/09/2021

UDIN: 21131054AAAEPI1590



For ENCOMPASS DESIGN INDIA PRIVATE LIMITED


Amit Dalmia
Director
DIN: 00210919


Susmita Dalmia
Director
DIN: 02401290