

# ENCOMPASS DESIGN INDIA PRIVATE LIMITED

Regd. Office :101, Cama Industrial Estate, Sun Mill Compound, Lower Parel, Mumbai – 400 013.

CIN NO.U74210MH2010PTC200672

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## **NOTICE**

NOTICE IS HEREBY GIVEN THAT 9<sup>TH</sup> ANNUAL GENERAL MEETING OF M/S. ENCOMPASS DESIGN INDIA PRIVATE LIMITED WILL BE HELD ON MONDAY, 30<sup>TH</sup> SEPTEMBER, 2019 AT 4.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY, TO TRANSACT THE FOLLOWING BUSINESS:-

### **ORDINARY BUSINESS:**

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1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2019 including audited Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint M/s. V. K. Beswal & Associates as Statutory Auditors of the Company and to authorize Board of Directors to fix their remuneration.

**By order of the board of directors**

**For ENCOMPASS DESIGN INDIA PRIVATE LIMITED**

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**Amit Dalmia**  
**Director**  
**DIN: 00210919**

**Date: 30<sup>th</sup> August, 2019**

**Place: Mumbai**

### **NOTE:-**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself and the proxy need not be a member of the company. In order to be effective the proxy form must be received by the company not less than 48 hours before the meeting.
2. The proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

# ENCOMPASS DESIGN INDIA PRIVATE LIMITED

Regd. Office : 101, Cama Industrial Estate, Sun Mill Compound, Lower Parel, Mumbai – 400 013.

CIN NO. U74210MH2010PTC200672

## DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2018-2019

To,  
Dear Shareholder,

Your directors have pleasure in presenting their 9<sup>th</sup> Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2019.

### **Financial Highlights (Standalone)**

The Company's Financial Performance for the financial year ended on 31<sup>st</sup> March, 2019 under review alongwith previous years figures are given hereunder:

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Turnover	258,107,163	207,617,608
Profit/(Loss) before taxation	9,219,653	7,141,349
Less : Tax Expense	(2,348,750)	(1,758,777)
<b>Profit/(Loss) after tax</b>	<b>6,870,903</b>	<b>5,382,572</b>
Add : Balance B/F from the previous year	(27,805,422)	(33,187,994)
Balance Loss C/F to the next year	(20,934,519)	(27,805,422)

### **State of Company's Affairs and Future Outlook:**

During the Financial Year 2018-19, Company has earned Rs. 258,107,163 by way of operating income and other income as compared to previous financial year 2017-18 Rs. 207,617,608. The Company has incurred profit (before tax) of Rs. 9,219,653 as compared to Loss for previous financial year 2017-18 Rs. 7,141,349 and during the financial Year 2018-19, the Company has earned Net Profit (after Tax) Rs. 6,870,903 as compared to Net Profit (after Tax) for previous financial year 2017-18 Rs. 5,382,572.

### **Dividend**

The directors of the Company are not recommending any payment of dividend.

### **Amounts Transferred to Reserves**

During the Financial Year 2018-19, no amount has been transferred to reserves.

### **Changes in Share Capital, if any**

During the Financial Year 2018-19, there has been no change in the capital structure of the Company during the year.



**Disclosure regarding Issue of Equity Shares with Differential Rights**

There has been no issue of equity shares with differential rights for the financial year 2018-19.

**Disclosure regarding issue of Employee Stock Options**

There has been no issue of employee stock options for the financial year 2018-19.

**Disclosure regarding issue of Sweat Equity Shares**

There has been no issue of sweat equity shares for the financial year 2018-19.

**Extract of Annual Return**

The extract of Annual Return, in format MGT -9, for the Financial Year 2018-19 has been enclosed with this report. [Annexure I]

**Number of Board Meetings**

During the Financial Year 2018-19, 9 meetings of the Board of Directors of the company were held.

Sr. No	Date Of Board Meeting	Directors Present
1	09.04.2018	1) Mr. Amit Dalmia 2) Mrs. Susmita Dalmia
2	18.04.2018	1) Mr. Amit Dalmia 2) Mrs. Susmita Dalmia
3	03.08.2018	1) Mr. Amit Dalmia 2) Mrs. Susmita Dalmia
4	20.08.2018	1) Mr. Amit Dalmia 2) Mrs. Susmita Dalmia
5	04.09.2018	1) Mr. Amit Dalmia 2) Mrs. Susmita Dalmia
6	22.09.2018	1) Mr. Amit Dalmia 2) Mrs. Susmita Dalmia
7	04.01.2019	1) Mr. Amit Dalmia 2) Mrs. Susmita Dalmia



8	07.02.2019	1) Mr. Amit Dalmia 2) Mrs. Susmita Dalmia
9	20.03.2019	1) Mr. Amit Dalmia 2) Mrs. Susmita Dalmia

### **Particulars of Loan, Guarantees and Investments under Section 186**

The company has no Loan, Guarantees and Investments under Section 186.

### **Particulars of Contracts or Arrangements with Related Parties**

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2018-19 in the prescribed format, AOC-2 has been enclosed with the report. **[Annexure II]**

### **Explanation to Auditor's Remarks**

The Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditors Report does not contain any qualification, reservation, adverse remark or disclaimer.

### **Material Changes Affecting the Financial Position of the Company**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### **Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo**

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

Sr.No	Particulars	Director's Reply or Feedback
a)	<b>Conservation of Energy:</b>	
	Steps taken for conservation	Directors are glad to inform that company is providing serious attention towards conservation of energy. It has continued to focus on environment friendly.
	Steps taken for utilizing alternate sources of energy	
	Capital investment on energy conservation equipment's	
b)	<b>Technology Absorption:</b>	
	Efforts made for technology absorption	There was no import of technology.
	Benefits derived	
	Expenditure on Research & Development, if any	



	Details of technology imported, if any		
	Year of import		
	Whether imported technology fully absorbed		
	Areas where absorption of imported technology has not taken place, if any		
c)	<b>Foreign Exchange Earnings/ Outgo:</b>		
	Earnings		2,06,508.11
	Outgo		-

#### **Details of Subsidiary, Joint Venture or Associates**

The company has no subsidiaries, joint ventures or associate companies during the financial year 2018-19.

#### **Details of Directors and Key Managerial Personnel**

There has been no change in the Directors and Key Managerial Personnel in the financial year 2018-19.

#### **Details of significant & material orders passed by the regulators or courts or tribunal**

There are no significant & material orders passed by the regulators or courts or tribunal.

#### **Deposits**

There are no deposits in the company covered under Chapter V of the Companies Act, 2013 during the financial year 2018-19.

#### **Receipt of any commission by MD / WTD from a Company or for receipt of commission / remuneration from it holding or subsidiary**

There has been no Receipt of commission by MD / WTD of the Company or for receipt of commission / remuneration from it holding or subsidiary.

#### **Corporate Social Responsibility (CSR) Policy**

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

#### **Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

There have been no cases filed under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 in the financial year 2018-19.



### **Internal Financial Controls with reference to the Financial Statements**

The Company has duly established and maintained its internal controls and procedures for the financial reporting and evaluated the effectiveness of Internal Control Systems. The internal control systems commensurate with the size, scale and complexity of its operations.

### **Statement Indicating Development and Implementation of Risk Management Policy**

The Company has Risk Management Policy and the elements of risk threatening the Company's existence are very minimal.

### **Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, V. K. Beswal & Associates, Chartered Accountants, (FRN No. 101083W) was appointed till the conclusion of the ensuing Annual General Meeting (AGM) and is eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

### **Directors Responsibility Statement**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

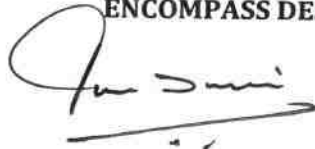
- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and of the profit /loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



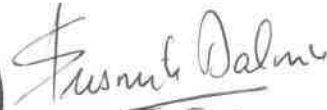
**Acknowledgment**

The Directors express their sincere appreciation to the valued shareholders, bankers and clients for their support.

**For and on behalf of the Board of Directors of  
ENCOMPASS DESIGN INDIA PRIVATE LIMITED**



**Amit Dalmia  
Director  
DIN: 00210919**



**Susmita Dalmia  
Director  
DIN: 02401290**

**Place: Mumbai  
Date: 30/08/2019**

# ENCOMPASS DESIGN INDIA PRIVATE LIMITED

Regd. Office : 101, Cama Industrial Estate, Sun Mill Compound, Lower Parel, Mumbai - 400 013.

CIN NO. U74210MH2010PTC200672

## ANNEXURE I

### Form MGT 9

Extract of Annual Return as on the financial year ended on 31/03/2019  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

(i) CIN: **U74210MH2010PTC200672**

(ii) Registration Date:

0	9	0	3	2	0	1	0
Date		Month		Year			

(iii) Name of the Company:

**Encompass Design India Private Limited**

(iv) Category of the Company: [Pl. tick]

1.	Public Company	-
2.	Private Company	✓

Sub Category of the Company: [Please tick whichever are applicable]

1.	Government Company	-
2.	Small Company	-
3.	One Person Company	-
4.	Subsidiary of Foreign Company	-
5.	NBFC	-
6.	Guarantee Company	-
7.	Limited by shares	✓
8.	Unlimited Company	-
9.	Company having share capital	✓
10.	Company not having share capital	-
11.	Company Registered under Section 8	-

(v) Address of the Registered Office and contact details:

Address:	<b>101, Cama Industrial Estate, Sun Mill Compound, Lower Parel, Mumbai - 400013</b>
Contact No.:	<b>022-43413224</b>





(vi) Whether shares listed on recognized Stock Exchange(s): Yes/ No

If 'Yes', the details of Stock Exchanges, where the shares are listed.

Sr. No.	Stock Exchange Name	Code
1.	-	-
2.	-	-

(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any.

Name:	Sharex Dynamic (India) Private Limited
Address:	Unit No.1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072
Contact No.	022-2851 5606

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Retail Trading	479	100

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Not Applicable

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

### i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	47500	32250	79750	37.22	47500	32250	79750	37.22	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total shares	
f) Any Other.....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total A(1):</b>	<b>47500</b>	<b>32250</b>	<b>79750</b>	<b>37.22</b>	<b>47500</b>	<b>32250</b>	<b>79750</b>	<b>37.22</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals									
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other ....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub- total A(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of promoter (A) = A(1) + (A)(2)</b>	<b>47500</b>	<b>32250</b>	<b>79750</b>	<b>37.22</b>	<b>47500</b>	<b>32250</b>	<b>79750</b>	<b>37.22</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>I. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s).	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	100	100	0.05	0	100	100	0.05	00.0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0.05</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0.05</b>	<b>00.0</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total shares	
<b>II Non-Institutions</b>									
(a) Bodies Corp.									
• Indian	0	30	30	0.01	0	30	30	0.01	0.00
• Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
• Individual shareholders holding nominal share capital upto Rs. 1 lakh.	0	20	20	0.01	0	20	20	0.01	100
• Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	134389	134389	62.71	134389	0	134389	62.71	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(2):</b>	<b>0</b>	<b>134439</b>	<b>134439</b>	<b>62.74</b>	<b>134389</b>	<b>50</b>	<b>134439</b>	<b>62.74</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B) (1)+(B) (2)</b>	<b>0</b>	<b>134539</b>	<b>134539</b>	<b>62.78</b>	<b>134389</b>	<b>150</b>	<b>134539</b>	<b>62.78</b>	<b>0.00</b>
<b>C. Share held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>47500</b>	<b>166789</b>	<b>214289</b>	<b>100</b>	<b>181889</b>	<b>32400</b>	<b>214289</b>	<b>100</b>	<b>0.00</b>



(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Amit Dalmia	72250	33.72	0	72250	33.72	0	0.00
2.	Mrs. Susmita Dalmia	7500	3.50	0	7500	3.50	0	0.00
	<b>Total</b>	<b>79750</b>	<b>37.22</b>	<b>0</b>	<b>79750</b>	<b>37.22</b>	<b>0</b>	<b>0.00</b>



**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Shareholder's Name	Shareholding			Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of shares at the beginning (1 <sup>st</sup> April, 2018) / end of the year (31 <sup>st</sup> March, 2019)	% of total shares of the Company	Date of change			No. of shares	% of total shares of the Company
1.	Mr. Amit Dalmia	72250	33.72	-	-	-	72250	33.72

**(iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Shareholder's Name	Shareholding			Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of shares at the beginning (1 <sup>st</sup> April, 2018) / end of the year (31 <sup>st</sup> March, 2019)	% of total shares of the Company	Date of change			No. of shares	% of total shares of the Company
1.	Mr. Arunanshu Agarwal	134389	62.71		-	-	134389	62.71
2.	M/s. Vistra ITCL (India) Limited	100	0.05	-	-	-	100	0.05
3.	M/s. Advik Holdings Private Limited	10	0.005	-	-	-	10	0.005
4.	M/s. Texport Industries Private Limited	10	0.005	-	-	-	10	0.005



Sl. No.	Shareholder's Name	Shareholding			Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of shares at the beginning (1 <sup>st</sup> April, 2018) / end of the year (31 <sup>st</sup> March, 2019)	% of total shares of the Company	Date of change			No. of shares	% of total shares of the Company
5.	Mr. Pankaj Kajaria	10	0.005	-	-	-	10	0.005
6.	M/s. Girisons Retailing Private Limited	10	0.005	-	-	-	10	0.005
7.	Mr. Jiby Thomas	10	0.005	-	-	-	10	0.005
8.	M/s. Bennett Coleman & Company Ltd	1	0.0005	-	-	-	1	0.0005



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Director's / Key Managerial Personnel Name	Shareholding			Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of shares at the beginning (1 <sup>st</sup> April, 2018) / end of the year (31 <sup>st</sup> March, 2019)	% of total shares of the Company	Date of change			No. of shares	% of total shares of the Company
1.	Mr. Amit Dalmia	72250	33.72	-	-	-	72250	33.72
2.	Mr. Susmita Dalmia	7500	3.50	-	-	-	7500	3.50
	<b>TOTAL</b>	<b>79750</b>	<b>37.22</b>	-	-	-	<b>79750</b>	<b>37.22</b>

V. INDEBTEDNESS

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,76,47,735	4,83,28,968	-	9,59,76,703
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4,76,47,735</b>	<b>4,83,28,968</b>	<b>-</b>	<b>9,59,76,703</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	6,19,34,314	-	36,81,80,543
* Reduction	2,84,50,702	1,30,34,329	-	34,77,31,260
<b>Net Change</b>	<b>(2,84,50,702)</b>	<b>4,88,99,985</b>	<b>-</b>	<b>2,04,49,283</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,91,97,033	9,72,28,953	-	11,64,25,986
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,91,97,033</b>	<b>9,72,28,953</b>	<b>-</b>	<b>11,64,25,986</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL****B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Director	Total Amount
		Mr. Amit Dalmia	
1	Gross salary	Rs.	Rs.
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	19,80,000	19,80,000
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961.	0	0
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961.	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission		
	- as % of profit.	0	0
	- others, specify.	0	0
5	Others, please specify	0	0
6	<b>Total (A)</b>	<b>19,80,000</b>	<b>19,80,000</b>
7	Ceiling as per the Act	-	-

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD.**

There are no key managerial personnel other than MD/Manager/WTD in the Company.





**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There are no penalties, punishments and compounding of offences being levied on the company in the financial year 2018-2019.

**For and on behalf of the Board of Directors of  
ENCOMPASS DESIGN INDIA PRIVATE LIMITED**



**Amit Dalmia**  
**Director**  
**DIN: 00210919**



**Susmita Dalmia**  
**Director**  
**DIN: 02401290**

**Place: Mumbai**  
**Date: 30/08/2019**

**ANNEXURE II**  
**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

Name(S) of the Related Party and Nature of Relationship	Nature of contracts / arrangements/transactions	Duration of contracts/ arrangements /transaction	Salient terms of contracts/ arrangements/ transactions including value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

Name(S) of the Related Party and Nature of Relationship	Nature of contracts/ arrangements/transactions	Duration of contracts/ arrangements /transaction	Salient terms of contracts/ arrangements/ transactions including value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
OTH Online Private Limited	Sales	Perpetual	As approved by the Board from time to time	NA	NIL
Creative Garments Private Limited	Sales	Perpetual	As approved by the Board from time to time	NA	NIL
Creative Garments Private Limited	Purchase	Perpetual	As approved by the Board from time to time	NA	NIL
Creative Portico Private Limited	Purchase	Perpetual	As approved by the Board from time to time	NA	NIL
Creative Portico Private Limited	Purchase Returns	Perpetual	As approved by the Board from time to time	NA	NIL



Creative Portico Private Limited	Sales	Perpetual	As approved by the Board from time to time	NA	NIL
Creative Global Services Private Limited	Sales	Perpetual	As approved by the Board from time to time	NA	NIL
Creative Global Services Private Limited	Purchase	Perpetual	As approved by the Board from time to time	NA	NIL
Creative Textile Mills Private Limited	Sales	Perpetual	As approved by the Board from time to time	NA	NIL



**Independent Auditor's Report**

**To the Members of ENCOMPASS DESIGN INDIA PRIVATE LIMITED**

**Report on the Standalone Financial Statements**

**Opinion**

1. We have audited the accompanying standalone financial statements of **ENCOMPASS DESIGN INDIA PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, 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.
2. In our opinion and to the best of our information and according to the explanation 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, of the state of affairs of the Company as at 31<sup>st</sup> March 2019, its cash flows and the change in equity for the year ended on that date.

**Basis for Opinion**

3. 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.

**Key Audit Matters**

4. 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. These 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.
5. Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.





**Information other than the financial statements and auditors' report thereon**

6. The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.
7. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the 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 during the course of our audit or otherwise appears to be materially misstated.
9. 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.

**Management's Responsibility for the Standalone Financial Statements**

10. The Company's Board of Directors are 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.
11. 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.



### **Auditor's Responsibility**

12. Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 financial statements.
13. 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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. 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.
  15. 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

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

16. 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.
17. 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 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;



- f. Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigations which would impact its financial position.
  - ii. The company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

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

  
**CA KUNAL BESWAL**  
**[PARTNER]**  
**M.NO. 131054**  
**PLACE: MUMBAI**  
**DATED: 30/08/2019**  
**UDIN: 19131054AAAEBW9548**





**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, 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.
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.



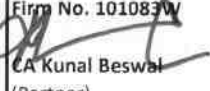
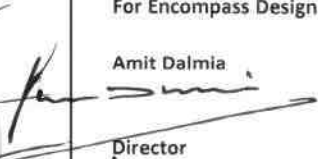
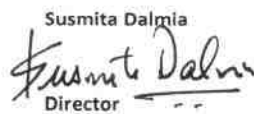
15. According to the provisions of section 192 of Companies Act, 2013 the company has not entered into any non-cash transactions with directors or persons connected with him during the year hence no comments under this clause are called for.
16. The Company is not required to be registered under section 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  
ICAI Firm Regn No-101083W**



**CA KUNAL BESWAL  
[PARTNER]  
M.NO. 131054  
PLACE: MUMBAI  
DATED: 30/08/2019  
UDIN: 19131054AAAEBW9548**



ENCOMPASS DESIGN INDIA PRIVATE LIMITED			
BALANCE SHEET AS AT 31st MARCH, 2019			
PARTICULARS	Note	As at 31st March, 2019	As at 31st March, 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders Funds</b>			
Share Capital	2	3,092,930	3,092,930
Reserves and Surplus	3	62,338,683	55,467,781
Money received against Share Warrants		4,200,000	4,200,000
		<b>69,631,613</b>	<b>62,760,711</b>
<b>Non-Current Liabilities</b>			
Other Long Term Liabilities	5	97,228,953	48,328,968
Long Term Provisions	6	315,719	217,222
		<b>97,544,672</b>	<b>48,546,190</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	19,197,032	47,647,735
Trade Payables	8	90,389,032	37,619,593
Other Current Liabilities	9	28,972,908	13,258,705
		<b>138,558,973</b>	<b>98,526,033</b>
<b>Total</b>		<b>305,735,258</b>	<b>209,832,934</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	10		
Tangible Assets		1,523,384	1,538,504
Intangible Assets		102,685,531	75,417,472
Deferred Tax Assets (Net)	4	7,108,243	9,456,993
Long-Term Loans and Advances	11	4,569,040	4,394,040
		<b>115,886,198</b>	<b>90,807,009</b>
<b>Current Assets</b>			
Inventories	12	131,778,411	75,015,785
Trade Receivables	13	32,225,476	27,367,970
Cash and Bank Balances	14	165,500	343,703
Short-Term Loans and Advances	15	25,679,673	16,298,467
		<b>189,849,060</b>	<b>119,025,925</b>
<b>Total</b>		<b>305,735,258</b>	<b>209,832,934</b>
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 Beswal (Partner) M No. 131054 Place : Mumbai Date : 30/08/2019		For Encompass Design India Private Limited  <div>             Amit Dalmia            Director            DIN : 00210919         </div> <div>             Susmita Dalmia            Director            DIN : 02401290         </div>	

**ENCOMPASS DESIGN INDIA PRIVATE LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March, 2019**

Particulars	Note	Year ended on 31st March, 2019	Year ended on 31st March, 2018
<b>Income :</b>			
Revenue from operations	16	257,673,769	195,064,809
Other Income	17	433,394	12,552,798
<b>Total Revenue</b>		<b>258,107,163</b>	<b>216,368,085</b>
<b>Expenses:</b>			
Purchases		245,246,316	162,466,728
Increase/(Decrease) in Inventories	18	(56,762,626)	(8,750,478)
Employee Benefits Expense	19	14,509,841	5,181,604
Finance Costs	20	4,604,715	6,205,698
Depreciation and Amortization	10	10,382,673	10,666,064
Other Expenses	21	30,906,590	24,706,644
<b>Total expenses</b>		<b>248,887,510</b>	<b>200,476,258</b>
<b>Profit/ (Loss) before tax</b>		<b>9,219,653</b>	<b>7,141,349</b>
Tax expense :			
Current Tax		-	-
Deferred Tax		2,348,750	1,758,777
<b>Profit/ (Loss) for the year</b>		<b>6,870,903</b>	<b>5,382,572</b>
<b>Balance carried forward</b>		<b>6,870,903</b>	<b>5,382,572</b>
<b>Earnings per share</b>			
Basic and diluted - par value Rs 10. per share		32.06	25.12

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 Beswal

(Partner)

M No. 131054

Place : Mumbai

Date : 30/08/2019



For Encompass Design India Private Limited

Amit Dalmia

Susmita Dalmia

Director

DIN: 00210919

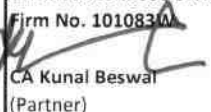
Director

DIN : 02401290

**ENCOMPASS DESIGN INDIA PRIVATE LIMITED**  
**Cash Flow Statement for the period ended 31 March 2019**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>A. Cash flows from operating activities</b>		
Net Profit/(Loss) before taxation and extraordinary items	9,219,653	7,141,349
<b>Adjustments for Non cash &amp; Non Operating Expenses:</b>		
Depreciation	10,382,673	10,666,064
VAT Deposit written off	25,000	-
Interest and Finance Charges	4,604,715	6,205,698
<b>Operating Loss before working capital changes</b>	<b>24,232,041</b>	<b>24,013,111</b>
<b>Adjustments for changes in working capital (current assets &amp; current liabilities):</b>		
Inventories	(56,762,626)	(8,750,478)
Trade Receivables	(4,857,507)	(17,284,362)
Short Term Loans and Advances	(9,381,206)	(11,609,753)
Trade Payables	52,769,439	23,770,986
Other liabilities and provisions	15,714,203	(27,371,099)
<b>Cash generated from Operations</b>	<b>21,714,345</b>	<b>(17,231,595)</b>
Income taxes paid		
<b>Net Cash Flow from Operating Activities</b>	<b>21,714,345</b>	<b>(17,231,595)</b>
<b>B. Cash flows from Investing Activities</b>		
Purchase of fixed assets	(37,635,612)	(5,450,752)
Changes in Long-Term Loans and Advances	(200,000)	-
<b>Net Cash Flow from Investing Activities</b>	<b>(37,835,612)</b>	<b>(5,450,752)</b>
<b>C. Cash flows from financing activities</b>		
Increase/(Decrease) in Borrowings	(28,450,704)	2,930,380
Increase/ (Decrease) in Other Long term Liabilities	48,899,985	26,064,347
Increase/ (Decrease) in Other Long term Liabilities	98,497	29,989
Interest and Finance Charges	(4,604,715)	(6,205,698)
Increase in Other Long term Advances	-	-
<b>Net cash generated from financing activities</b>	<b>15,943,064</b>	<b>22,819,018</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(178,203)</b>	<b>136,671</b>
Cash and cash equivalents at the beginning of the year	343,703	207,032
<b>Cash and cash equivalents at the end of the year</b>	<b>165,500</b>	<b>343,703</b>

Accompanying Notes form an integral part of the Financial Statements

For V K BESWAL & ASSOCIATES  
**CHARTERED ACCOUNTANTS**  
 Firm No. 10108300  
  
 CA Kunal Beswal  
 (Partner)  
 M No. 131054  
 Place : Mumbai  
 Date : 30/08/2019



For Encompass Design India Private Limited

Amit Dalmia

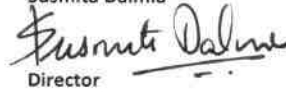
Director

A DIN: 00210919

Susmita Dalmia

Director

DIN : 02401290



**ENCOMPASS DESIGN INDIA PRIVATE LIMITED**

**Notes Forming Part of Financial Statements for the year ended March 31, 2019**

Particulars	Note	As on 31st March, 2019		As on 31st March, 2018	
		No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
<b>Share Capital</b>	<b>2</b>				
<b>Authorised Capital :</b>					
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
<b>Issued, Subscribed and fully paid up</b>					
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
<b>Reconciliation of No. of Shares outstanding at the beginning and end of the reporting period</b>	<b>2.1</b>				
<b>Equity Shares of Rs.10/- each</b>					
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
<b>Preference Shares of Rs.10/- each</b>					
Outstanding at the beginning of the year			95,004		95,004
Add : Allotted during the year			-		-
Outstanding at the end of the year			95,004		95,004
<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 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.					
<b>Details of Shareholders holding more than 5% Equity shares in the Company</b>	<b>2.4</b>				
		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%
<b>Details of Shareholders holding more than 5% Preference shares in the Company</b>	<b>2.5</b>				
		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%
<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 year ended March 31, 2019**

Particulars	Note	As on 31st March, 2019		As on 31st March, 2018	
<b>Reserves and Surplus</b>	<b>3</b>				
<b>Surplus in Statement of Profit and Loss</b>					
Opening balance			(27,805,422)		(33,187,994)
Add: Net Profit for the current year			6,870,903		5,382,572
Closing Balance			<b>(20,934,519)</b>		<b>(27,805,422)</b>
<b>Share Premium Account</b>					
Opening balance			83,273,202		83,273,202
Add: Added during the current year			<b>83,273,202</b>		<b>83,273,202</b>
Closing Balance					
<b>Total Reserves and Surplus</b>			<b>62,338,683</b>		<b>55,467,781</b>
<b>Deferred Tax Liability</b>	<b>4</b>				
<u>Deferred Tax Liability</u>					
Net Block as per Companies Act		104,208,915		76,955,976	
Net Block as per Income Tax Act		38,024,578		6,613,056	
Difference			66,184,337		70,342,920
Deferred tax liability (A)		26%	17,207,928	26.00%	18,289,159
<u>Deferred tax assets</u>					
Expenditure to be disallowed u/s 43B -					
Gratuity		325,350			
Business Loss		89,323,609		102,852,446	
Unabsorbed Depreciation Loss		3,874,775	93,523,734	3,863,525	106,715,971
Deferred tax assets(B)		26%	24,316,171	26.00%	27,746,153
Deferred Tax Asset (Net)			7,108,243		9,456,993
Less : Deferred Tax Asset (Net) (Opening)			9,456,993		11,215,770
<b>To be Dr/(Cr) in the P &amp; L</b>			<b>2,348,750</b>		<b>1,758,777</b>
<b>Other Long Term Liabilities</b>	<b>5</b>				
<b>Unsecured Loans</b>					
Inter-Corporate Loans		84,500,314		43,150,329	
Loan From Director		12,728,639		5,178,639	
			<b>97,228,953</b>		<b>48,328,968</b>
<b>Long Term Provisions</b>	<b>6</b>				
<u>Provision for Employee benefits:</u>					
Gratuity			315,719		217,222
<b>Total Other Long Term Liabilities</b>			<b>315,719</b>		<b>217,222</b>
<b>Short Term Borrowings</b>	<b>7</b>				
CC limits from Canara Bank *		16,662,669		20,259,920	
CC limits from RBL Bank Ltd **		-		24,916,581	
OD Kalupur Commercial Co-op Bank Ltd		2,534,364		2,471,234	
*[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>19,197,032</b>		<b>47,647,735</b>
<b>Trade Payables</b>	<b>8</b>				
Trade payables			90,389,032		37,619,593
<b>Total Trade Payables</b>			<b>90,389,032</b>		<b>37,619,593</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.					
Trade payables are subject to reconciliation and confirmation.					





**ENCOMPASS DESIGN INDIA PRIVATE LIMITED**

**Notes Forming Part of Financial Statements for the year ended March 31, 2019**

Particulars	Note	As on 31st March, 2019		As on 31st March, 2018	
<b>Other Current Liabilities</b>	<b>9</b>				
Outstanding Liabilities			1,403,856		607,071
Guaranty Provision			9,631		8,621
Security Deposits Payables			18,203		18,203
Statutory Dues			1,150,825		802,898
Creditors for Expenses			23,016,140		5,705,613
Payable to Employees			115,379		155,822
Advances from Customers			3,258,874		5,960,477
<b>Total Other Current Liabilities</b>			<b>28,972,908</b>		<b>13,258,705</b>
<b>Long Term Loans and Advances</b>	<b>11</b>				
<b>(Unsecured and Considered Good)</b>					
<u>Security Deposits</u>					
-With Govt. Bodies			-		25,000
-With Others			4,568,000		4,368,000
Other Current Assets			1,040		1,040
<b>Total Long Term Loans and Advances</b>			<b>4,569,040</b>		<b>4,394,040</b>
<b>Inventories</b>	<b>12</b>				
Raw Materials					
Work-in-progress					
<b>As certified by the management</b>					
Finished goods (Valued at cost or Net realisable value whichever is lower)			131,778,411		75,015,785
Stores and spares					
<b>Total Inventories</b>			<b>131,778,411</b>		<b>75,015,785</b>
<b>Trade Receivables</b>	<b>13</b>				
<b>(Unsecured, considered good)</b>					
Outstanding for a period exceeding Six months			5,256,138		5,455,935
Others			26,969,338		21,912,033
<b>Total Trade Receivables</b>			<b>32,225,476</b>		<b>27,367,970</b>
<b>Cash and Bank Balances</b>	<b>14</b>				
Cash on Hand			7,729		90,242
<u>Balances with Banks</u>					
In Current Accounts			152,771		253,461
In Fixed Deposits			5,000		-
<b>Total Cash and Bank Balances</b>			<b>165,500</b>		<b>343,703</b>
<b>Short Term Loans and Advances</b>	<b>15</b>				
<b>(Unsecured, considered good)</b>					
Prepaid Expenses			247,859		107,711
Balance with Statutory Authorities			10,642,614		2,034,118
Advances to Employees			337,964		133,232
Advance to Creditors			14,451,236		13,815,998
Advances to others			-		207,408
<b>Total Short Term Loans and Advances</b>			<b>25,679,673</b>		<b>16,298,467</b>



## Schedule 10: Fixed Assets

## Tangible Assets

Particulars	Gross block				Accumulated depreciation			Net block	
	As at 01/04/2018	Additions till 31-03-19	Deletions till 31-03-19	As at 31/03/2019	As at 01/04/2018	Additions till 31-03-19	As at 31/03/2019	As at 31/03/2019	As at 1/04/2018
Computers & Peripherals	513,412	172,704	-	686,116	469,854	41,550	511,404	174,712	43,558
Furnitures & Fixtures	1,677,281	-	-	1,677,281	560,239	159,691	719,930	957,351	1,117,042
Office Equipment	532,211	7,016	-	539,227	154,307	493	154,800	384,427	377,904
Mobiles	-	7,142	-	7,142	-	249	249	6,893	-
<b>Total</b>	<b>2,722,904</b>	<b>186,862</b>	<b>-</b>	<b>2,909,766</b>	<b>1,184,400</b>	<b>201,982</b>	<b>1,386,382</b>	<b>1,523,384</b>	<b>1,538,504</b>
<b>Total Previous Year</b>	<b>2,686,967</b>	<b>35,937</b>	<b>-</b>	<b>2,722,904</b>	<b>856,860</b>	<b>327,540</b>	<b>1,184,400</b>	<b>1,538,504</b>	<b>1,830,107</b>

## Intangible Assets

Particulars	Gross block				Accumulated depreciation			Net block	
	As at 01/04/2018	Additions till 31-03-19	Deletions till 31-03-19	As at 31/03/2019	As at 01/04/2018	Additions till 31-03-19	As at 31/03/2019	As at 31/03/2019	As at 1/04/2018
BED BATH MORE BRANDS	100,214,435	37,400,000	-	137,614,435	29,881,641	9,530,618	39,412,259	98,202,176	70,332,794
Software	6,839,080	48,750	-	6,887,830	1,754,402	650,073	2,404,475	4,483,355	5,084,678
<b>Total</b>	<b>107,053,515</b>	<b>37,448,750</b>	<b>-</b>	<b>144,502,265</b>	<b>31,636,043</b>	<b>10,180,691</b>	<b>41,816,734</b>	<b>102,685,531</b>	<b>75,417,472</b>
<b>Total Previous Year</b>	<b>101,638,700</b>	<b>5,414,815</b>	<b>-</b>	<b>107,053,515</b>	<b>21,297,519</b>	<b>10,338,524</b>	<b>31,636,043</b>	<b>75,417,472</b>	<b>80,341,181</b>
<b>Grand Totals</b>	<b>109,776,419</b>	<b>37,635,612</b>	<b>-</b>	<b>147,412,031</b>	<b>32,820,443</b>	<b>10,382,673</b>	<b>43,203,116</b>	<b>104,208,915</b>	<b>76,955,976</b>
<b>Total Previous Year</b>	<b>104,325,667</b>	<b>5,450,752</b>	<b>-</b>	<b>109,776,419</b>	<b>22,154,379</b>	<b>10,666,064</b>	<b>32,820,443</b>	<b>76,955,976</b>	<b>82,171,288</b>



ENCOMPASS DESIGN INDIA PRIVATE LIMITED					
Notes Forming Part of Financial Statements for the FY 2018-2019					
Particulars	Note	Year ended 31st March, 2019		Year ended on 31st March, 2018	
<b>Revenue from Operations</b>	<b>16</b>				
Sale of Goods	16A	153,785,063		186,138,905	
Sale of Services	16B	103,888,706		8,925,904	
<b>Total</b>			<b>257,673,769</b>		<b>195,064,809</b>
<b>Other Income</b>	<b>17</b>				
Commission Received		327,655			
Other Misc Income		105,739		12,552,798	
			<b>433,394</b>		<b>12,552,798</b>
<b>Increase/(Decrease) in Inventories</b>	<b>18</b>				
Opening Stock of Finished Goods		75,015,785		66,265,307	
Less: Closing Stock of Finished Goods		131,778,411		75,015,785	
			<b>56,762,626</b>		<b>8,750,478</b>
<b>Employee Benefits Expense</b>	<b>19</b>				
Salaries, Wages and Other Benefits		14,278,855		5,013,503	
Staff Welfare Expenses		230,986		168,101	
			<b>14,509,841</b>		<b>5,181,604</b>
<b>Finance Costs</b>	<b>20</b>				
Interest		4,604,715		6,205,698	
			<b>4,604,715</b>		<b>6,205,698</b>
<b>Other Expenses</b>	<b>21</b>				
Administrative Selling and General Expenses		439,305		560,693	
Printing and Stationary		6,289		41,394	
Auditors Remuneration *		210,000		150,000	
Legal Professional and Consultancy Charges		1,712,109		1,299,550	
Travelling and Conveyance Expenses		882,864		256,854	
Internet Gateway and Domain charges		132,842		177,253	
Insurance Charges		119,758		64,690	
Miscellaneous Expenses		268,775		28,023	
Marketing Expenses		619,899		3,573,689	
Other Interest		67,748		12,960	
Postage and Courier Charges		622,015		315,268	
Electricity Charges		74,850		103,496	
Rent, Rates and Taxes		1,206,435		1,379,656	
Registration and Filing Fees		37,333		58,544	
Repairs and Maintenance		597,153		401,558	
Telephone Expenses		45,190		64,797	
Bank Charges		2,148		465,265	
Contract Charges		397,716		57,824	
Job Work Charges		869,891		652,627	
Commission		4,483,126		1,792,503	
Project Related Services - Contract		18,111,144		13,250,000	
			<b>30,906,590</b>		<b>24,706,644</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 2019.

### 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:

<b>Annexure 1: Funded status of the plan</b>		
<b>Particulars</b>	<b>31-Mar-2019</b>	<b>31-Mar-2018</b>
	Rs.	Rs.
Present value of unfunded obligations	3,49,394	2,57,902
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Un recognized Past Service Cost	(24,044)	(32,059)
<b>Net Liability (Asset)</b>	<b>3,25,350</b>	<b>2,25,843</b>

<b>Annexure 2: Profit and loss account for current period</b>		
<b>Particulars</b>	<b>31-Mar-2019</b>	<b>31-Mar-2018</b>
	Rs.	Rs.
Current service cost	1,90,219	87,388
Interest on obligation	19,527	14,472
Expected return on plan assets	-	-
Net actuarial loss/(gain)	(1,18,254)	(71,871)
Past service cost (Unvested)	8015	-
Loss/(gain) on curtailments and settlement	-	-
<b>Total included in 'Employee Benefit Expense'</b>	<b>99,507</b>	<b>29,989</b>
<b>Total Charge to P&amp;L</b>	<b>99,507</b>	<b>29,989</b>
Loss/(gain) on obligation as per Annexure 3	(1,18,254)	(71,871)
Loss/(gain) on assets as per Annexure 4	-	-
<b>Net actuarial loss/(gain)</b>	<b>(1,18,254)</b>	<b>(71,871)</b>



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

Particulars	31-Mar-2019	31-Mar-2018
	Rs.	Rs.
Opening Defined Benefit Obligation	2,57,902	1,95,854
Transfer in/(out) obligation	-	-
Current service cost	1,90,219	87,388
Interest cost	19,527	14,472
Actuarial loss (gain)	(1,18,254)	(71,871)
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	3,49,394	2,57,902

**Annexure 4: Reconciliation of plan assets**

Particulars	31-Mar-2019	31-Mar-2018
	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-2019	31-Mar-2018
	(12 months)	(12 months)
	Rs.	Rs.
Net opening provision in books of accounts	2,25,843	1,95,854
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Annexure 2	99,507	29,989
	1,95,854	1,24,653
Benefits paid by the Company	-	-
Contributions to plan assets	-	-
Closing provision in books of accounts	1,95,854	1,24,653
	0%	

Particulars	31-Mar-2019	31-Mar-2018
	(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-2019 (12 months)	31-Mar-2018 (12 months)
	Rs.	Rs.
Current Liability*	9,631	8,621
Non-Current Liability	3,15,719	2,17,222
Net Liability	3,25,350	2,25,843

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

**Annexure 8: Table of experience adjustments**

Particulars	31-Mar-2019 (12 months)	31-Mar-2018 (12 months)
	Rs.	Rs.
Defined Benefit Obligation	3,49,394	2,57,902
Plan Assets	-	-
Surplus/(Deficit)	(3,49,394)	(2,57,902)
Experience adjustments on plan liabilities	(1,13,074)	(60,255)
Actuarial loss/(gain) due to change in financial Assumptions	(5,180)	(11,616)
Actuarial loss/ (gain) due to change in demographic Assumption	-	-
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	(1,18,254)	(71,871)

**Annexure 9: Principle actuarial assumptions**

Particulars	31-Mar-2019 (12 months)	31-Mar-2018 (12 months)
Discount Rate	7.80%	7.70%
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





### 23. RELATED PARTY TRANSACTIONS:

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

Sr	Name of Related Party	Relationship
a)	Creative Portico Private Limited	Other Related Company
b)	Creative Global Services Private Limited	Other Related Company
c)	Creative Garments Private Limited	Other Related Company
d)	Creative Textile Mills Private Limited	Other Related Company
e)	Home Craft Online Private limited (W.e.f. 24/09/2015)	Other Related Company
f)	OTH Online Private limited (W.e.f. 10/04/2017)	Other Related Company
g)	Mr. Amit Dalmia (Director)	Key Managerial Personnel
h)	Mr. Sushmita Dalmia (Director)	Key Managerial Personnel

The summary of transactions is as under:

Nature of transaction	As on 31/03/2019		As on 31/03/2018	
	Key Management Personnel	Associate Concerns	Key Management Personnel	Associate Concerns
Opening Balance:	51,78,639	-	1,40,48,670	-
Loan Taken	1,35,00,000	-	40,54,969	-
Loan Repaid	59,50,000	-	1,29,25,000	-
<b>Closing Balance:</b>	<b>1,27,28,639</b>	<b>-</b>	<b>51,78,639</b>	<b>-</b>
Purchase Return / Rate Difference	-	169,315	-	30,318
Purchase	-	228,844	-	5,96,41,925
Sales	-	47,995,089	-	20,28,541
Jobwork Charges	-	19,564	-	2,743
Commission Paid	-	18,402,033	-	1,38,99,168
Branding & Advertisement	-	37,400,000	-	54,14,815
Share Allotment	-	-	-	-
Directors Remuneration	1,980,000	-	1,95,000	-
Commission Received	0	128,873	0	0



**24. Expenditure in foreign currency**

Purchases

NIL

NIL

**25. EARNING IN FOREIGN CURRENCY****Sale of Goods****USD****INR**

1) HS Homewrox LLC

236.00

16,000

2) NEST Fragrances LLC

2658.50

1,90,508.11

**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.)		53,82,572
	6,870,903	
Weighted Average No. of Equity Shares	2,14,289	2,14,289
Earnings Per Share- (In Rs.) Basic	32.06	25.12

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

As per our report of even date,

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

  
CA Kunal Beswal

[Partner]

Membership Number - 131054

PLACE: Mumbai

DATE: 30/08/2019



For ENCOMPASS DESIGN INDIA PRIVATE LIMITED



Amit Dalmia

Director

DIN: 00210919



Susmita Dalmia

Director

DIN: 02401290