

**SEZAL INTERNATIONAL LIMITED**  
**201/202, Abhilasha, S.V. Road, Kandivali (West), Mumbai - 400067 !**

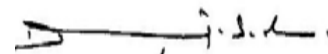
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the Members of SEZAL INTERNATIONAL LIMITED will be held on Saturday, 28<sup>th</sup> September, 2013 at the Registered Office of the Company at 201/202, Abhilasha, S.V. Road, Kandivali (West), Mumbai - 400067 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended 31st March, 2013 along with Auditors' Report & Directors' Report thereon.
2. To appoint a Director in place of Mr. Dhirraj S. Gada retires by rotation and, being eligible, offers himself for re-appointment
3. To Appoint M/s. S. S. Puranik & Associates , Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorised the Board to fix their remuneration

By Order of the Board  
For SEZAL INTERNATIONAL LIMITED



**Dhirraj S. Gada**  
Director

**Place: Mumbai**  
**Date: 07/09/2013**

**NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend, and, on a poll, to vote instead of himself and such proxy need not be a member.
2. The proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting

**SEZAL INTERNATIONAL LIMITED**  
201/202, Abhilasha, S.V. Road, Kandivali (West), Mumbai - 400067

**DIRECTORS' REPORT**

To  
The Members of  
**SEZAL INTERNATIONAL LIMITED**

Your Directors have pleasure in presenting the **Annual Report** of the Company and the audited Annual Accounts for the year ended **31<sup>st</sup> March, 2013**.

**1. FINANCIAL RESULTS**

The financial results for the year ended 31<sup>st</sup> March, 2013, were as under:

<b>CONTINUING OPERATIONS</b>	<b>Current Year 2012-2013</b>	<b>Previous Year 2011-2012</b>
Revenue from operations	155,920,434	981,415
Other Income	751,023	2,50,000
<b>Total Revenue</b>	<b>156,671,457</b>	<b>12,31,415</b>
<b>Expenses</b>		
Purchase of Stock in trade	151960894	873777
Changes in inventories of finished goods, work in progress, and stock in trade	-	-
Employee Benefits Expense	-	-
Finance Cost	2277168	-
Depreciation and amortization expenses	7261	45311
Other Expenses	934863	219451
<b>Total Expenses</b>	<b>155180186</b>	<b>1138539</b>
<b>Profit/(Loss) before exceptional and extraordinary items and tax (A-B)</b>	<b>1491271</b>	<b>92876</b>
Exceptional items	-	-
<b>Profit/(Loss) before exceptional and extraordinary items and tax (C-D)</b>	<b>1491271</b>	<b>92876</b>
<b>Tax Expenses</b>		
Net Current tax expense	235930	17220
Net tax Expenses (prior years)	(17220)	18580
Deferred Tax	946745	46431
<b>Profit/(Loss) for the year</b>	<b>325816</b>	<b>10645</b>

**2. OPERATIONS/WORKING RESULTS**

During the year under review, your Company has recorded the total income out of operations of Rs. 156,671,457 /- (Previous year Rs. 1231415/-)

Your company has incurred Net profit before tax of Rs. **1491271/-** (Previous year Net profit of Rs. **92876/-**).

**3. DIVIDEND**

In view of accumulated loss incurred by the Company, your directors express their inability to declare dividend for the financial year ended on **31<sup>st</sup> March, 2013**.

**4. DIRECTORS**

There was no retirement and appointment of the director in the Company during the year.

**5. AUDITORS**

Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and will be eligible for re-appointment as such.

**6. STATEMENT UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956**

The relations between the employees and the management remained cordial during the period under review. The Directors hereby place on record their appreciation of the efficient and dedicated services rendered by the employees of the Company at all levels.

There was no employee drawing the remuneration of or over the limit as prescribed under the Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended to date. Hence, the statement of particulars of employees as prescribed under that section is not annexed herewith.

**7. STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956**

Pursuant to the provisions contained in sub-section (2AA) of Section 217 of the Companies Act, 1956, your directors state: -

a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;

b) that 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 at the end of the financial year and of the profit or loss of the Company for that period;

c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d) that the directors had prepared the annual accounts, on a going concern basis.

**8. COMPLAINE CERTIFICATE UNDER SECTION 383A OF THE COMPANIES ACT, 1956.**

The Certificate, within the meaning of the Proviso to Section 383A of the Companies Act, 1956, as issued by Practicing Company Secretary, is attached hereto, for your kind consideration.

**9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

The information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, with respect to these matters is deemed to be not applicable to the Company for the year under consideration. There were no foreign exchange earnings or outgo, during the said period.

For & on behalf of the Board of Directors of

**SEZAL INTERNATIONAL LIMITED**



**Dhirraj S. Gada  
Director**

**Place: Mumbai  
Date: 07/09/2013**



**S S PURANIK & ASSOCIATES**

**Chartered Accountants**

*R/10, Sicksa Nagar*

*V P Road, Girgaum*

*Mumbai 400 004*

*29272090/23867627*

**Email: [mmnadkarni@sspassociates.com](mailto:mmnadkarni@sspassociates.com)**

***Independent Auditor's Report***

To the Members of

**SEZAL INTERNATIONAL LIMITED**

We have audited the accompanying financial statements of **SEZAL INTERNATIONAL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Qualified Opinion**

*The company has during the year not restated Creditors as required under Accounting Standards 11- 'Effects of Changes in Foreign Exchange Rates'*

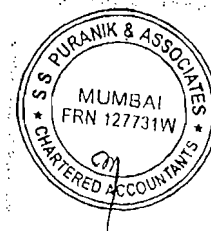
### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of matter described in the Basis for Qualified opinion paragraph*, the 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:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
- ii. in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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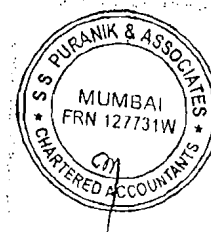
### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of matter described in the Basis for Qualified opinion paragraph*, the 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:

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- ii. in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date.

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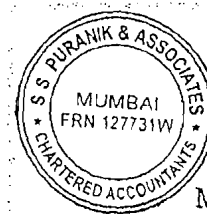
2. As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) *Except for the effects of matter described in the Basis for Qualified opinion paragraph*, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d) *Except for the effects of matter described in the Basis for Qualified opinion paragraph*, in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For S. S. PURANIK & ASSOCIATES**

Chartered Accountants

FRN 127731W



*M. Nadkarni*

MITESH NADKARNI

Partner

M.Ship No. 120968

Mumbai

Date: September 7<sup>th</sup> 2013.

## Annexure to the Auditors' Report

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of **SEZAL INTERNATIONAL LIMITED** on the accounts of the company for the year ended 31<sup>st</sup> March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. In respect of Fixed Assets :

- a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets. The fixed assets register needs to be updated to reconcile with the general Ledger.
- b) As explained to us, the assets have been physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.

2. In respect of Inventories:

- a) There is no inventory and hence question of physical verification of the same does not arise.
- b) In view of the comments above clause 2(b) and 2(c) are not applicable and hence not reported on.

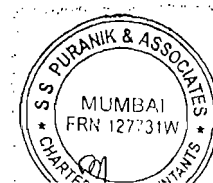
3. In respect of Loans taken or granted:

- a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken unsecured loans of Rs. 89.28 lacs in addition to balance outstanding at beginning of the year Rs. 85.88 lacs from companies listed in the register maintained under Section 301 of the Companies Act, 1956, nothing was repaid during the year. The maximum balance outstanding at any point of time during the year was Rs. 175.17 lacs.
- b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted unsecured loan amounting Rs. 86.03 Lacs in addition to balance outstanding at beginning of year Rs. 11.86 lacs to a company listed in the register maintained under Section 301 of the Companies Act, 1956, of which Rs.4.32 lacs was recovered during the year. Maximum balance outstanding at any point of time during the year was Rs. 93.57 lacs.
- c) **The company has granted loans and advances to its directors and relatives of Directors. Prior approval of Central Government before granting such advances which constitutes departure from provisions of Section 295 of Companies Act, 1956 was not taken.**





4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions need to be entered in the register maintained under Section 301 of the Companies Act, 1956 are being entered.  
  
(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five Lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities, **except Tax deducted at source Rs. 1,77,857 and VAT Rs. 1,76,434**. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2013 for a period of more than six months from the date they became payable, **except Tax deducted at source Rs. 86,936**.  
  
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company has accumulated losses at the end of financial year but it has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that, the Company has not raised any funds from a financial institution, bank or debentures.

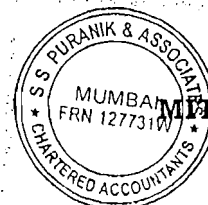


12. In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Provisions of any special statute as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given any Guarantees for loans taken by another company from Banks and hence the provisions of this clause do not apply.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that the Company has not utilised its working capital funds for acquiring Long Term assets. No long term funds have been used to finance short term assets.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year, to the parties covered in the register maintained under section 301 of the Companies Act, 1956, being the core promoters and promoter Companies.
19. The company has not issued any debentures during the year and hence the provisions of clause (xix) of paragraph 4 of the Order are not applicable to the company.
20. During the year covered by our Audit, the Company has not raised any money by way of a public issue.
21. According to the information and the explanations given to us, no fraud on or by the Company has been noticed or reported during the year. However, we are unable to determine / verify as to whether any such reporting has been made, during the year.

**For S. S. PURANIK & ASSOCIATES**

*Chartered Accountants*

**FRN 127731W**



*M. N. Nadkarni*

**M. N. NADKARNI**

*Partner*

*M. Ship No. 120968*

Mumbai,

September 7, 2013.

**SEZAL INTERNATIONAL LIMITED**

**Balance Sheet as at 31 March, 2013**

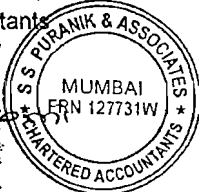
Particulars	Note No.	As at 31 March, 2013	As at 31 March, 2012
		Rs	Rs
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	2,000,000	2,000,000
(b) Reserves and surplus	4	(9,726,714)	(10,052,530)
<b>2 Current liabilities</b>			
(a) Short-term borrowings	5	15,331,022	8,588,472
(b) Trade payables	6	18,180,009	5,032,550
(c) Other current liabilities	7	14,062,238	11,963,535
(d) Short Term Provisions	8	235,930	17,220
<b>TOTAL</b>		<b>40,082,485</b>	<b>17,549,247</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	9	96,839	104,100
(b) Non Current Investments	10	770,000	770,000
(c) Long Term Loans and Advances	11	783,816	1,416
(d) Deferred Tax Asset (Net)	22.2	2,215,809	3,162,554
<b>2 Current assets</b>			
(a) Trade receivables	12	11,406,016	1,246,818
(b) Cash and cash equivalents	13	160,675	5,030
(c) Short-term loans and advances	14	24,649,330	12,259,330
<b>TOTAL</b>		<b>40,082,485</b>	<b>17,549,247</b>

See accompanying notes forming part of the financial statements  
In terms of our report attached.

For S S Puranik & Associates

Chartered Accountants

FRN no.127731W



M.H. Nadkarni

Mitesh M Nadkarni

Partner

Mship No.120968

Place : Mumbai

Date : 7th September, 2013

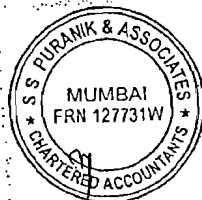
For and on behalf of the Board of Directors

Dhirraj S Gada  
Director



Shanttibhai S Gada  
Director

SEZAL INTERNATIONAL LIMITED	
Notes forming part of the financial statements	
Note	Particulars
<b>1</b>	<b>Corporate Information</b>
	The company was incorporated to carry on business as manufacturers, distributors, agents, traders, importers or dealers in products, goods, articles, items, accessories or decorative items of whatsoever nature, kind or description. The company during the year has traded in paper.
<b>2</b>	<b>Significant accounting policies</b>
<b>2.1</b>	<b>Basis of accounting and preparation of financial statements</b> The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with the accounting principles generally accepted in India and in compliance with the provisions of Companies Act, 1956 and comply with the mandatory Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government of India. Financial Statements are based on historical cost and are prepared on accrual basis except where impairment is made and revaluation is carried out. Accounting policies have been consistently applied by the Company.
<b>2.2</b>	<b>Use of estimates</b> The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
<b>2.3</b>	<b>Inventories</b> Finished Goods are valued at cost or Net Realisable Value whichever is less.
<b>2.4</b>	<b>Depreciation and amortisation</b> Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions and deletions to Fixed Assets is provided on pro-rata basis for the number of days the asset has been put to use.
<b>2.5</b>	<b>Revenue recognition</b> Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales are net of excise duty, Sales tax and value added tax. Export Sales are accounted by converting the Foreign Currency amount at the rate of exchange fixed by the Customs Authority. On realization of export proceeds, the difference between the amount realized and the amount booked is charged off / back to Statement of Profit and Loss as Loss / gain due to exchange rate difference.
<b>2.6</b>	<b>Other Income</b> Interest income is accounted on the basis of proportionate period of investment, considering the amount of investment and the rate of interest. Dividend income is accounted when the right to receive it is established.
<b>2.7</b>	<b>Tangible fixed assets</b> The Fixed assets are stated at cost, inclusive of inward freight, duties and taxes (Net of input credits claimed), installation and commissioning expenses, incidental expenses incurred for the assets to be gainfully put to use, less accumulated depreciation. Where the assets are installed and commissioned, but fail to deliver the required results to the satisfaction of the Company's management, the same are not capitalized and are carried forward to the next year as Capital WIP.
<b>2.8</b>	<b>Intangible assets</b> Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.



*[Handwritten signature]*



SEZAL INTERNATIONAL LIMITED

**Note 2 Significant Accounting Policies continued**

**2.9 Foreign currency transactions and translations**

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates applied by the customs authorities to the respective transactions.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items are not restated at Balance sheet date as there were no confirmation of balances from foreign parties.

Treatment of exchange rate differences

No foreign exchange gain/loss are accounted.

**2.10 Investments**

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

**2.11 Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

**2.12 Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

**2.13 Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

**2.14 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.



**SEZAL INTERNATIONAL LIMITED**

Notes on Financial Statements for the Year ended 31st March, 2013

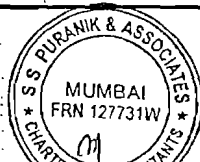
**Note 3 SHARE CAPITAL**

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	Rs	Number of shares	Rs
(a) Authorised Share Capital Equity shares of Rs. 100/- each with voting rights	50,000	5,000,000	50,000	5,000,000
(b) Issued Share Capital Equity shares of Rs. 100/- each with voting rights	20,000	2,000,000	20,000	2,000,000
(c) Subscribed and fully paid up Equity shares of Rs. 100/- each with voting rights	20,000	2,000,000	20,000	2,000,000

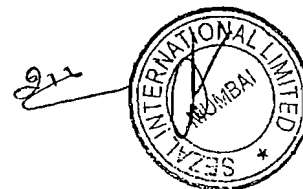
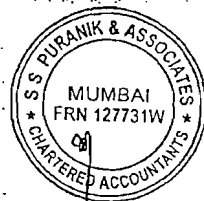
Equity Shares	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the period	20,000	2,000,000	20,000	2,000,000
Sub-division during the year	-	-	-	-
Reverse share split during the year	-	-	-	-
Fresh issue during the year	-	-	-	-
Shares issued against conversion of Share Warrants	-	-	-	-
	20,000	2,000,000	20,000	2,000,000

(ii) The details of Shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Amrnut S Gada	1,000	5.00	1,000	5.00
Anju D Gada	2,000	10.00	2,000	10.00
Bhavna A Gada	2,000	10.00	2,000	10.00
Dhirraj S Gada	1,000	5.00	1,000	5.00
Diwaliben S Gada	2,000	10.00	2,000	10.00
Kanchan S Gada	2,000	10.00	2,000	10.00
Mitlesh Kanji Gada	1,000	5.00	1,000	5.00
Mitlesh Kanji Gada (HUF)	1,000	5.00	1,000	5.00
Navalben K Gada	1,500	7.50	1,500	7.50
Priti Mitesh Gada	1,000	5.00	1,000	5.00
Shhanttibhai S Gada	1,000	5.00	1,000	5.00
Shavijibhai V Gada	1,000	5.00	1,000	5.00



<b>SEZAL INTERNATIONAL LIMITED</b>		
<b>Notes on Financial Statements for the Year ended 31st March, 2013</b>		
Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs	Rs
<b>Note 4 : RESERVE AND SURPLUS</b>		
<b>(a) General Reserve account</b>		
Opening balance	100,000	100,000
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year	-	-
Closing balance	100,000	100,000
<b>(b) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(10,152,530)	(10,163,175)
Add: Profit / (Loss) for the year	325,816	10,645
Closing balance	(9,826,714)	(10,152,530)
<b>Total (a+b)</b>	<b>(9,726,714)</b>	<b>(10,052,530)</b>
<b>Note 5 : SHORT TERM BORROWINGS</b>		
<b>(a) Loans and advances from related parties (Refer Note 21.1)</b>		
Unsecured	15,331,022	8,588,472
<b>Total</b>	<b>15,331,022</b>	<b>8,588,472</b>
<b>Note 6 : TRADE PAYABLES</b>		
Acceptances	-	-
Other than Acceptances	18,180,009	5,032,550
<b>Total</b>	<b>18,180,009</b>	<b>5,032,550</b>
<b>Note 7 : OTHER CURRENT LIABILITIES</b>		
(a) Advance From Customers	-	-
(b) Claims Payable (Refer Note 21.1)	10,442,182	10,442,182
(c) Statutory remittances	948,744	680,422
(d) Refundable Deposits	278,717	278,717
(f) Interest accrued and due on borrowings	2,186,247	-
(f) Others	206,348	562,214
<b>Total</b>	<b>14,062,238</b>	<b>11,963,535</b>
<b>Note 8 : SHORT TERM PROVISIONS</b>		
(b) Provision - Others:		
Provision for tax	235,930	17,220
<b>Total</b>	<b>235,930</b>	<b>17,220</b>



**SEZAL INTERNATIONAL LIMITED**

Notes on Financial Statements for the Year ended 31st March, 2013

**Note 9 : FIXED ASSETS**

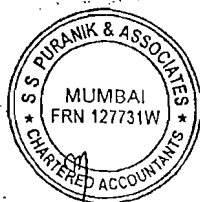
Tangible assets Own Assets	Gross block					
	Balance as at 1 April, 2012	Additions	Disposals	Revaluation Increase	Other adjustments	Balance as at 31 March, 2013
	Rs	Rs	Rs	Rs	Rs	Rs
(a) Office equipment	152,857	-	-	-	-	152,857
<b>Total</b>	<b>152,857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152,857</b>
<b>Previous year</b>	<b>442,864</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>442,864</b>

**Note 9B Fixed assets (contd.)**

Tangible assets Own Assets	Accumulated depreciation and impairment			Net block		
	Balance as at 1 April, 2012	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
	Rs	Rs	Rs	Rs	Rs	Rs
(a) Office equipment	48,757	7,261	-	56,018	96,839	104,100
<b>Total</b>	<b>48,757</b>	<b>7,261</b>	<b>-</b>	<b>56,018</b>	<b>96,839</b>	<b>104,100</b>
<b>Previous year</b>	<b>293,453</b>	<b>45,311</b>	<b>-</b>	<b>338,764</b>	<b>104,100</b>	

**9C. Depreciation and amortisation relating to continuing operations:**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rs	Rs
Depreciation and amortisation for the year on tangible assets as per Note 9B	7,261	45,311
Less: Utilised from Revaluation Reserve	-	-
Depreciation and amortisation relating to continuing operations	7,261	45,311



911





**SEZAL INTERNATIONAL LIMITED**

**Notes on Financial Statements for the Year ended 31st March, 2013**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs	Rs
<b>Note 10 : NON CURRENT INVESTMENTS</b>		
<b>Investments (At cost):</b>		
<b>A. Investments (Quoted)</b>		
(a) Investment in equity instruments		
(i) of associates		
1,75,000 Equity Shares of Rs.10/- each of Sezal Glass Ltd	770,000	770,000
Above includes 1,05,000 Bonus Equity Shares of Re.10/- each	-	-
<b>Total</b>	<b>770,000</b>	<b>770,000</b>
Aggregate amount of Quoted investments	770,000	770,000
Aggregate market value of quoted investments	675,500	2,712,500
<b>Note 11 : LONG TERM LOANS AND ADVANCES</b>		
<b>UNSECURED , CONSIDERED GOOD</b>		
(a) Tax Deducted at Source A.Y. 2013-14	58,191	-
(b) Advance Income Tax	1,416	1,416
(c) CST Receivable	11,036	-
(d) VAT Receivable	713,173	-
<b>Total</b>	<b>783,816</b>	<b>1,416</b>
<b>Note 12 : TRADE RECEIVABLE</b>		
<b>Unsecured, considered good</b>		
Trade receivables outstanding for a period exceeding six months from the date they became due for payment	581,696	665,122
Trade receivables outstanding for a period less than six months from the date they became due for payment	10,824,320	581,696
<b>Total</b>	<b>11,406,016</b>	<b>1,246,818</b>
<b>Note 13 : CASH AND CASH EQUIVALENTS</b>		
(a) Cash on hand	73,872	109
(b) Balances with banks		
(i) In current accounts	86,804	4,920
<b>Total</b>	<b>160,675</b>	<b>5,030</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is Rs. 160675/-		
<b>Note 14 : SHORT TERM LOANS AND ADVANCES</b>		
(a) Loans and Advances to Related Parties (Refer Note 22.1)	9,357,349	1,186,757
(b) Claim Receivable from creditor	10,541,981	10,541,981
(c) Security Deposits	-	-
(d) Balances with government authorities		
(i) CST receivable	-	11,036
(ii) VAT receivable	-	519,556
(e) Others - Advance to Suppliers	4,750,000	-
<b>Total</b>	<b>24,649,330</b>	<b>12,259,330</b>



**SEZAL INTERNATIONAL LIMITED**

**Notes forming part of the financial statements**

**Note 20: ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS:**

20.1 The Company is SMC as defined in general instructions in respect of accounting standards notified under the Companies Act, 1956. Accordingly, the company has complied with the Accounting Standards as applicable to a SMC.

Following Accounting Standards are not applicable :  
 AS 3 Cash Flow Statement  
 AS 15 Employee Benefit Expenses (Revenue & Recognition)  
 AS 17 Segmental Reporting  
 AS 20 Earnings per Share (Only Diluted Earnings per share)

20.2 **Contingent liabilities and commitments**

Contingent Liabilities

Demand for Income Tax Arrears A.Y. 2005-06	1,360	-
Demand for Income Tax Arrears A.Y. 2006-07	64,381	-
Demand for Income Tax Arrears A.Y. 2007-08	684,714	-

Penalty proceedings has been initiated for A.Y. 2008-09.  
 One of the creditor in past "Golden Industries Pvt. Ltd. has sent notice for recovery of Rs. 23,567 which is outstanding for more than three years. Aggrieved party may take legal action.

20.3 **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

There are no amounts due to Micro, Small and Medium Enterprise under The Micro Small and Medium Enterprise Development Act 2006, as per information available with the company

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rs	Rs
20.4 Value of imports calculated on CIF basis :	NIL	NIL
20.5 Expenditure in foreign currency:	NIL	NIL
20.6 Details of consumption of imported and indigenous items	NIL	NIL
20.7 Earnings in foreign exchange :	NIL	NIL

20.8 **Foreign currency translation :**

The Company has not translated its Foreign Debtors and Creditors as on 31st March, 2013 as confirmation of balances were not received from foreign parties.

20.9 The company has not provided for diminution in value of shares as it is not of permanent in nature

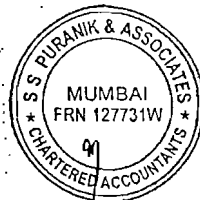
20.10 Actuarial Valuation of Liability under Gratuity and Leave Encashment as required by Accounting Standard 15 (Revised) has not been done.

20.11 Previous year figures have been regrouped or reclassified wherever necessary to confirm with the current year's classification.

20.12 Events occurring after the Balance sheet date - NIL

20.13 The MVAT Department has Frozen the Cosmos Co-op Bank Account of the Company w.e.f. November 2012 due to non payment of MVAT. The company has paid Rs.193617/- towards VAT liability, details of which are not available. Balance with Cosmos Coop Bank is not confirmed as at 31.3.2013 as we have not received the statements.

20.14 Balance of Sundry Debtors, advances and sundry creditors are subject to receipt of balance confirmation letters.



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**SEZAL INTERNATIONAL LIMITED**

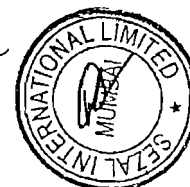
**Notes forming part of the financial statements**

**Note 21 : DISCLOSURE UNDER ACCOUNTING STANDARDS**

Note	Related Party Transactions					
21.1.a	<b>Details of related parties:</b>					
	<b>Description of relationship</b>		<b>Names of related parties</b>			
	Key Management Personnel		Amrur S. Gada			
	Key Management Personnel		Mitesh K. Gada			
	Key Management Personnel		Shhantibhai S. Gada			
	Relatives of Key Management Personnel		Shavjibhai V. Gada			
	Entity in which Key Management Personnel(KMP) can exercise significant influence		Primera Vista Lifestyle Pvt. Ltd.			
	Entity in which Key Management Personnel(KMP) can exercise significant influence		Sejal Glass House			
	Company in which KMP / Relatives of KMP can exercise significant influence		Sezal Glass Craft Private Limited			
	Company in which KMP / Relatives of KMP can exercise significant influence		Sezal Glass Limited			
Company in which KMP / Relatives of KMP can exercise significant influence		Sezal Realty and Infrastructure Limited				
<b>Note: Related parties have been identified by the Management.</b>						
21.1.b	<b>The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:</b>					
	<b>a) Sale / Purchase of Goods, Services And Fixed Assets, Remuneration</b>					
	<b>Particulars</b>	<b>Purchase of Goods</b>	<b>Sale of Goods</b>	<b>Interest Income</b>	<b>Remuneration</b>	<b>Interest charges</b>
	Sejal Glass House	-	-	337672	-	-
		(-)	(-)	(-)	(-)	(-)
	Sezal Glass Ltd.	0	156366605	-	-	1959949
		(-)	(-)	(-)	(-)	(-)
	Sezal Realty and Infrastructure Ltd.	-	-	244240	-	-
		(-)	(-)	(-)	(-)	(-)
	Mitesh K. Gada	-	-	58562	-	-
		(-)	(-)	(-)	(-)	(-)
	Shavjibhai V. Gada	-	-	110548	-	-
		(-)	(-)	(-)	(-)	(-)
	Primera Vista Lifestyle Pvt. Ltd.	-	-	-	-	317219
		(-)	(-)	(-)	(-)	(-)
	Shhantibhai S Gada	-	-	-	500000	-
		(-)	(-)	(-)	(-)	(-)



211



**SEZAL INTERNATIONAL LIMITED**

Notes forming part of the financial statements  
 Note 21 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

**b) Loans and Advances given/repaid during the year**

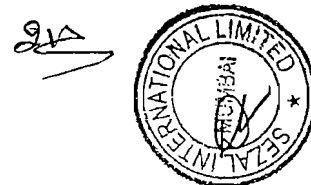
Particulars	Loans given	Repayment	Amount owned by related parties
Sejal Glass House	3601000 (30494)	- (60988)	3904905 (-)
Mitlesh K. Gada	600000 (-)	- (-)	658562 (-)
Shavjibhai Gada	1000000 (-)	- (-)	1110548 (-)
Sezal Realty and Infrastructure Limited	1149450 (1186757)	- (-)	2556023 (1186757)

**c) Deposits, Loans and Advances taken/repaid during the year**

Particulars	Deposit/Loan taken	Repayment	Amount owned by related parties
Sejal Glass House	- (-)	- (33369)	- (-)
Sezal Glass Limited	3242550 (8588472)	- (-)	13731772 (8588472)
Sezal Realty and Infrastructure Limited	- (26000)	- (6434000)	- (-)
Primera Vista Lifestyle Pvt. Ltd.	3500000 (-)	- (-)	3785497 (-)

**d) Sundry Creditors:**

Particulars	Creditors for Goods
Sezal Glass Ltd.	15646688 (-)
Sezal Glass Craft Private Limited	- (2517729)

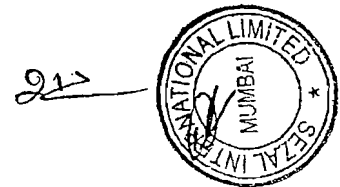


**SEZAL INTERNATIONAL LIMITED**

Notes forming part of the financial statements

Note 21 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

Note	Related Party Transactions		
<b>e) Investments:</b>			
	<b>Particulars</b>	<b>Cost</b>	
	<i>Quoted:</i> 1,75,000 Equity Shares of Rs.10/- each of Sezal Glass Ltd Above includes 1,05,000 Bonus Equity Shares of Rs..10/- each	770000 (770000)	
	<b>Total</b>	770000 (770000)	
<i>Note: Figures in bracket relates to the previous year</i>			
21.1.c	<b>Balance Outstanding at the end of the year</b>	<b>31st March 2013 Rs.</b>	<b>31st March 2012 Rs.</b>
	<b>Particulars</b>		
	Sezal Glass Limited - Investments	770000	770000
	Sezal Glass Limited - Claims payable	10442182	10442182
	Sezal Glass Ltd. - Creditors	15646688	-
	Sezal Glass Craft Private Limited - Sundry Creditors	-	2517729
	Sejal Glass House - Advance Given	3904905	-
	Miltesh K. Gada - Advance Given	658562	-
	Shavjibhai V. Gada - Advance Given	1110548	-
	Sezal Realty and Infrastructure Limited - Loans and Advances Given	2556023	1186757
	Primera Vista Lifestyle Pvt. Ltd. - Loan Taken	3785497	-



**SEZAL INTERNATIONAL LIMITED**

Notes forming part of the financial statements

Note 22 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

	Particulars	As at 31st March, 2013	As at 31st March, 2012
		Rs	Rs
22.1	<b>Earnings per share:</b>		
	Profit / (loss) attributable to equity shareholders	325,816	10,645
	Weighted average number of equity shares for Basic EPS	20,000	20,000
	Par value per share	100	100
	Earnings per share - Basic	16.29	0.53
22.2	<b>Deferred Taxes:</b>		
	<b>Deferred tax (liability) / asset</b>		
	<u>Tax effect of items constituting deferred tax liability</u>		
	On difference between book balance and tax balance of fixed assets	(7,576)	(8,375)
	Deferred Tax Asset Reversed on carried forward loss		-
	<u>Tax effect of items constituting deferred tax liability</u>	(7,576)	(8,375)
	<u>Tax effect of items constituting deferred tax Asset</u>		
	On Disallowance U/s 40a(i)(a)	762,381	-
	On MAT credit	-	17,220
	On Carried forward loss	1,222,891	2,970,114
	On Disallowance of 43B	238,113	183,595
		<b>2,223,385</b>	<b>3,170,929</b>
	<b>Net deferred tax (Liability) / Asset as at Reporting Date</b>	<b>2,215,809</b>	<b>3,162,554</b>



913

