



S S PURANIK & ASSOCIATES

Chartered Accountants

R/10, Sicka Nagar

V P Road, Girgaum

Mumbai 400 004

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Independent Auditor's Report

To the Members of

SEZAL GLASS CRAFT PRIVATE LIMITED

We have audited the accompanying financial statements of **SEZAL GLASS CRAFT PRIVATE 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 Loss 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.

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;

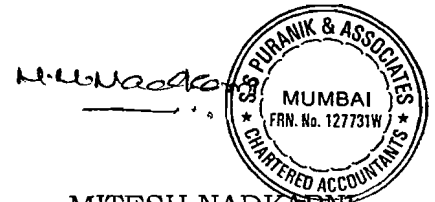


- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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



MITESH NADKARNI

Partner

M. Ship No. 120968

Mumbai

Date: July 10, 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 GLASS CRAFT PRIVATE LIMITED** on the accounts of the company for the year ended 31st 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) During the year, the Company not sold substantial part of its fixed assets.
2. In respect of Inventories:
 - a) As informed to us, there were no inventory during the year and hence these clauses are not applicable.
3. In respect of Loans taken or granted:
 - a) Company has granted unsecured loans amounting to ₹128 Lacs in addition to the ₹105.42 Lacs as at the beginning of the year, to Companies, firms or other parties listed in the Register under section 301 of the Companies Act, 1956. Maximum balance in these accounts during the year was ₹233.38 Lacs.
 - b) The Company had taken loans amounting to ₹152.37 Lacs during the year in addition to the loans taken and outstanding as at the beginning of the year was ₹7.56 Lacs, from Companies, firms or other parties listed in the Register under section 301 of the Companies Act, 1956. Out of these loans, a sum of ₹159.89 Lacs was outstanding as at the end of the year. Maximum balance in these accounts during the year was ₹159.89 Lacs.
 - c) In our opinion, the rates of interest wherever paid or charged, to the parties covered in the Register under section 301 of the Companies Act, 1956, were not prejudicial to the Interests of the Company.
 - d) In our opinion, since no specific stipulations as to the terms of repayment were agreed upon, this clause does not apply.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business



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 have been so 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 during the year not accepted deposits from the Public.
7. In our opinion and the best to our knowledge and belief, the Company has an internal audit system commensurate with its size and nature of its business.
8. According to the information and explanations given to us and to the best of our knowledge and belief, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
- a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor education protection fund, Employees' State insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess, and other material statutory dues as applicable to it. **However, there have been delays in payment of Income Tax i.e. Tax Deducted at source (TDS) ₹2.30 Lacs.**

In our opinion and according to information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, and Cess were in arrears as at 31st March 2013 for the period of more than six months from the date they became payable, **except Income Tax Deducted at Source (TDS) - ₹13,885 and Provident Fund - ₹60,840.**

- b) According to the information and the explanations given to us, there are no dues outstanding of Sales Tax, Custom Duty, Wealth Tax, Excise Duty or cess applicable to it, which have not been deposited on account of any dispute. However, according to the information and explanations given to us, the following dues of tax have not been deposited by the Company on account of dispute:-

| Name of the Statute | Nature of dues | Amount (Rs.) | Period to which it relates | Forum where dispute is pending |
|-------------------------|----------------|--------------|----------------------------|--------------------------------|
| Maharashtra Value Added | MVAT | 11,12,642 | 01.04.2005 to 31.03.2006 | |



| | | | | |
|-----------------------------|-----|--------|---------------|------------|
| Tax Act, 2002 | | | | |
| Central Sales Tax Act, 1956 | CST | 45,814 | 01.04.2008 to | 31.03.2009 |

9. In our opinion and according to the information and explanations given to us, the Company does not have accumulated losses at the end of the financial year which exceed fifty percent of its net worth. The Company has incurred cash losses during the financial year under report and also in the immediately preceding financial year.
10. The Company has not taken any Term Loans from banks and / or financial institutions. The company has not issued any debentures. In view of this, this paragraph of the Order is not applicable.
11. 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.
12. 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.
13. 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.
14. 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.
15. In our opinion, the term loans have been applied for the purpose for which these were raised.
16. 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.
17. 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.



18. 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.
19. During the year covered by our Audit, the Company has not raised any money by way of a public issue.
20. 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. M. Nadkarni



MITESH M NADKARNI
Partner

M. Ship No. 120968

Mumbai,

July 10, 2013

SEZAL GLASS CRAFT PRIVATE LIMITED

Balance Sheet as at 31 March, 2013

| Particulars | Note No. | As at 31 March, 2013 | As at 31 March, 2012 |
|-----------------------------------|----------|----------------------|----------------------|
| | | Rs | Rs |
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 3 | 10,173,000 | 10,173,000 |
| (b) Reserves and surplus | 4 | 26,171,358 | 29,010,750 |
| 2 Non-current liabilities | | | |
| (a) Deferred Tax Liability (Net) | 17 | 9,405 | 10,044 |
| 3 Current liabilities | | | |
| (a) Short-term borrowings | 5 | 15,989,398 | 756,020 |
| (b) Other current liabilities | 6 | 1,347,917 | 1,055,232 |
| TOTAL | | 53,691,078 | 41,005,046 |
| B ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 7 | 30,438 | 32,504 |
| (b) Non Current Investments | 8 | 26,163,750 | 26,163,750 |
| 2 Current assets | | | |
| (a) Trade receivables | 9 | 502,858 | 3,020,587 |
| (b) Cash and cash equivalents | 10 | 216,246 | 218,184 |
| (c) Short-term loans and advances | 11 | 26,777,786 | 11,570,021 |
| TOTAL | | 53,691,078 | 41,005,046 |

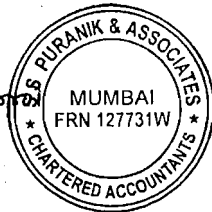
See accompanying notes forming part of the financial statements

In terms of our report attached.

For S S Puranik & Associates

Chartered Accountants

FRN no.127731W



Mitlesh Nadkarni

Mitesh Nadkarni

Partner

Mship No.120968

Place : Mumbai

Date : 4th September, 2013

For and on behalf of the Board of Directors

Shhanttibhai S Gada

Shhanttibhai S Gada

Director

Kanji V Gada

Kanji V Gada

Director



SEZAL GLASS CRAFT PRIVATE 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 ` 100 each with voting rights | 110,000 | 11,000,000 | 110,000 | 11,000,000 |
| (b) Issued Share Capital Equity shares of ` 100 each with voting rights | 101,730 | 10,173,000 | 101,730 | 10,173,000 |
| (c) Subscribed and fully paid up Equity shares of ` 100 each with voting rights | 101,730 | 10,173,000 | 101,730 | 10,173,000 |

(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 |
| Amrrut S Gada | 26,250 | 25.80 | 26,250 | 25.80 |
| Kanji V Gada | 17,835 | 17.53 | 17,835 | 17.53 |
| Shavjibhai Gada | 19,755 | 19.42 | 19,755 | 19.42 |



SEZAL GLASS CRAFT PRIVATE 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 |
| Note 4 : RESERVE AND SURPLUS | | |
| (a) Securities Premium account | | |
| Balance as per last account | 21,375,000 | 21,375,000 |
| (b) Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening balance | 7,635,750 | 7,781,359 |
| Add: Profit / (Loss) for the year | (2,839,392) | (145,609) |
| Closing balance | 4,796,358 | 7,635,750 |
| Total | 26,171,358 | 29,010,750 |
| Note 5 : SHORT TERM BORROWINGS | | |
| (a) Loans and advances from related parties (Refer Note 16.1.c) | | |
| Unsecured | 15,989,398 | 756,020 |
| Total | 15,989,398 | 756,020 |
| Note 6 : OTHER CURRENT LIABILITIES | | |
| (a) Application money received for allotment of securities and due for refund | 875,000 | 875,000 |
| (b) Statutory remittances | 290,979 | 71,968 |
| (d) Contractually reimbursable expenses | 181,938 | 108,264 |
| Total | 1,347,917 | 1,055,232 |



SEZAL GLASS CRAFT PRIVATE LIMITED

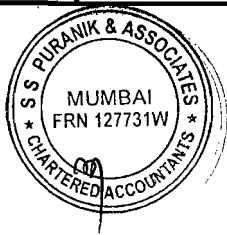
Notes on Financial Statements for the Year ended 31st March, 2013

Note 7: FIXED ASSETS

| Tangible assets Own Assets | Gross block | | | | |
|-------------------------------|-----------------------------------|-----------|-----------|----------------------|---------------------------------------|
| | Balance as at 1 April, 2012 | Additions | Disposals | Other adjustments | Balance as at 31 March, 2013 |
| | Rs | Rs | Rs | Rs | Rs |
| (a) Office Equipment | 43,500 | - | - | - | 43,500 |
| Total | 43,500 | - | - | - | 43,500 |
| Previous year | 43,500 | - | - | - | 43,500 |

Note 7 : FIXED ASSETS (contd.)

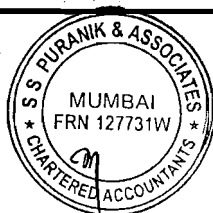
| Tangible assets Own Assets | Accumulated depreciation and impairment | | | Net block | |
|-------------------------------|---|---|---------------------------------------|---------------------------------------|---------------------------------------|
| | Balance as at 1 April, 2012 | Depreciation expense for the year | Balance as at 31 March, 2013 | Balance as at 31 March, 2013 | Balance as at 31 March, 2012 |
| | Rs | Rs | Rs | Rs | Rs |
| (a) Office equipment | 10,996 | 2,066 | 13,062 | 30,438 | 32,504 |
| Total | 10,996 | 2,066 | 13,062 | 30,438 | 32,504 |
| Previous year | 8,930 | 2,066 | 10,996 | 32,504 | |



SEZAL GLASS CRAFT PRIVATE LIMITED

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

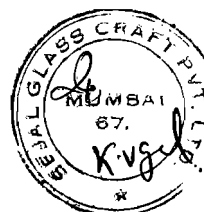
| Particulars | As at 31 March, 2013 | As at 31 March, 2012 |
|--|-------------------------|-------------------------|
| | Rs | Rs |
| Note 8 : NON CURRENT INVESTMENTS | | |
| Investments (At cost): | | |
| A. Investments (Quoted) | | |
| (a) Investment in equity instruments | | |
| (i) of associates | | |
| 10,27,500 Equity Shares of Rs. 10/- each of Sezal Glass Ltd | 26,060,000 | 26,060,000 |
| Above includes 4,80,000 Bonus Equity Shares of Re.10/- each | | |
| Total - (A) | 26,060,000 | 26,060,000 |
| B. Investments (Unquoted) | | |
| (a) Investment in equity instruments | | |
| (i) of other entities | | |
| 125 Equity Shares of Rs. 30 each of Bombay Merchantile Co-operative Bank Ltd | 3,750 | 3,750 |
| 5000 Equity Shares of Rs. 20 each of Cosmos Co-operative Bank Ltd | 100,000 | 100,000 |
| Total -(B) | 103,750 | 103,750 |
| Total (A+B) | 26,163,750 | 26,163,750 |
| Aggregate amount of Unquoted investments | 103,750 | 103,750 |
| Aggregate amount of Quoted investments | 26,060,000 | 26,060,000 |
| Aggregate market value of quoted investments | 3,966,150 | 15,926,250 |
| Note 9 : TRADE RECEIVABLE | | |
| Unsecured, considered good | | |
| Trade receivables outstanding for a period exceeding six months from the date they became due for payment | 502,858 | 3,020,587 |
| Trade receivables outstanding for a period less than six months from the date they became due for payment | - | - |
| Total | 502,858 | 3,020,587 |
| Note 10 : CASH AND CASH EQUIVALENTS | | |
| (a) Cash on hand | 204,096 | 201,596 |
| (b) Balances with banks | | |
| (i) In current accounts | 12,150 | 16,588 |
| Total | 216,246 | 218,184 |
| Note 11 : SHORT TERM LOANS AND ADVANCES | | |
| (a) Loans and Advances to Related Parties (Refer 16.1.c) | 25,012,224 | 10,541,842 |
| (b) Advance Income Tax (Net of Provisions) | 1,175,260 | 984,184 |
| (c) Security Deposits | 30,930 | 30,930 |
| (d) Inter Corporate Deposits | 546,307 | - |
| (d) Balances with government authorities | | |
| (i) VAT receivable | 13,065 | 13,065 |
| Total | 26,777,786 | 11,570,021 |



SEZAL GLASS CRAFT PRIVATE LIMITED

Notes forming part of the financial statements

| Note | Particulars |
|------------|---|
| 1 | Corporate Information |
| | The main object of the Company was manufacturing and processing of glass. However, The Company had during the financial year 2009-10, sold off its factory at Charkop alongwith its Plant & Machinery. Sale of all its machinery and equipments has affected the going concern status of the company. The Company is planning to commence trading & other activities including processing of glass in the immediate near future. |
| 2 | Significant accounting policies |
| 2.1 | Basis of accounting and preparation of financial statements |
| | 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. |
| 2.2 | Use of estimates |
| | The preparation of the financial statements in conformity with Indian GAAP which 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. |
| 2.3 | Inventories |
| | Work-in-process and Finished Goods are valued at lower of cost or net realisable value which ever is less. |
| 2.4 | Cash flow statement |
| | The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard (AS-3) on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company. |
| 2.5 | Depreciation and amortisation |
| | 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. |



SEZAL GLASS CRAFT PRIVATE LIMITED

Note 2 Significant accounting policies (contd.)

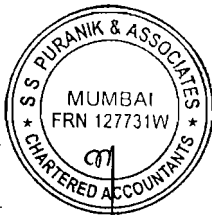
| Note | Particulars |
|-------------|---|
| 2.6 | <p>Revenue recognition</p> <p>Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincide with the delivery of goods to customers. Sales are net off excise duty, Sales tax, Service 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.</p> |
| 2.7 | <p>Other income</p> <p>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.</p> |
| 2.8 | <p>Tangible fixed assets</p> <p>The Fixed assets are stated at cost, inclusive of inward freight, duties and taxes (Net off 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.</p> |
| 2.9 | <p>Intangible assets</p> <p>Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.</p> |
| 2.10 | <p>Foreign currency transactions and translations</p> <p><u>Initial recognition</u> Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of transaction.</p> <p><u>Measurement of foreign currency monetary items at the Balance Sheet date</u> Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year end at the exchange rates prevailing on that date. Revenue and expenses are translated at the exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.</p> <p><u>Treatment of exchange differences</u> Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.</p> |
| 2.11 | <p>Government grants, subsidies and export incentives</p> <p>Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.</p> |



SEZAL GLASS CRAFT PRIVATE LIMITED

Note 2 Significant accounting policies (contd.)

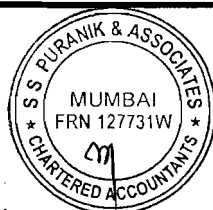
| Note | Particulars |
|--------------------------------------|---|
| <p>2.12 Investments</p> | <p>Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary diminution, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.</p> |
| <p>2.13 Employee benefits</p> | <p>All employee benefits payable wholly within twelve months of rendering the service are classified as a short term employee benefits. Benefits such as salaries, wages, contractual labour charges and short term compensated absences, etc is recognized in the period in which the employee/contractual labour renders the related service. Any other payments under relevant labour statutes, wherever applicable, are reimbursed to the outsourced agencies and charged off to the Profit & Loss Account in the year of payment.</p> |
| <p>2.14 Borrowing costs</p> | <p>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.</p> |
| <p>2.15 Segment reporting</p> | <p>The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.</p> <p>The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.</p> <p>Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".</p> |



SEZAL GLASS CRAFT PRIVATE LIMITED

Note 2 Significant accounting policies (contd.)

| Note | Particulars |
|--------------------|---|
| <p>2.16</p> | <p>Earnings per share</p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the Earnings per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.</p> <p>Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p> <p>2.17 Taxes on income</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |



SEZAL GLASS CRAFT PRIVATE LIMITED

Note 2 Significant accounting policies (contd.)

| Note | Particulars |
|---|---|
| <p>2.18 Impairment of assets</p> | <p>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.</p> |
| <p>2.19 Provisions and contingencies</p> | <p>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.</p> |

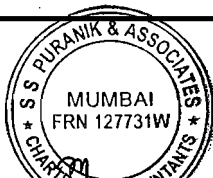


SEZAL GLASS CRAFT PRIVATE LIMITED

Notes forming part of the financial statements

Note 15 : ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

| | | | |
|-------|--|--|--|
| 15.01 | Contingent liabilities and commitments | | |
| | Particulars | For the year ended 31 March, 2013 | For the year ended 31 March, 2012 |
| | | Rs | Rs |
| | Demand by Income Tax Department pending rectification A.Y.2007-08 | - | 58,688 |
| | Demand by Income Tax Department pending rectification A.Y.2007-08 (FBT) | - | 10,546 |
| | Appeal filed against demand of Sales Tax (MVAT) for the period 01.04.2005 to 31.03.2006 | 1,112,642 | - |
| | Appeal filed against demand of Sales Tax (CST) for the period 01.04.2008 to 31.03.2009 | 45,814 | |
| | Estimated amount of contracts remaining to be executed on capital account and not provided for | NIL | NIL |
| 15.02 | 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 |
| 15.03 | Value of imports calculated on CIF basis : | NIL | NIL |
| 15.04 | Expenditure in foreign currency: | NIL | NIL |
| 15.05 | Details of consumption of imported and indigenous items | NIL | NIL |
| 15.06 | Earnings in foreign exchange : | NIL | NIL |
| 15.07 | The Company is a Small and Medium Sized Company (SMC) as defined in the general instructions in respect of the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956, and hence is exempt from following Accounting Standards: AS - 3 Cash Flow Statements. AS - 15 Employee Benefits (Recognition and Measurement) AS - 17 Segment Reporting. AS - 20 Earnings Per Share (only Diluted EPS) | | |
| 15.08 | Employee Benefit Plans: Actuarial Valuation of Liability under Gratuity and Leave Encashment as required by Accounting Standard 15 (Revised) has not been done as there are no employees. | | |
| 15.09 | Segment Information: As there are no segments, Segment wise Revenue, Results and Capital employed for the year ended March 31,2013 is not applicable. | | |
| 15.10 | Previous year figures have been regrouped/re arranged wherever necessary to confirm with the current year's classification | | |
| 15.11 | Events occurring after the Balance sheet date - NIL | | |
| 15.12 | Company has not provided for diminution in value of share investments as it is not permanent in nature. | | |
| 15.13 | 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 an SMC | | |
| 15.14 | Balance of Sundry Debtors, advances and sundry creditors are subject to receipt of balance confirmation letters | | |



SEZAL GLASS CRAFT PRIVATE LIMITED

Notes forming part of the financial statements

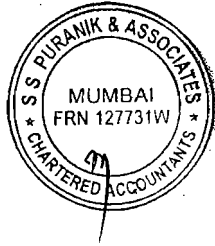
Note 16 : DISCLOSURE UNDER ACCOUNTING STANDARDS

Amount in Rs

| Note | Related Party Transactions | | | |
|--------|--|---|--------------------|---|
| 16.1.a | Details of Related parties: | | | |
| | Description of relationship | Names of related parties | | |
| | Entity in which Key Management Personnel (KMP)/ Relatives of KMP can exercise significant influence | Sejal Glass House | | |
| | Relatives of Key Management Personnel | Sejal Gada (Daughter of Mr. Shhanttibhai S Gada) Anju D Gada (Wife of Dhirraj S Gada) | | |
| | Company in which KMP / Relatives of KMP can exercise significant influence | Sezal Realty and Infrastructure Limited Sezal International Limited Sezal Glass Limited | | |
| | Note: Related parties have been identified by the Management. | | | |
| 16.1.b | The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year: | | | |
| | <i>a) Loans and Advances given / repayment received during the year</i> | | | |
| | Particulars | Loans / Advance given | Repayment | Amount owed by related parties |
| | Sejal Glass House | 12,078,000 (30,494) | - (60,988) | 12,078,000 (-) |
| | Sezal Finance Ltd | 9,000 (-) | - (-) | 9,000 (-) |
| | Anju Gada | - (165,000) | - (-) | 165,000 (165,000) |
| | Kanji Gada | 250,000 (-) | - (-) | 250,000 (-) |
| | Sejal Gada | - (240,000) | - (-) | 240,000 (240,000) |
| | Shhanttibhai Gada | 460,000 (350,000) | - (-) | 810,000 (350,000) |
| | Sezal Realty and Infrastructure Limited | - (95,000) | - (6,158,158) | 9,786,842 (9,786,842) |
| | <i>b) Deposits, Loans and Advances taken/repaid during the year</i> | | | |
| | Particulars | Deposit/Loan taken | Repayment | Amount owed by related parties |
| | Sejal Glass House | - (-) | - (200,000) | - (-) |
| | Sezal Glass Limited | 13,294,090 (756,020) | 4,000 (555,393) | 15,989,398 (756,020) |



| 16.1.c <u>Balance Outstanding at the end of the year</u> | |
|--|-------------|
| Particulars | Amount |
| Sejal Glass House - Loans and Advances given | 12,078,000 |
| | (-) |
| Sejal Realty and Infrastructure Limited - Loans and Advances given | 9,786,842 |
| | (9,786,842) |
| Sejal Glass Limited - Loans and Advance taken | 15,989,398 |
| | (756,020) |
| Sejal International Limited - Sundry Debtors | - |
| | (2,517,729) |
| Anju Gada | 165,000 |
| | (165,000) |
| Sejal Gada | 240,000 |
| | (240,000) |
| Shhantibhai Gada | 810,000 |
| | (350,000) |
| Note: Figures in bracket relates to the previous year | |

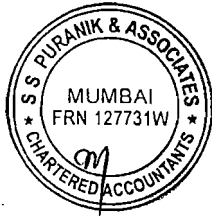


SEZAL GLASS CRAFT PRIVATE LIMITED

Notes forming part of the financial statements

Note 17 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

| | Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|---|--|---------------------------|---------------------------|
| | | Rs | Rs |
| 17.1 | Earnings per share: | | |
| | Profit / (loss) attributable to equity shareholders | (2,839,392) | (145,609) |
| | Weighted average number of equity shares for Basic EPS | 101,730 | 101,730 |
| | Par value per share | 100 | 100 |
| | Earnings per share - Basic | (27.91) | (1.43) |
| 17.2 | Deferred Taxes: | | |
| | Deferred tax (liability) / asset | | |
| | <u>Tax effect of items constituting deferred tax liability</u> | | |
| | On difference between book balance and tax balance of fixed assets | 9,405 | 10,044 |
| | Tax effect of items constituting deferred tax liability | 9,405 | 10,044 |
| | <u>Tax effect of items constituting deferred tax assets</u> | - | - |
| | Net deferred tax (Liability) / Asset as at Reporting Date | 9,405 | 10,044 |
| <p>Note : Deferred Tax Asset in respect of carry forward loss has not been provided in the absence of virtual certainty to have profits in the future years</p> | | | |



SEZAL GLASS CRAFT PRIVATE LIMITED
201/202, Abhilasha, S.V. Road, Kandivali (West), Mumbai - 400067

DIRECTORS' REPORT

To,
The members of
SEZAL GLASS CRAFT PRIVATE LIMITED

Your directors have pleasure in presenting the Annual Report of **SEZAL GLASS CRAFT PRIVATE LIMITED**, together with the Audited Annual Accounts and Compliance Certificate for the year ended 31st March, 2013.

1. FINANCIAL RESULTS

| | (Amount in Rs.) | |
|-------------------------------------|---------------------------|----------------------------|
| | Current Year 2012-2013 | Previous Year 2011-2012 |
| Continuing Operations | | |
| Revenue from operations | - | - |
| Other Income | 19,25,765 | 20,000 |
| Total Revenue | 19,25,765 | 20,000 |
| Expenses | | |
| Employee Benefits Expenses | - | - |
| Finance Costs | 21,59,209 | 3,815 |
| Depreciation | 2,066 | 2,066 |
| Other Expenses | 26,04,521 | 1,60,384 |
| Total Expenses | 47,65,796 | 1,66,265 |
| Profit/(Loss) before tax | (28,40,031) | (1,46,265) |
| Net Current Tax | - | - |
| Deferred Tax (including prior Year) | 639 | (656) |
| Profit / (Loss) after tax | (28,39,392) | (1,45,609) |

2. WORKING RESULTS

There was no direct income earned by the company, however the Company has earned other income of Rs.19,25,765/- as compared to that of Rs. 20,000/-, in the corresponding previous year.

The Company has incurred loss before tax to the extent of Rs. 28,40,031/- (previous year Loss of Rs.1,46,265/-) after deducting depreciation and interest of Rs.2,066/- and Rs.21,59,209/- respectively (Previous Year- Rs.2,066/- and Rs.3,815/- respectively).

3. DIVIDEND

No dividend is recommended by your directors for the year ended 31st March, 2013.

4. DEPOSITS

Your Company has not accepted or renewed any fixed deposits from the public, during the financial year ended 31st March, 2013.

5. AUDITORS

M/s. S. S. Puranik & Associates, Chartered Accountants, Auditors to the Company, retire at the forthcoming Annual General Meeting and will be eligible for re-appointment as such.

Your Directors recommend the re-appointment of the said M/s. S. S. Puranik & Associates, Chartered Accountants, as the Auditors of the Company, to hold the said Office up to the conclusion of the next Annual General Meeting of the Shareholders of the Company.

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.

The Statement of particulars of employees under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is not annexed herewith, since there was no employee, drawing, during the year under consideration, the prescribed remuneration, within the meaning of that Section of the said Act and the Rules made thereunder.

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.

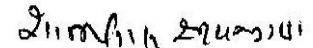
8. COMPLAINT CERTIFICATE UNDER SECTION 383A OF THE COMPANIES ACT, 1956.

The Certificate, within the meaning of the Proviso to Section 383A of the Companies Act, 1956, as issued by Mrs. Kusum Chauhan, 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 submitted in the Annexure hereto.

For and on behalf of the Board



Shhanttilbhai S. Gada
Director

Place: Mumbai
Date: 04/09/2013

ANNEXURE TO DIRECTORS' REPORT OF SEZAL GLASS CRAFT PRIVATE LIMITED

**PARTICULARS PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956,
READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF
DIRECTORS) RULES, 1988, AND FORMING PART OF THIS REPORT**

A. CONSERVATION OF ENERGY

Energy conservation is an on-going activity in the Company and energy conservation measures have been implemented to the maximum extent possible. The efforts of the Company to conserve and optimize the use of energy through improved operational methods and other means will continue.

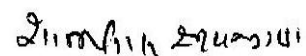
B. TECHNOLOGY ABSORPTION

The management has been taking every step to enhance its efficiency by utilization of the new equipments and technology, wherever possible.

C. FOREIGN EXCHANGE EARNING AND OUTGO

There were no earnings as well as outgo in foreign exchange during the year under consideration.

For and on behalf of the Board



**Place: Mumbai
Date : 04/09/2013**

**Shhanttibhai S. Gada
Director**