



## **Independent Auditor's Report**

To the Members of **SEJAL GLASS CRAFT PRIVATE LIMITED.**

### **Report on Financial Statement**

We have audited the accompanying financial statements of **SEJAL GLASS CRAFT PRIVATE LIMITED.** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### **Management Responsibility for the Financial Statements**

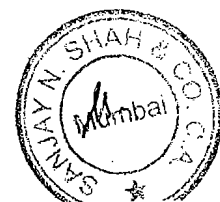
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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.

### **Auditors 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





# Sanjay N. Shah & Co

## CHARTERED ACCOUNTANTS

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### Opinion

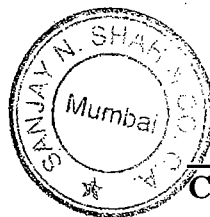
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date

### Report on Other 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 comply with the Accounting Standard Notified under the act read with the general circular 15/2013 dated 13 September 2013 issued by the ministry of corporate affairs in respect of section 133 of the companies' act 2013.and
  - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Sanjay N. Shah & Co.  
Chartered Accountants  
FRN: 124897W



Date: 01/09/2014  
Place: Mumbai

CA. Sanjay Shah, Proprietor  
Membership No.116251



**The Annexure referred to in our Report of even date to the members of Sejal Glass Craft Private Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2014.**

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 its fixed assets**

(a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; 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 its Inventories**

(a) As explained to us, the Inventories has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its Business.

(c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its Inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3. (a) In our opinion and according to the information and explanation given to us the rate of interest and other terms and conditions on which the loan have been granted are not prima facie prejudicial to the interest of the company.

(b) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties had repaid principal and interest amounts wherever stipulated.

(c) There is no overdue amount of loan granted to companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

(d) The Company has taken loan from the company covered in the register maintained under section 301 of the Companies Act, 1956.

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.





# Sanjay N. Shah & Co

## CHARTERED ACCOUNTANTS

### 5. In respect of Transaction

(a) According to the information and explanations provided by the management, we are of the opinion that the particular of contract or arrangement referred to in section 301 of the Companies Act, 1956, that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding rupees five lakhs each have been made at prices, which are reasonable having regard to 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 the information and explanation given by the management, the company has an internal audit system commensurate with its size and the nature of its business.

8. The Central Govt of India has not prescribed the maintenance of cost record under section 209(1) (d) of the Act for any of the Services rendered by the company

### 9. In respect of statutory dues

(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. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2014 for a period of more than six months from the date they became payable.

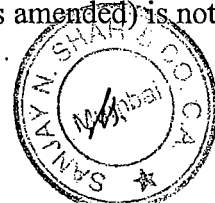
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

10. The Company has accumulated Profit at the end of the financial year and it has not incurred cash losses in the current financial year.

11. The company did not have any outstanding dues to any financial institution, banks or debenture holder during the year

12. 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. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.



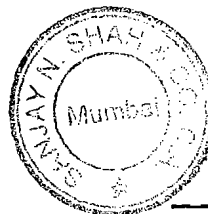


# Sanjay N. Shah & Co

## CHARTERED ACCOUNTANTS

14. The Company has maintained proper records with regards to its transactions and contracts in respects of investments in shares and other securities and timely entries have been made therein. All these shares and other securities have been held by the company in its own name, except to the extent of exemption granted under Section 49 of the Companies Act, 1956 and for certain shares which are lodged for transfer or held with valid transfer forms.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. The Company did not have taken any term loans outstanding during the year.
17. The company has not raised any fund on short term basis.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under sec.301 of the Act.
19. The company did not have any outstanding debenture during the year.
20. The Company has not raised any money by Public Issue during the year.
- 21 According to the information and explanations given to us, based upon the audit procedures performed and representations made by the management, we report that no material fraud on or by the Company has been noticed or reported during the course of our Audit.

For Sanjay N. Shah & Co.  
Chartered Accountants  
FRN:124897W



Date: 01/09/2014  
Place: Mumbai

CA. Sanjay Shah, Proprietor  
Membership No.116251

## SEJAL GLASS CRAFT PRIVATE LIMITED

Balance Sheet as at 31-March, 2014

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
<b>A EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
(a) Share capital	3	10,173,000	10,173,000
(b) Reserves and surplus	4	26,231,967	26,171,358
2 Non-current liabilities			
(a) Deferred Tax Liability (Net)	19	8,767	9,405
3 Current liabilities			
(a) Short-term borrowings	5	17,891,868	15,989,398
(b) Other current liabilities	6	1,912,813	1,347,917
<b>TOTAL</b>		<b>56,218,415</b>	<b>53,691,078</b>
<b>B ASSETS</b>			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	28,372	30,438
(b) Non Current Investments	8	26,163,750	26,163,750
2 Current assets			
(a) Trade receivables	9	502,858	502,858
(b) Cash and cash equivalents	10	209,842	216,246
(c) Short-term loans and advances	11	29,313,592	26,777,786
<b>TOTAL</b>		<b>56,218,415</b>	<b>53,691,078</b>

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

For Sanjay N Shah &amp; Co.

Chartered Accountant

FRN No. 124897W

Sanjay N Shah

Proprietor

M.No. 116251

Place : Mumbai

Date : 01/09/2014

For and on behalf of the Board of Directors

CIN - U26100MH1993PTC074230

Shhantibhai S Gada Kanji V Gada

Shhantibhai S Gada

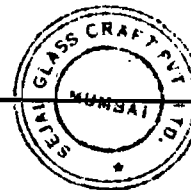
(Director)

DIN 00169213

Kanji V Gada

(Director)

DIN 00163696



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## SEJAL GLASS CRAFT PRIVATE LIMITED

Notes on Financial Statements for the Year ended 31st March, 2014

## Note 3 : SHARE CAPITAL

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares		Number of shares	
(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, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Amrut 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

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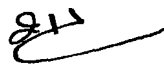



K.V. Gada

**SEJAL GLASS CRAFT PRIVATE LIMITED**

Notes on Financial Statements for the Year ended 31st March, 2014

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>Note 4 : RESERVE AND SURPLUS</b>		
(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	7,635,750
Less: Profit / (Loss) opening balance Trial balance	(2,839,392)	-
Add: Profit / (Loss) for the year	60,609	(2,839,392)
Closing balance	4,856,967	4,796,358
<b>Total</b>	<b>26,231,967</b>	<b>26,171,358</b>
<b>Note 5 : SHORT TERM BORROWINGS</b>		
(a) Loans and advances from related parties (Refer Note 18.1.c) Unsecured	17,891,868	15,989,398
<b>Total</b>	<b>17,891,868</b>	<b>15,989,398</b>
<b>Note 6 : OTHER CURRENT LIABILITIES</b>		
(a) Application money received for allotment of securities and due for refund	875,000	875,000
(b) Statutory remittances	497,560	290,979
(d) Contractually reimbursable expenses	540,253	181,938
<b>Total</b>	<b>1,912,813</b>	<b>1,347,917</b>

  
  
 K.V. Gada



SEJAL GLASS CRAFT PRIVATE LIMITED

Notes on Financial Statements for the Year ended 31st March, 2014

Note 7: FIXED ASSETS

Tangible assets Own Assets	Gross block				
	Balance as at 1 April, 2013	Additions	Disposals	Other adjustments	Balance as at 31 March, 2014
(a) Office Equipment	43,500	-	-	-	43,500
<b>Total</b>	<b>43,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,500</b>
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, 2013	Depreciation expense for the year	Balance as at 31 March, 2014	Balance as at 31 March, 2014	Balance as at 31 March, 2013
(a) Office equipment	13,062	2,066	15,128	28,372	30,438
<b>Total</b>	<b>13,062</b>	<b>2,066</b>	<b>15,128</b>	<b>28,372</b>	<b>30,438</b>
Previous year	10,996	2,066	13,062	30,438	

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K.V. Gade

**SEJAL GLASS CRAFT PRIVATE LIMITED**

**Notes on Financial Statements for the Year ended 31st March, 2014**

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>Note 8 : NON CURRENT INVESTMENTS</b>		
Investments (At cost):		
<b>A. Investments (Quoted)</b>		
(a) Investment in equity instruments		
(i) of associates		
10,27,500 Equity Shares of `10/- each of Sejal Glass Ltd	26,060,000	26,060,000
Above includes 4,80,000 Bonus Equity Shares of Re.10/- each		
<b>Total - (A)</b>	<b>26,060,000</b>	<b>26,060,000</b>
<b>B. Investments (Unquoted)</b>		
(a) Investment in equity instruments		
(i) of other entities		
125 Equity Shares of `30 each of Bombay Merchantile Co-operative Bank Ltd	3,750	3,750
5000 Equity Shares of `20 each of Cosmos Co-operative Bank Ltd	100,000	100,000
<b>Total -(B)</b>	<b>103,750</b>	<b>103,750</b>
<b>Total (A+B)</b>	<b>26,163,750</b>	<b>26,163,750</b>
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	3,966,150
<b>Note 9 : 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	502,858	502,858
Trade receivables outstanding for a period less than six months from the date they became due for payment	-	-
<b>Total</b>	<b>502,858</b>	<b>502,858</b>
<b>Note 10 : CASH AND CASH EQUIVALENTS</b>		
(a) Cash on hand	197,104	204,096
(b) Balances with banks		
(i) In current accounts	12,739	12,150
<b>Total</b>	<b>209,842</b>	<b>216,246</b>
<b>Note 11 : SHORT TERM LOANS AND ADVANCES</b>		
(a) Loans and Advances to Related Parties (Refer 16.1.c)	27,234,948	25,012,224
(b) Advance Income Tax (Net of Provisions)	1,429,341	1,175,260
(c) Security Deposits	30,930	30,930
(d) Inter Corporate Deposits	605,308	546,307
(d) Balances with government authorities		
(i) VAT receivable	13,065	13,065
<b>Total</b>	<b>29,313,592</b>	<b>26,777,786</b>

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## SEJAL GLASS CRAFT PRIVATE LIMITED

Notes on Financial Statements for the Year ended 31st March, 2014

Particulars	As at 31 March,	As at 31 March,
	2014	2013
<b>Note 12 : OTHER INCOME:</b>		
(a) Dividend income from long-term investments	-	15,000
(b) Interest Income	2,540,806	1,910,765
<b>Total</b>	<b>2,540,806</b>	<b>1,925,765</b>
<b>Note 13 : FINANCE COSTS</b>		
(a) Interest expense on:		
(i) Borrowings	2,112,745	2,159,209
<b>Total</b>	<b>2,112,745</b>	<b>2,159,209</b>
<b>Note 14 : OTHER EXPENSES</b>		
Bank Charges	4,462	2,438
Accounting and administration charges	307,000	2,517,729
Legal and professional	31,090	45,865
Payments to auditors (Refer Note (i) below)	22,472	30,899
Miscellaneous expenses	1,000	7,590
<b>Total</b>	<b>366,024</b>	<b>2,604,521</b>
Note (i) Payments to the auditors comprises:		
As auditors - statutory audit	22,472	22,472
For taxation matters	-	8,427
<b>Total</b>	<b>22,472</b>	<b>30,899</b>

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SEJAL GLASS CRAFT PRIVATE LIMITED

Notes forming part of the financial statements

Note 15 : ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

15.01	<b>Contingent liabilities and commitments</b>		
	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Demand by Income Tax Department pending rectification A.Y.2007-08	-	-
	Demand by Income Tax Department pending rectification A.Y.2007-08 (FBT)	-	-
	Appeal filed against demand of Sales Tax (MVAT) for the period 01.04.2005 to 31.03.2006	1,112,642	1,112,642
	Appeal filed against demand of Sales Tax (CST) for the period 01.04.2008 to 31.03.2009	45,814	45,814
	Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL
15.02	<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		
	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, 2014	For the year ended 31 March, 2013
15.03	<b>Value of imports calculated on CIF basis :</b>	NIL	NIL
15.04	<b>Expenditure in foreign currency:</b>	NIL	NIL
15.05	<b>Details of consumption of imported and indigenous items</b>	NIL	NIL
15.06	<b>Earnings in foreign exchange :</b>	NIL	NIL
15.06	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)		
15.07	<b>Employee Benefit Plans:</b> 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.		
15.08	<b>Segment Information:</b> As there are no segments, Segment wise Revenue, Results and Capital employed for the year ended March 31,2013 is not applicable.		
15.09	Previous year figures have been regrouped/re arranged wherever necessary to confirm with the current year's classification		
15.10	Events occurring after the Balance sheet date - NIL		
15.11	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		
15.12	Balance of Sundry Debtors, advances and sundry creditors are subject to receipt of balance confirmation letters		

SEJAL GLASS CRAFT PRIVATE LIMITED

Notes forming part of the financial statements

Note 16 : DISCLOSURE UNDER ACCOUNTING STANDARDS

Amount in


Note	Related Party Transactions			
16.1.a	<b>Details of Related parties:</b>			
	<b>Description of relationship</b>	<b>Names of related parties</b>		
	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	Sejal Realty and Infrastructure Limited Sejal Glass Limited		
	<b>Note: Related parties have been identified by the Management.</b>			
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:			
	<b>a) Loans and Advances given / repayment received during the year</b>			
	<b>Particulars</b>	<b>Loans / Advance given</b>	<b>Repayment</b>	<b>Amount owed by related parties</b>
	Sejal Glass House	2,227,724 (13,751,382)	- -	15,979,106 (13,751,382)
	Sejal Finance Ltd	- (9,000)	5,000.00 (-)	4,000 (9,000)
	Anju Gada	- 165,000	- (-)	165,000 (165,000)
	Kanji Gada	- (250,000)	- (-)	25,000 (250,000)
	Sejal Gada	- -	- (-)	(240,000) (240,000)
	Shhanttibhai Gada	- (460,000)	- (-)	810,000 (810,000)
	Sejal Realty and Infrastructure Limited	- -	- -	9,786,842 (9,786,842)
	<b>b) Deposits, Loans and Advances taken/repaid during the year</b>			
	<b>Particulars</b>	<b>Deposit/Loan taken</b>	<b>Repayment</b>	<b>Amount owed by related parties</b>
	Sejal Glass Limited	1,902,470 (13,294,090)	- (4,000)	(17,891,868) (15,989,398)



16.1.c <u>Balance Outstanding at the end of the year</u>	
Particulars	Amount
Sejal Glass House - Loans and Advances given	15,979,106
	(13,751,382)
Sejal Realty and Infrastructure Limited - Loans and Advances given	9,786,842
	(9,786,842)
Sejal Glass Limited - Loans and Advance taken	17,891,868
	(15,989,398)
Sejal International Limited - Sundry Debtors	2,517,729
	(2,517,729)
Anju Gada	165,000
	(165,000)
Sejal Gada	240,000
	(240,000)
Shhantibhar Gada	810,000
	(810,000)
Sejal Finance Ltd.	4,000
	(9,000)

Note: Figures in bracket relates to the previous year

*[Handwritten Signature]*



*K.V. Gode*

SEJAL GLASS CRAFT PRIVATE LIMITED

Notes forming part of the financial statements

Note 19 : DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

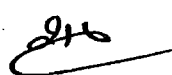


	Particulars	As at 31st March,	As at 31st March,
		2014	2013
19.1	Earnings per share:		
	Profit / (loss) attributable to equity shareholders	60,609	(2,839,392)
	Weighted average number of equity shares for Basic EPS	101,730	101,730
	Par value per share	100	100
	Earnings per share - Basic	0.60	(27.91)
19.2	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	8,767	9,405
	Tax effect of items constituting deferred tax liability	8,767	9,405
	<u>Tax effect of items constituting deferred tax assets</u>	-	-
	<b>Net deferred tax (Liability) / Asset as at Reporting Date</b>	<b>8,767</b>	<b>9,405</b>
<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>			

*Signature*



Notes forming part of the financial statements

Note	Particulars
1	<p><b>Corporate Information</b></p>
	<p>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 &amp; Machinery. Sale of all its machinery and equipments has affected the going concern status of the company. The Company is planning to commence trading &amp; other activities including processing of glass in the immediate near future.</p>
2	<p><b>Significant accounting policies</b></p>
2.1	<p><b>Basis of accounting and preparation of financial statements</b></p> <p>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.</p> <p><b>Use of estimates</b></p> <p>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.</p> <p><b>Inventories</b></p> <p>Work-in-process and Finished Goods are valued at lower of cost or net realisable value which ever is less.</p> <p><b>Cash flow statement</b></p> <p>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.</p> <p><b>Depreciation and amortisation</b></p> <p>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.</p>
	<p><b>Revenue recognition</b></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> <p><b>Other income</b></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> <p><b>Tangible fixed assets</b></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> <p><b>Intangible assets</b></p> <p>Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.</p> <p><b>Foreign currency transactions and translations</b></p> <p><u>Initial recognition</u></p> <p>Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of transaction.</p>



**Measurement of foreign currency monetary items at the Balance Sheet date**

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.

**Treatment of exchange differences**

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.

**Government grants, subsidies and export incentives**

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.

**Particulars**

**Investments**

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.

**Employee benefits**

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.

**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.

**Segment reporting**

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.

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. 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".

Note 2  
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**Particulars**

**Earnings per share**

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.

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.

**Taxes on income**

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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.

Note 2  
Signifi


Particulars

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.

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.

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# SEJAL GLASS CRAFT PRIVATE LIMITED

CIN : U26100MH1993PTC074230

Regd Off.: 173/174, Sezal Encasa, Near Seasons Hotel, S. V. Road, Kandivali (West), Mumbai-400067

## DIRECTORS' REPORT

To,  
The Members  
SEJAL GLASS CRAFT PRIVATE LIMITED

Your Directors have pleasure in presenting the **TWENTY SECOND** Annual Report of the Company, together with the Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2014.

### 1. FINANCIAL RESULTS

	(Amount in Rs.)	
	Current Year 2013-14	Previous Year 2012-2013
Revenue from operations	-	-
Other Income	25,40,806	19,25,765
<b>TOTAL REVENUE</b>	<b>25,40,806</b>	<b>19,25,765</b>
<b>EXPENSES</b>		
Purchases	-	-
Changes in inventories of finished goods, work in progress and stock in trade	-	-
Employee Benefits Expenses	-	-
Finance Cost	21,12,745	21,59,209
Depreciation	2,066	2,066
Other Expenses	3,66,024	26,04,521
<b>TOTAL EXPENSES</b>	<b>24,80,835</b>	<b>47,65,796</b>
Profit/(Loss) before exceptional and extraordinary items and tax (A -B)	<b>59,971</b>	<b>(28,40,031)</b>

<b>Exceptional Items</b>	-	-
<b>(Loss on Sale of Shares)</b>		
<b>Profit/(Loss) after exceptional and extraordinary items and tax</b>	<b>59,971</b>	<b>(28,40,031)</b>
Less : Provision for tax		
Net Current Tax	-	-
Deferred Tax	638	639
Current Tax Expense relating to Prior years	-	-
<b>Profit/(Loss) after tax</b>	<b>60,609</b>	<b>(28,39,392)</b>

## **2. OPERATIONS/ WORKING RESULTS**

The Financial result of the company as on 31<sup>st</sup> March, 2014 shows a net profit after tax of Rs. 60,609/- which the directors propose to carry forward to balance sheet.

## **3. DIVIDEND**

With a view to conserve the resources and further to strengthen the working capital base of the Company, your directors do not recommend any dividend for the financial year ended on 31<sup>st</sup> March 2014.

## **4. DEPOSITS**

No dividend is recommended by Directors for the financial year ended 31<sup>st</sup> March, 2014.

## **5. AUDITORS**

M/s. S S Puranik & Associates (FRN.: 127731W) Chartered Accountants, Mumbai, has shown their unwillingness to be re-appointed as Auditors of the Company. You are requested to appoint the Auditors M/s. Sanjay Shah & Co. (FRN.: 124897W), Chartered Accountants, Mumbai to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

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

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 remuneration of or over the limit as prescribed under that Section of the said Act and the Rules made there under.

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

## **8. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

The Company has no foreign exchange earnings and outgo during the year. Since the Company does not have any manufacturing activities, the other particulars as required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

**For and on behalf of the Board  
SEJAL GLASS CRAFT PRIVATE LIMITED**

शुभमि ११/०९/२०१४

**DIRECTOR  
SHANTIBHAI S. GADA  
PLACE: MUMBAI  
DATE : 01/09/2014**