

# SONAM CLOCK PRIVATE LIMITED

Regd. Office : Time Tower, 2 Laati Plot, Morbi – 363741. CIN: U33302GJ2001PTC039689

E-mail: info@sonamquartz.com, Contact No: +91 2822 305111

## NOTICE TO THE MEMBERS

Notice is hereby given that the ANNUAL GENERAL MEETING of Members of the Company will be held on Tuesday, 30<sup>th</sup> September, 2014 at 11:00 a. m. at the Registered Office of the Company to transact the following business:

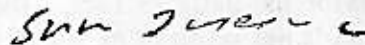
### ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended March, 31, 2014 the Balance Sheet as on that date, Directors' Report and the Auditors' Report thereon,
2. To appoint Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration, plus service tax as applicable and reimbursement of out-of-pocket expenses in connection with the audit as the Board of Directors may fix in this behalf,

Date : 29/08/2014.

Place : Morbi.

By Order of the Board of Directors,  
For, SONAM CLOCK PRIVATE LIMITED,



(Jayeshbhai C. Shah)  
CHAIRMAN

### NOTES :

- a) A Member entitled to attend and vote is entitled to appoint not more than one proxy to attend and vote instead of himself and a proxy needs not be a member. The instrument appointing a proxy shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the meeting.
- b) Members are requested to advise immediately any change in their address to the Company.

\*\*\*\*\*

## DIRECTORS' REPORT

To,  
The Members,  
**SONAM CLOCK PVT. LTD.,**  
Morbi.

The Board of Directors have pleasure in presenting their Report along with Annual Report and Audited Account for the year ended 31<sup>st</sup> March, 2014.

(Amt. in Lacs)

Financial Results	2013-14	2012-13
Income From Operation	3262.03	3202.15
Other Income	388.89	455.48
<b>Total Income</b>	<b>3650.91</b>	<b>3657.63</b>
Depreciation & Amortization Expenses	58.60	45.67
Provision of Tax	18.85	22.50
Deferred Tax	14.69	10.52
<b>Net Profit/Loss</b>	<b>62.08</b>	<b>49.25</b>

### COMPANY'S PERFORMANCE :

The Company has reported income from operations is of Rs. 3262.03 Lacs as compared to previous year income from operations of Rs. 3202.15 Lacs. The Company has earned net profit of Rs. 62.08 Lacs as compared to previous year's net profit of Rs. 49.25 Lacs. With a view to conserve reserves, your Directors do not recommend any dividend.

### FINANCE/DEPOSITS:

The Company has not accepted deposits which attract the provisions of Section – 58A of the companies Act, 1956 and Rules framed there under.

### CONSERVATION OF ENERGY:

The operations of the Company involve low energy consumption. Adequate measures have, however been taken to conserve energy. The Company is continuously evaluating new technologies and invests in them to make its business more energy efficient.

### FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has foreign exchange earnings during the current year is of Rs. 23,14,14,683.48/- and there are no foreign exchange out-go during the current financial year.

### DIRECTORS:

No directors are liable to retire by rotation pursuant to the provisions of Articles of Association of the company. There is no change in the present Board of Directors during the year.

### PARTICULARS OF EMPLOYEES:

There are no employees drawing the remuneration in excess of ceilings prescribed under Section 217 (2) (a) of the Companies Act, 1956, read with the companies (Particulars of Employment) Rules, 1988.

**INDUSTRIAL RELATIONS :**

The industrial relations have remained cordial and harmonious during the year.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section – 217 (2AA) of the Companies Act, 1956, your Directors declares that :

- i) in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures :
- ii) 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 after the profit or loss of the company for that period.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities :
- iv) the Directors had prepared the annual accounts on a going concern basis.

**INTERNAL CONTROLS:**

The Company has a well-established internal control system. The Company strives to maintain a dynamic system of internal controls over financial reporting to ensure reliable financial record-keeping, transparent financial reporting and disclosure and protection of physical and intellectual property.

**AUDITORS:**

The auditors, M/s. D. V. Bakrania & Associates, Chartered Accountants, Morbi retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. The proposal for their re-appointment is included in the notice for Annual General Meeting sent herewith.

**AUDIT COMMITTEE:**

The provisions of Section – 177 relating to constitution of Audit Committee do not applies to the Company.

**SECRETARIAL COMPLIANCE CERTIFICATE:**

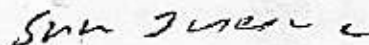
As the paid up share Capital of your Company is Rs. 180.00 Lacs, A Certificate from H. S. Mehta & Associates, Company Secretary in whole time Practice, regarding Compliance with the Provisions of the Companies Act, 1956 as stipulated in proviso to Section 383(A)(i) of the Companies Act, 1956 is attached to this report.

**ACKNOWLEDGMENT:**

Your Directors wish to place on record their appreciation for whole hearted Co-operation received from the Bankers, dealers, customers, suppliers, business associates/partners, financial institutions, Government and Semi-Government Organizations and Employees of the Company at all the levels.

Date : 29/08/2014.  
Place : Morbi.

By Order of the Board of Directors,  
For, SONAM CLOCK PRIVATE LIMITED,



(Jayeshbhai C. Shah)  
CHAIRMAN

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SONAM CLOCK PRIVATE LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of SONAM CLOCK PRIVATE LIMITED (the company) which comprise the balance sheet as at 31 March 2014, the statement of profit and loss and the cash flow statement 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 notified under 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 the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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:

- a) In the case of the Balance Sheet, of the state of the company's affairs as at 31 March 2014
- b) In the case of the Statement of Profit & Loss, of the Profit for the period ended on that date, and
- c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.



**SONAM CLOCK PRIVATE LIMITED****Report on Other Legal and Regulatory Requirements**


- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, 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:
- 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;
  - 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;
  - The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with the Accounting Standards notified under 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 the Companies Act, 2013.
  - On the basis of written representations received from the directors as on 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place : Morbi

Date : 29.08.2014



D. V. Bakrania & Associates  
Chartered Accountants  
Firm Reg.No:127116W

  
(Dipak V. Bakrania)  
Proprietor  
Membership No: 048331

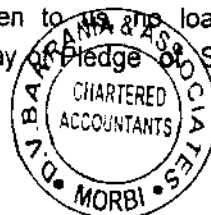
**Annexure to the Auditors' Report**

As required by the Companies ( Auditors Report ) Order, 2003, issued by the Central Government of India under Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the Books and Records as we considered appropriate and according to the information and explanations given to us during the course of Audit, we further report that:

- 1 a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - b) As explained to us the fixed assets of the company have been physically verified by the management at reasonable interval and according to information and explanations given to us, no materials discrepancies were noticed on such verification as compared to the books record.
  - c) In our opinion and according to the information & explanations given to us, no substantial part of fixed assets have been disposed off by the company during the year.
- 2 a) As explained to us, the Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to information and explanations 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) The Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to book records.
- 3 a) The Company has not granted any loans to companies, firms or other parties covered in the register maintained U/s. 301 of the Companies Act, 1956.
  - b) Since company has not granted any loans to companies, firms or other parties covered in the register maintained U/s. 301 of the Companies Act 1956, question of rate of interest and other terms and conditions of such loan does not arise.
  - c) Since company has not granted any loans to companies, firms or other parties covered in the register maintained U/s.301 of the Companies Act 1956, question of regular payment of principle amount and interest of such loan does not arise.
  - d) Since company has not granted any loans to companies, firms or other parties covered in the register maintained U/s.301 of the Companies Act 1956, question of recovery / payment of overdue amount of such loan does not arise.
  - e) The Company has taken unsecured loans from the various parties covered in the register maintained U/s. 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹676.80 Lacs and year end balance of loans taken from such parties was ₹666.40 Lacs.
  - f) In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions on which loans have been taken from the companies, firms or other parties listed in the register maintained U/s.301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
  - g) The Company is regular in repaying the principal amount as stipulated and has been regular in the payment of interest if any.



- 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 nature of its business with regards to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weakness in internal control.
- 5 a) In our opinion and according to the information and explanations given to us, we are of the opinion, that the transactions need to be entered into the register maintained U/s. 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information & explanations given to us, the transaction made in pursuance of contract or arrangement entered in the register maintained U/s. 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 regards to the prevailing market price.
- 6 In our opinion and according to the information and explanations given to us, the company has complied with the provisions of the Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regards to the deposits accepted from the members, relatives of Directors, Business associates and bodies Corporate. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 7 In our opinion, the company has an in-house internal audit system commensurate with the size and nature of its business.
- 8 As informed to us, the maintenance of cost records as prescribed by the Central Government under the Section 209 (1) (d) of the Companies Act 1956, is applicable to the company, and hence such records are maintained.
- 9 a) According to information & explanation given to us, company is regular in depositing with appropriate authorities undisputed statutory dues, applicable to it.
- b) According to information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and cess were in arrears as at 31 March 2014 for a period of more than six months from the date they become payable.
- c) According to information and explanation given to us, there are no dues of Sales Tax, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute.
- 10 In our opinion, since the company neither has accumulated losses nor has incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year, the clause regarding accumulated loss more than 50% of its net worth, is not applicable to this company.
- 11 In our opinion and according to the information and explanations given to us, the company has not defaulted in payment of dues to a financial institutions, Bank or debenture holders.
- 12 In our opinion and according to information & explanations given to us, the loans and advances have been granted by the companies on the basis of Security by way of Pledge of Shares, Debentures and other securities.



- 13 In our opinion, the company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of Clause 4(xiii) of the Companies ( Auditor's Report ) Order, 2003 does not applicable to the company.
- 14 In our opinion, the company is not dealing in or trading in Shares, Securities, Debentures and other investments. Accordingly, the provision of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 does not applicable to the company.
- 15 In our opinion and according to the information and explanations given to us, the company has not given the guarantee for loans taken by other from the bank. Therefore, the provisions of Clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 does not applicable to the company.
- 16 Based on the examination of the books of account and related records, the company has, prima facie, applied the term loans for the purpose for which they were obtained.
- 17 According to the information and explanations given to us and on overall examination of the balance sheet of the company, we are in opinion that, prima facie, the company has not applied short term borrowings for long term use.
- 18 According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintain Under Section 301 of the Act, during the year.
- 19 According to the information and explanations given to us, the company has not issued Debenture, the question of creation of Securities in respect of debenture does not arise.
- 20 The company has not raised money by Public Issue, hence the question of Verification of end use of money does not arise.
- 21 According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place : Morbi

Date : 29.08.2014



D. V. Bakrania & Associates  
Chartered Accountants  
Firm Reg.No:127116W

  
(Dipak V. Bakrania)

Proprietor  
Membership No: 048331



# SONAM CLOCK PRIVATE LIMITED

Time Tower, 2, Lati Plot, MORBI

## Balance Sheet as at 31 March 2014

Sr. No.	Particulars	Notes	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
<b>A</b>	<b>EQUITY &amp; LIABILITIES :</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	a) Share capital	2	18000000.00	18000000.00
	b) Reserves and surplus	3	37365076.39	31156737.85
			<b>55365076.39</b>	<b>49156737.85</b>
<b>2</b>	<b>Share Application Money Pending Allotment</b>		<b>0.00</b>	<b>0.00</b>
<b>3</b>	<b>Non-Current Liabilities</b>			
	a) Long-term borrowings	4	83267399.69	58701648.52
	b) Deferred tax liabilities (net)	5	7382548.00	5913527.00
	c) Other Long term liabilities	6	410000.00	410000.00
			<b>91059947.69</b>	<b>65025175.52</b>
<b>4</b>	<b>Current Liabilities</b>			
	a) Short-term borrowings	7	92091004.91	88137195.65
	b) Trade payables	8	38806156.89	46667699.21
	c) Other current liabilities	9	21579224.53	20219629.49
	d) Short-term provisions	10	1885000.00	2250000.00
			<b>154361386.33</b>	<b>157274524.35</b>
	<b>TOTAL</b>		<b>300786410.41</b>	<b>271456437.72</b>
<b>B</b>	<b>ASSETS :</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	a) Fixed assets	11		
	- Tangible assets	-	112481877.14	91829389.14
	- Intangible assets	-	0.00	0.00
	- Capital work-in-progress	-	8064163.58	14799224.00
	b) Long-term loans and advances	12	6574253.02	6197991.19
			<b>127120293.74</b>	<b>112826604.33</b>
<b>2</b>	<b>Current Assets</b>			
	a) Inventories	13	120323803.00	99662526.00
	b) Trade receivables	14	27158561.97	40546765.17
	c) Cash and bank balances	15	1176214.59	703886.10
	d) Short-term loans, advances & receivables	16	25007537.11	17716656.12
			<b>173666116.67</b>	<b>158629833.39</b>
	<b>TOTAL</b>		<b>300786410.41</b>	<b>271456437.72</b>
	Summary of significant accounting policies	1		
	Additional notes on accounts and disclosures	26		

The accompanying notes are an integral parts of the financial statements

As per our audit report of even date

D. V. Bakrania & Associates

Chartered Accountants

  
(Dipak V. Bakrania)

Proprietor

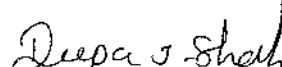
Place : Morbi



Date : 29.08.2014

For and on behalf of the board of directors of  
Sonam Clock Private Limited

  
Director

  
Director

# SONAM CLOCK PRIVATE LIMITED

Time Tower, 2, Lati Plot, MORBI

## Cash Flow Statement for the year ended 31 March 2014


Sr. No.	Particulars	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
<b>A</b>	<b>Cash flow from operating activities :</b>		
	Profit/(Loss) before tax	9559724.54	8337959.32
	<u>Non-cash adjustments:</u>		
	Depreciation	5860176.00	4566589.00
	Interest and finance expenses	0.00	0.00
	Loss on sale of fixed assets	0.00	192080.00
	Foreign exchange (gain)/loss (net)	0.00	0.00
	<b>Operating profit before working capital changes</b>	<b>15419900.54</b>	<b>13096628.32</b>
	<u>Movement in working capital:</u>		
	Increase/(decrease) in trade payables	(7861542.32)	8145361.06
	Increase/(decrease) in Long/short-term provisions	0.00	0.00
	Increase/(decrease) in other current liabilities	1359595.04	4980750.52
	Increase/(decrease) in other long term liabilities	0.00	(1400000.00)
	(Increase)/decrease in trade receivables	13388203.20	(8823961.99)
	(Increase)/decrease in inventories	(20661277.00)	(5853475.00)
	(Increase)/decrease in long-term loans and advances	(376261.83)	(2382674.24)
	(Increase)/decrease in short-term loans and advances	(7290880.99)	(4864939.93)
	(Increase)/decrease in other current assets	0.00	0.00
	<b>Cash generated from/(used in) operations</b>	<b>(21442163.90)</b>	<b>(10198939.58)</b>
	Direct taxes paid (net of refunds)	2247365.00	2135406.00
	<b>Net cash flow from/(used in) operating activities (A)</b>	<b>(8269628.36)</b>	<b>762282.74</b>
<b>B</b>	<b>Cash flow from investing activities :</b>		
	Purchase of fixed assets (including intangible, CWIP & Advances)	(19777603.58)	(18096883.14)
	Proceeds from sale of fixed assets	0.00	90000.00
	(Purchase) / Proceeds of Current / Non-current investments	0.00	0.00
	Interest received	0.00	0.00
	<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(19777603.58)</b>	<b>(18006883.14)</b>
<b>C</b>	<b>Cash flow from financing activities :</b>		
	Proceeds from issue of share capital	0.00	0.00
	Proceeds / (Repayment) from long-term borrowings	24565751.17	5931737.82
	Proceeds / (Repayment) from short-term borrowings	3953809.26	11010271.09
	Interest paid	0.00	0.00
	Dividend paid	0.00	0.00
	<b>Net cash flow from/(used in) financing activities (C)</b>	<b>28519560.43</b>	<b>16942008.91</b>
	<b>Net increase/(decrease) in cash &amp; cash equivalents (A)+(B)+(C)</b>	<b>472328.49</b>	<b>(302591.49)</b>
	Cash and cash equivalents at the beginning of the year	703886.10	1006477.59
	<b>Cash and cash equivalents at the end of the year</b>	<b>1176214.59</b>	<b>703886.10</b>

Summary of significant accounting policies (note 1)

As per our audit report of even date

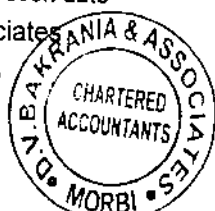
D. V. Bakrania & Associates

Chartered Accountants

  
(Dipak V. Bakrania)

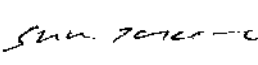
Proprietor

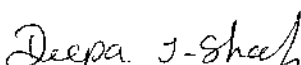
Place : Morbi



Date : 29.08.2014

For and on behalf of the board of directors of  
Sonam Clock Private Limited

  
Director

  
Director

## Notes to financial statements for the year ended 31 March 2014

**COMPANY OVERVIEW :**

Sonam Clock Private Limited is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in manufacturing and selling clocks & watches. The company envisage to caters to both domestic and international markets.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :****a. Basis of preparation of financial statements:**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**b. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent liabilities (if any) at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, any revision to accounting estimates is recognized prospectively in current and future period.

**c. Revenue Recognition**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects value added taxes (Vat) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Revenue and expenditure are generally recognized on accrual basis and on a going concern basis and accounted accordingly. Interest income on bank and other deposit is accounted on accrual basis.

**d. Excise Duty and Value Added Tax (Vat)**

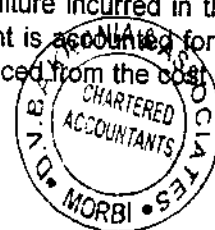
Excise duty is accounted on the basis of goods cleared. Excise duty and State Sales tax / Value added tax (Vat) payable is accounted net off i.e. tax payable on finished goods less paid / credit on inputs.

**e. Inventories**

Inventories are valued at cost or net realisable value, except wastage, damage, broken goods which is valued at net realisable value. Cost of raw material are determined at cost. Costs of stock in process and finished goods include cost of raw material and packing materials, cost of conversion and other estimated manufacturing costs in bringing the inventories to the present location and condition.

**f. Tangible Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation. Fixed assets are stated at their original cost of acquisition inclusive of taxes, direct and indirect expenditure incurred in the acquisition, construction / installation. Cenvat / Vat credit availed on capital equipment is accounted for by credit to respective fixed assets and subsidy received towards specific assets is reduced from the cost of fixed assets, as and when received.



## Notes to financial statements for the year ended 31 March 2014 (Cont.)

**g. Depreciation on Tangible Fixed Assets**

Depreciation is calculated on a straight line method (SLM) method using the rates prescribed under Schedule XIV to the Companies Act, 1956 except on the assets which are acquired or put to use after September during the particular year, the company has claimed depreciation at half of the prescribed rate.

	Rates (SLM)
Factory Buildings	3.34%
Office Equipments	6.33%
Plant & Machinery	4.75%
Vehicles	9.50%
Computer	16.21%

**h. Foreign Currency Transactions**

Foreign currency transaction are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Exchange differences are recognized as income or expenses in the period in which they arise.

**i. Government Grants and Subsidies**

Grants and subsidies from the government (if any) are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant / subsidy will be actually received.

**j. Employee Benefits**

Contributions to provident fund (PF) maintained with appropriate authorities are charged to statement of profit and loss on accrual basis. The company has no obligations beyond its monthly contributions. Leave encashment and bonus are accounted on cash basis.

**k. Borrowing Costs**

Borrowing Costs (if any) directly attributable to the acquisition, construction and production of qualifying assets are capitalised as part of the Cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

**l. Earning Per Share (EPS)**

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period.

**m. Income Taxes**

Provision for taxation is made for both current and deferred taxes.

Current tax is provided on the basis of estimated taxable income in accordance with the Income Tax Act, 1961 using the applicable tax rates and tax laws.

Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognized using the tax rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date.

Deferred Tax Assets (if any) are recognized and carried forward only if there is a virtual certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.



**Notes to financial statements for the year ended 31 March 2014 (Cont.)****n. Impairment of Tangible Assets**

There is no impairment in the values of assets of company during the year as carrying amount of assets of company does not exceed recoverable amount.

**o. Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**p. Contigent Liabilities**

A contigent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognize a contingent liability but discloses its existence in the financial statements. Contigent Assets are neither recognised nor disclosed in the financial statements.



## Notes to financial statements for the year ended 31 March 2014 (Cont.)

## 2. SHARE CAPITAL:

No	Particulars	31 March 2014		31 March 2013	
		No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
1	<b>Authorized</b> Equity Shares of Rs. 10 each	2000000	20000000.00	2000000	20000000.00
2	<b>Issued, Subscribed &amp; Paid up</b> Equity Shares of Rs. 10 each	1800000	18000000.00	1800000	18000000.00
	<b>Total</b>	<b>1800000</b>	<b>18000000.00</b>	<b>1800000</b>	<b>18000000.00</b>

## a. Reconciliation of no. of equity shares at the beginning &amp; at the end of reporting period :

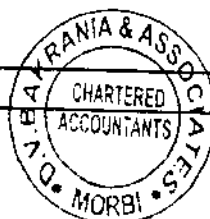
No	Particulars	31 March 2014		31 March 2013	
		No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
1	Shares at the beginning of the year	1800000	18000000.00	1800000	18000000.00
2	Shares issued during the year	0	0.00	0	0.00
3	Shares bought back during the year	0	0.00	0	0.00
4	Shares at the end of the year	1800000	18000000.00	1800000	18000000.00

## b. No. of shares held each shareholder holding more than 5% of shares as at reporting date :

No	Names of Shareholders	31 March 2014		31 March 2013	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Jayesh Chhablidias Shah	1441000	80.06%	1441000	80.06%
2	Deepaben Jayeshbhai Shah	120000	6.67%	120000	6.67%
3	Mehul M. Shah	121600	6.76%	121600	6.76%

## 3. RESERVES AND SURPLUS:

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	<b>Surplus of Profit &amp; Loss Statement</b>		
	Opening balance	31156737.85	26231460.53
	Add : Net Profit / (Net Loss) of the current year	6208338.54	4925277.32
	Closing balance	37365076.39	31156737.85
	<b>Total</b>	<b>37365076.39</b>	<b>31156737.85</b>

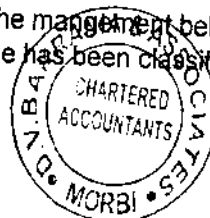


## Notes to financial statements for the year ended 31 March 2014 (Cont.)

## 4. LONG TERM BORROWINGS:

No	Particulars	Non-Current Portion		Current Maturities	
		31 March 2014	31 March 2013	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
	<b>Secured</b>				
1	<b>Term Loan :</b>				
	- From Bank				
	1 Bank of India - Building Loan	1731301.00	4731301.00	3000000.00	3000000.00
	2 Bank of India - Machinery Loan-I	27417.00	935817.00	909120.00	909120.00
	3 Bank of India - Machinery Loan-II	3068148.00	4431780.00	1363680.00	1363680.00
	4 Bank of India - Machinery Loan-III	9228415.00	150445.00	5833332.00	4374999.00
	5 HDFC - Vehicle Loan - I (32970)	311549.69	645149.32	333599.63	294544.25
	6 HDFC - Vehicle Loan - II (9599)	0.00	72973.20	72973.20	97696.93
	7 ICICI - Vehicle Loan (40895)	423882.00	844183.00	420301.00	379817.00
	8 ICICI - Vehicle Loan (13370)	184876.00	0.00	130282.00	0.00
	9 ICICI - Vehicle Loan (34500)	651811.00	0.00	317687.00	0.00
	Sub Total	15627399.69	11811648.52	12380974.83	10419857.18
	<b>Unsecured</b>				
1	<b>Deposits :</b>				
	- From Directors & Shareholders & Relatives thereof	67640000.00	46890000.00	0.00	0.00
	Sub Total	67640000.00	46890000.00	0.00	0.00
	Amount disclosed under the head "other non-current liabilities" (Note-9)	-	-	(12380974.83)	(10419857.18)
	<b>Total</b>	<b>83267399.69</b>	<b>58701648.52</b>	<b>0.00</b>	<b>0.00</b>

- a. Building Loan from Bank of India carries interest base rate plus 4.00% p.a. as per the sanction. The loan is repayable in the stipulated monthly instalments. The loan is primary secured by mortgage of building. Besides, the loan has been guaranteed by personal guarantee of the directors of the company.
- b. Machinery Loan - I from Bank of India carries interest base rate plus 4.00% p.a. as per the sanction. The loan is repayable in the stipulated monthly instalments. The loan is primary secured by hypothecation of concern machinery. Besides, the loan has been guaranteed by personal guarantee of the directors of the company.
- c. Machinery Loan - II from Bank of India carries interest base rate plus 4.00% p.a. as per the sanction. The loan is repayable in the stipulated monthly instalments. The loan is primary secured by hypothecation of concern machinery. Besides, the loan has been guaranteed by personal guarantee of the directors of the company.
- d. Machinery Loan - III from Bank of India carries interest base rate plus 4.00% p.a. as per the sanction. The loan is repayable in the stipulated monthly instalments. The loan is primary secured by hypothecation of concern machinery. Besides, the loan has been guaranteed by personal guarantee of the directors of the company.
- e. Vehicle Loans are secured by hypothecation of respective vehicle and the loan is repayable in the stipulated monthly EMI including interest.
- g. Unsecured loans are repayable on demand; however the management believes these deposits are not required to be repaid in the next 12 months accordingly the same has been classified as long-term borrowings.



## Notes to financial statements for the year ended 31 March 2014 (Cont.)

## 5. DEFERRED TAX LIABILITIES:

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	Deferred tax liabilities: Relating to fixed assets	7382548.00	5913527.00
	<b>Total</b>	<b>7382548.00</b>	<b>5913527.00</b>

## 6. OTHER LONG TERM LIABILITIES:

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	Trade deposits	410000.00	410000.00
	<b>Total</b>	<b>410000.00</b>	<b>410000.00</b>

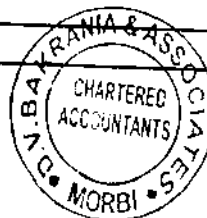
## 7. SHORT TERM BORROWINGS:

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
	<b>Secured</b>		
1	- From Bank		
	1 Bank of India - Working Capital Limit	41989716.91	42246521.65
	2 Bank of India - EPC Limit	24110000.00	19795000.00
	3 Bank of India - FBP Limit	890000.00	5160000.00
	4 Bank of India - Supplier Credit Limit	12388701.00	11446553.00
	5 Bank of India Buyers Credit Limit	12712587.00	9489121.00
	Sub Total	92091004.91	88137195.65
	<b>Total</b>	<b>92091004.91</b>	<b>88137195.65</b>

a. Cash credit and others credit limites from banks is secured against hypothecation of stocks, receivables and all other present and future current assets of the firm. The limits is repayable on demand and carries the stipulated interest rate as per the sanction..

## 8. TRADE PAYABLE:

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	Sundry Trade Payables	38806156.89	46667699.21
	<b>Total</b>	<b>38806156.89</b>	<b>46667699.21</b>



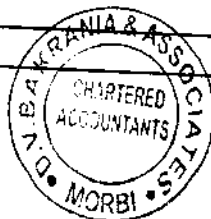


## 9. OTHER CURRENT LIABILITIES:

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	Current maturities of long-term borrowings	12380974.83	10419857.18
2	Current Liabilities for capital goods	1557227.00	811073.00
3	Advances from customers	3575180.70	3230412.31
4	Statutory dues payable	1030904.00	1124789.00
5	Other current liabilities	3034938.00	4633498.00
<b>Total</b>		<b>21579224.53</b>	<b>20219629.49</b>

## 10. SHORT - TERM PROVISIONS:

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	Others provisions: - Provision for taxation	1885000.00	2250000.00
<b>Total</b>		<b>1885000.00</b>	<b>2250000.00</b>



## Notes to financial statements for the year ended 31 March 2014

## 11. FIXED ASSETS:

No.	Name of Asset	GROSS BLOCK						DEPRECIATION				(Amount in ₹)	
		As on	Addition	Deduction	As on	As on	Provision	Deduction	As on	WDV	WDV		
		01.04.13	for the yr	for the yr	31.03.14	01.04.13	for the yr	for the yr	31.03.14	As on	As on		
<b>A.</b>	<b>Tangible Assets:</b>												
1	Factory Buildings	50489097	17257361	0	67746458	6285061	1974534	0	8259595	44204036	59486863		
2	Bus Vehicle (Eicher)	1280625	0	0	1280625	0	121659	0	121659	1280625	1158966		
3	Bus Vehicle (803)	625000	0	0	625000	118750	59375	0	178125	506250	446875		
4	Bus Vehicle (6164)	201000	0	0	201000	38190	19095	0	57285	162810	143715		
5	Bus Vehicle (5389)	414800	0	0	414800	370848	39406	0	410254	43952	4546		
6	Bus Vehicle (6063)	947020	0	0	947020	545964	89967	0	635931	401056	311089		
7	Bus Vehicle (6115)	957459	0	0	957459	545754	90959	0	636713	411705	320746		
8	Bus Vehicle (6143)	1100525	0	0	1100525	529819	104550	0	634369	570706	466156		
9	Bus Vehicle (6398)	1131000	0	0	1131000	342941	107445	0	450386	788059	680614		
10	Bus Vehicle (541)	1355000	0	0	1355000	193088	128725	0	321813	1161912	1033187		
11	Car Ecco (8717)	338300	0	0	338300	48208	32139	0	80347	290092	257953		
12	Computers	679653	9350	0	689003	574146	111687	0	685833	105507	3170		
13	DG Set	1410870	0	0	1410870	201048	67016	0	268064	1209822	1142806		
14	Electrical Fittings	2304686	222369	0	2527055	1038651	119904	0	1158555	1266035	1368500		
15	Furniture&Fixture	2264042	2143309	0	4407351	851890	211150	0	1063040	1412152	3344311		
16	Handling Equipment	341755	300844	0	642599	37888	30523	0	68411	303867	574188		
17	HeroHonda (Spldr)	42302	0	0	42302	37580	4019	0	41599	4722	703		
18	Machineries	36414266	1478027	0	37892293	5985175	1773792	0	7758967	30429090	30133325		
19	Dies & Moulds	5880099	2756200	0	8636299	672491	363810	0	1036301	5207608	7599998		
20	Cooling Tower	265650	0	0	265650	17256	12618	0	29874	248394	235776		
21	Water Tanker	155500	0	0	155500	14772	7386	0	22158	140728	133342		
22	Metador Vehicle (1120)	697025	0	0	697025	250735	66217	0	316952	446290	380073		
23	Office Equipment	648961	584129	0	1233090	129303	63596	0	192899	519658	1040191		
24	EPBX System	227150	0	0	227150	62864	14379	0	77243	164286	149907		
25	Pleasure I	53800	0	0	53800	10222	5111	0	15333	43578	38467		
26	Pleasure II	52000	0	0	52000	7410	4940	0	12350	44590	39650		
27	Spelnder (9194)	47121	0	0	47121	2238	4476	0	6714	44883	40407		
28	Access Scooter-I	0	64254	0	64254	0	3052	0	3052	0	61202		
29	Access Scooter-II	0	63171	0	63171	0	0	0	0	0	63171		
30	Toyoto Car	849815	0	0	849815	677264	80732	0	757996	172551	91819		
31	Leyland Tempo	0	473251	0	473251	0	44959	0	44959	0	428292		
32	Star Bus	0	1160399	0	1160399	0	55119	0	55119	0	1105280		
31	Winger Bus	503537	0	0	503537	259112	47836	0	306948	244425	196589		
	Sub - Total (A)	111678058	26512664	0	138190722	19848669	5860176	0	25708845	91829389	112481877		
<b>B.</b>	<b>Intangible Assets:</b>	0	0	0	0	0	0	0	0	0	0		
	Sub - Total (B)	0	0	0	0	0	0	0	0	0	0		
	<b>Total (A)+(B) .. &gt;</b>	111678058	26512664	0	138190722	19848669	5860176	0	25708845	91829389	112481877		
	<b>Previous Year .. &gt;</b>	77332460	35546426	1200828	111678058	15656000	4566589	373920	19848669	61676460	91829389		
<b>C.</b>	<b>Capital work-in-progress:</b>												
1	Factory Building, Machnery, Dies									31.03.13	31.03.14		
2	Factory Building (Dye)									0	8064164		
3	Office Furniture									13939310	0		
										859914	0		

a. Access Scooter-II is not put to use during the year, hence no depreciation is provided fro the year.



## Notes to financial statements for the year ended 31 March 2014

**12. LONG - TERM LOANS & ADVANCES:**

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	<b>Deposits (Unsecured, considered good)</b>		
	- Gas Deposit	400.00	400.00
	- Reliance Mobile Deposit	4000.00	4000.00
	- Electricity Deposit	1250047.00	1250047.00
	- Bank of India, Morbi (FDR)	5319806.02	4943544.19
	<b>Total</b>	<b>6574253.02</b>	<b>6197991.19</b>

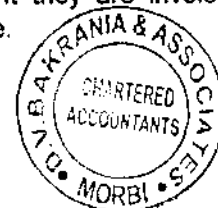
**13. INVENTORIES:**

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	Raw materials	84825289.00	74737865.00
2	Raw materials (in-transit)	0.00	0.00
3	Semi-Finished goods	9302953.00	7557123.00
4	Finished goods	26195561.00	17367538.00
	<b>Total</b>	<b>120323803.00</b>	<b>99662526.00</b>

**14. TRADE RECEIVABLES:**

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
	Unsecured, considered good	1801788.27	965312.27
	Sub Total	1801788.27	965312.27
2	<b>Others</b>		
	Unsecured, considered good	25356773.70	39581452.90
	Sub Total	25356773.70	39581452.90
	<b>Total</b>	<b>27158561.97</b>	<b>40546765.17</b>

The trade receivables are treated to be due for payment the movement they are invoiced and accordingly calculation of outstanding trade receivable of more than six months are done.



## Notes to financial statements for the year ended 31 March 2014

**15. CASH AND BANK BALANCES:**

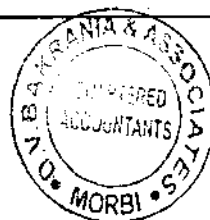
No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
	<b>Cash and cash equivalents</b>		
1	Cash on hand	1046962.59	670785.10
2	Balance with bank in current a/cs; - State Bank of India, Morbi	129252.00	33101.00
	<b>Total</b>	<b>1176214.59</b>	<b>703886.10</b>

**16. SHORT - TERM LOANS & ADVANCES:**

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	Advance Income Tax, TDS & TCS	751015.00	342955.00
2	Balance with Excise, Vat & Other Authorities	20708238.13	16291315.14
3	Advances to creditors	2690035.00	343624.00
4	Other loans, advance & receivables	858248.98	738761.98
	<b>Total</b>	<b>25007537.11</b>	<b>17716656.12</b>

**17. REVENUE FROM OPERATIONS:**

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	Sale of products		
	- Clocks, Movements, Watches & Others	354119671.78	349367492.00
	Revenue from operations (Gross)	354119671.78	349367492.00
	Less : Excise duty#	27917058.00	29152481.00
	Revenue from operations (Net)	326202613.78	320215011.00
	<b>Total</b>	<b>326202613.78</b>	<b>320215011.00</b>



## Notes to financial statements for the year ended 31 March 2014

**23. DEPRECIATION AND AMORTIZATION EXPENSE:**

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	Depreciation of tangible assets	5860176.00	4566589.00
	<b>Total</b>	<b>5860176.00</b>	<b>4566589.00</b>

**24. FINANCE COSTS:**

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	Term loan interest	2989494.00	2868754.00
2	Working capital loan interest	6175156.00	7620999.00
3	Bank EPC/FBP interest	2229877.00	1546986.00
4	Bank supplier credit limit interest / charges	2250006.00	2351094.00
5	Bank buyer credit limit interest / charges	485881.00	195542.00
6	Business & vehicles loan interest	289995.82	179870.03
7	Deposit interest	3531600.00	2673000.00
8	Bank commissions & charges	448369.34	1911475.58
	<b>Total</b>	<b>18400379.16</b>	<b>19347720.61</b>

**25. EARNING PER SHARE:**

The following calculation reflects the profit and share data used in Basic EPS computations:

	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	Total Profit for the year	6208338.54	4925277.32
	Less: Other adjustments (if any)	0.00	0.00
	<b>Net Profit/(loss) for calculating of Basic EPS</b>	<b>6208338.54</b>	<b>4925277.32</b>
	Particulars	In No.	In No.
1	Weighted average number of equity shares in calculation of Basic EPS	1800000	1800000

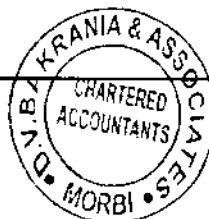
**26. NOTES ON ACCOUNTS AND OTHER DISCLOSURES:****a) Contingent Liabilities:**

The company has followings contingent liability not provided for:

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	LC Outstanding for Raw Materials	0.00	5337767.00
2	BG Outstanding for Buyer Credit	12712587.00	9489121.00
	<b>Total</b>	<b>12712587.00</b>	<b>14826888.00</b>

**b) Payment to auditor:**

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	As auditor:		
	- Statutory Audit fee	29775.00	29776.00
2	Reimbursement of expenses	0.00	0.00
	<b>Total</b>	<b>29775.00</b>	<b>29776.00</b>



## Notes to financial statements for the year ended 31 March 2014

## c) Related Party Disclosures:

## Names of related parties and related party relationship:

Key management personnel	Mr. Jayeshbhai C. Shah Mrs. Deepaben J. Shah
Enterprise owned or significantly influenced by key management personnel or their relatives	M/s. Rutvi Enterprise

## Related party transactions:

## i. Sale/purchase of goods and services

Particulars	Year ended	Sale of goods	Purchase of goods	(Amount in ₹)	
				Amount owed by	Amount owed to
M/s. Rutvi Enterprise	31 March 2014	-	22547047.00	-	80075.00
	31 March 2013	-	20386786.00	-	648213.00

## ii. Loans taken from and repayment thereof

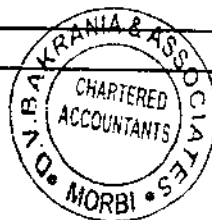
Particulars	Year ended	Loan taken	R repayment	(Amount in ₹)	
				Interest accrued	Amount owned to
Mr. Jayeshbhai C Shah	31 March 2014	34345000.00	14300000.00	3,531,600.00	59285000.00
	31 March 2013	20100000.00	10560000.00	2,673,000.00	39240000.00
Mrs. Deepaben J. Shah	31 March 2014	4525000.00	3820000.00	-	7055000.00
	31 March 2013	2770000.00	1,740,000.00	-	6350000.00

## iii. Remuneration to key managerial personnel

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	Mr. Jayeshbhai C. Shah	8400000.00	8400000.00
2	Mrs. Deepaben J. Shah	5400000.00	3600000.00
	<b>Total</b>	<b>13800000.00</b>	<b>12000000.00</b>

## iv. Lease rent payment

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	Mr. Jayeshbhai C. Shah	6000.00	6000.00
2	Mrs. Deepaben J. Shah	6000.00	6000.00
	<b>Total</b>	<b>12000.00</b>	<b>12000.00</b>



## Notes to financial statements for the year ended 31 March 2014

## d) Value of Imports :

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	Raw materials	70239927.00	82328826.46
2	Capital goods (plant and machinery)	0.00	0.00
	<b>Total</b>	<b>70239927.00</b>	<b>82328826.46</b>

## e) Expenditure in foreign currency:

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
-	No such transaction during the year	0.00	0.00
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>

## f) Earning in foreign currency:

No	Particulars	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
1	Export Sales During the Year	231414683.48	230913280.79
	<b>Total</b>	<b>231414683.48</b>	<b>230913280.79</b>

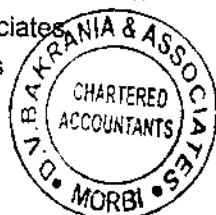
## g) Imported and indigenous raw materials consumed:

No	Particulars	31 March 2014		31 March 2013	
		Amount in ₹	%	Amount in ₹	%
1	Raw Materials (including store & spares)				
	- Imported	70239927.00	26.46%	82328826.46	30.10%
	- Indigenous	195213504.18	73.54%	191220849.64	69.90%
	<b>Total</b>	<b>265453431.18</b>	<b>100.00%</b>	<b>273549676.10</b>	<b>100.00%</b>

- h) The company does not have the practice to call for balance confirmation in respect of loans, advances, deposits, trade debtors, trade creditors etc. and hence the same are shown as per the books of account and are subject to reconciliation and confirmation.
- i) In the opinion of the Board of Directors current assets and loans & advances are approximately of the value stated, if realized in ordinary course of business except unless stated otherwise.
- j) Wherever no vouchers and documentary evidences were made available for our verification, we have relied the authentication given by the management of the company.
- k) The figures of previous year is regrouped and rearranged wherever necessary so as to make them comparable.

As per our audit report of even date  
D. V. Bakrania & Associates  
Chartered Accountants

(Dipak V. Bakrania)  
Proprietor  
Place : Morbi



Date : 29.08.2014

For and on behalf of the board of directors of  
Sonam Clock Private Limited

Director

*Sunil Kumar*

*Deepa J. Shah*

Director

## Detailed bifurcation of notes to financial statements for the year ended 31 March 2014

## 4. LONG TERM BORROWINGS:

No	Particulars	31 March 2014	
		Amount in ₹	Amount in ₹
	<b>Unsecured</b>		
	<b>Deposits :</b>		
1	From Directors, Shareholders & Relatives:		
	- Bipinbhai C. Shah	150000.00	
	- Deepaben J. Shah	7055000.00	
	- Jayeshbhai C. Shah	59285000.00	
	- Pravinaben B. Shah	150000.00	66640000.00
2	From Others:		
	- Premchandbhai Fulchandbhai	1000000.00	1000000.00
	<b>Total</b>		<b>67640000.00</b>

## 6. OTHER LONG TERM LIABILITIES:

No	Particulars	31 March 2014	
		Amount in ₹	Amount in ₹
	<b>Trade deposits :</b>		
1	Mahadev Gift Centre	50000.00	
2	Premier Electronics	60000.00	
3	Shree Krishna Watch Co.	50000.00	
4	Sonam Associates, Bhopal	250000.00	410000.00
	<b>Total</b>		<b>410000.00</b>

## 8. TRADE PAYABLE:

No	Particulars	31 March 2014	
		Amount in ₹	Amount in ₹
	<b>Trade Payable</b>		
1	Parmeshwar Electric Store	367435.00	
2	Agrawal shipping & Logistic	689555.00	
3	Air comp Enterprise	1668.00	
4	Apollo Fiege Intecrated Logistic Pvt. Ltd.	11438.00	
5	Atlas Shipping Service Pvt. Ltd.	587607.00	
6	Bajarang Enterprise	11300.00	
7	Deepaben J Shah (Current)	2893000.00	
8	Develop Engineering	29517.00	
9	Femina Contact	2951.00	
10	Ferromatik Milacron India Pvt. Ltd.	103439.19	
11	Gayatri Selection	2680.00	
12	Hotel Labh	3785.00	
13	Jagruti Retail Shop	185948.00	
14	Jayesh C Shah (Current)	5393460.00	

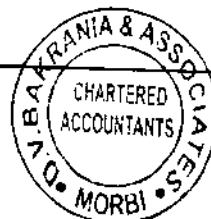




## Detailed bifurcation of notes to financial statements for the year ended 31 March 2014

## 8. Trade Payable (Cont.):

No	Particulars	31 March 2014	
		Amount in ₹	Amount in ₹
15	J P Art	6370.00	
16	Jyoti Sales Corporation	19209.00	
17	Keval Infocom	1650.00	
18	Khodiyar Electric & Rewinding	5690.00	
19	Madras Freight Carriers	21000.00	
20	Parishram Industries	21200.00	
21	Parth Petroleum	80400.00	
22	Patel Hydraulicks	9183.00	
23	Penansinh Shipping India Pvt. Ltd.	59830.00	
24	Perfect Auto	29179.00	
25	Popular Agencies	774.87	
26	Prashant Anodising Works	656458.00	
27	Punamchand P Mehta	60000.00	
28	Rajkamal Traders	19500.00	
29	Rama Shipping & Logistics	2258864.00	
30	Ranjandas (Travelling Exp.)	3485.00	
31	Reliance EPBX	18484.00	
32	Reliance Mobile	3039.00	
33	Rudra Machine Tools	249000.00	
34	Shah Chhabildas Durlabhjibhai	21950.00	
35	Shah Keshavlal Manjibhai & Co.	980.00	
36	Shine Plastic Solution	194250.00	
37	Shree Office Solution Pvt. Ltd.	1491.00	
38	Sri Vishwakarma Industries	49879.00	
39	Siddhi Vinayak Enterprise	47441.00	
40	Sunilkumar (Travelling Exp.)	29400.00	
41	The Comunication	391939.00	
42	Time Engineers	3185.00	
43	Trade Post	1146339.00	
44	Vijaydeep Mould Accessories Pvt. Ltd.	45710.00	
45	Vodafone	12250.00	
46	Watch Marketing	36500.00	
47	Watch Market Review	96800.00	
48	Hybo Zhangzhou Industrial Pvt. Ltd.	159878.00	
49	Qinhuangdao Xufna Glass Co. Ltd.	161645.00	
50	Zhangzhou Santai	12043.00	
51	Zhangzhou Hele Electronic Co Ltd	1709183.00	
52	Zhangzhou Jinlinda Electronic Co Ltd	500382.00	
53	Sri Ravechi Handling & Transport Co.	14000.00	
54	Ajanta Printers	126480.00	
55	Akshar Lubricants	84768.00	
56	Apollo Coating Industries	2120522.00	
57	Apte & Apte Organic Coating Pvt. Ltd.	92185.00	

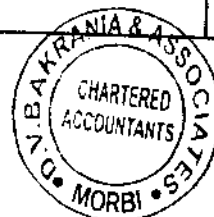


Cont. Next Page ...

## Detailed bifurcation of notes to financial statements for the year ended 31 March 2014

## 8. Trade Payable (Cont.):

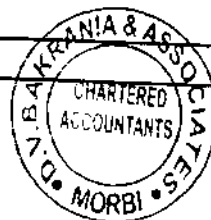
No	Particulars	31 March 2014	
		Amount in ₹	Amount in ₹
58	Ashutosh Enterprises	415075.00	
59	Ashwin Metal Works	21095.00	
60	Avi Global Plast Pvt. Ltd.	441313.00	
61	Bhagyoday Products	500850.00	
62	Bhawani Enterprises	219474.47	
63	Deversh Nonwoven	802538.00	
64	Dharmi Plast Industries	54600.00	
65	Devine Marketing	287490.00	
66	Dollar Plast Mould Pvt. Ltd.	3494400.00	
67	Jatin Electronics	20475.00	
68	Jaydev Packaging	174949.00	
69	Krishna Plastic	430287.00	
70	Kruz India Pvt. Ltd.	240363.00	
71	KVN Fastners	153082.50	
72	Mark Ink & Paints	490430.00	
73	M P Industries	119894.30	
74	Nirmal Brothers	10400.00	
75	Packaging Solution Pvt. Ltd.	27895.00	
76	Panasonic Energy India Company Ltd.	3453508.00	
77	Paragon Traders	391123.66	
78	Parshva Print Pack Pvt. Ltd.	1448503.00	
79	P D Enterprises	5817.00	
80	P K Polymers	338100.00	
81	R R Agency	20043.00	
82	Ruby Traders	71497.00	
83	Rutvi Enterprises	80075.00	
84	Sahyog Converters	496612.00	
85	Salasar Copper Unit - 2	691282.00	
86	S & S Label	160546.40	
87	Shakti Marketing	31529.00	
88	S & H Industries	262140.00	
89	Shree Industries	1505810.00	
90	Sri Neelkanth Laminates & Paints	115810.00	
91	Sri Ram Products	40825.00	
92	Suvidha Enterprise	40355.50	
93	Swastik Mechatronics Pvt. Ltd.	40800.00	
94	Uma Plastic Industries	110250.00	
95	Vidhya Wires Pvt. Ltd. Unit - 3	730620.00	38806156.89
	Sub Total		38806156.89



## Detailed bifurcation of notes to financial statements for the year ended 31 March 2014

## 9. OTHER CURRENT LIABILITIES:

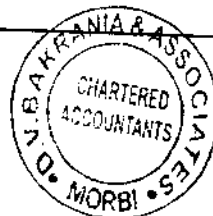
No	Particulars	31 March 2014	
		Amount in ₹	Amount in ₹
1	Current maturities of long-term borrowings		12380974.83
2	<u>Current liabilities for capital goods:</u>		
	- Devam Enterprise	752641.00	
	- Express Lift Ltd.	221100.00	
	- Geeta Ply & Hardware	42355.00	
	- Sri Pre-Fab Steel Pvt. Ltd.	541131.00	1557227.00
3	<u>Advances from customers:</u>		
	- Ameer Bashar Mansoor	33721.00	
	- Jood Altaib Co.	601365.00	
	- Latif Tarbar Tools Int. Tra. Co.	17840.00	
	- Oladimeji Rotimi Global Ventures	60100.00	
	- Shiv sai Exports	1900000.00	
	- Uday Hussain Ali	297915.00	
	- Alfa Times	54722.00	
	- Approach Outreach	23697.00	
	- A R Enterprise	19314.00	
	- Badri Times	82608.00	
	- Bhawani Enterprises	1857.00	
	- Chetan Enterprises	2302.00	
	- Everest Industries Ltd.	189424.00	
	- Kanha Enterprise, Rourkela	5248.00	
	- K C Watch Co.	70167.00	
	- Modern Sales	564.00	
	- New National Watch Co.	33297.00	
	- Prince Marketing	73195.00	
	- Rana Enterprises	18214.70	
	- S C Railway Employee Union	50000.00	
	- Super Straps	39630.00	3575180.70
4	<u>Statutory dues payable:</u>		
	- Income Tax TDS Payable	723890.00	
	- Provident Fund Payable	301244.00	
	- Professional Tax Payable	5770.00	1030904.00
5	<u>Others current liabilities:</u>		
	- Sales commission expenses payable	85765.00	
	- Salary expenses payable	1428217.00	
	- Bonus payable	1491181.00	
	- Audit fee payable	29775.00	3034938.00
	Sub Total		21579224.53
	Total		60385381.42



## Detailed bifurcation of notes to financial statements for the year ended 31 March 2014

## 14. TRADE RECEIVABLES:

No	Particulars	31 March 2014	
		Amount in ₹	Amount in ₹
1	Ahmad Mohmad Ali Dabwan		
2	Ammar Saheb Ibrahim	60998.00	
3	Azhar Basher Masoor	1366669.00	
4	Berwas for House Hold Trading	2046230.00	
5	Beweship	994772.00	
6	Maher G Abdu Alzahra	1760365.00	
7	Mustafa Abd Al Star Ali	1251668.00	
8	Muthana Fadhil Hassan	1351945.00	
9	Nissico Holdings	4158771.00	
10	Qamet Almel Co.	612062.00	
11	R Kamal Trading Co. LLC	2898445.00	
12	Sonam Traders	4292141.00	
13	Adarsh Novelties	248617.00	
14	Al Dynamac Incorporation	185249.00	
15	A Z Parekh	27796.00	
16	Blazon Clock & Gift Articals	310776.00	
17	B Roy	13802.00	
18	Corp One Promotional Clothing & Accessories Pvt. Ltd.	47090.00	
19	Emm Arr Traders	10000.00	
20	Gambhir Watch Co.	90641.00	
21	Gift & Time	84026.00	
22	Gift Links India Pvt. Ltd.	20127.00	
23	Guru Ikbal Singh & Co.	299046.00	
24	JPI Marketign	176.00	
25	Kanha Enterprise, Allhabad	75063.00	
26	Khariwal Marketing	4793.00	
27	Khimji Clock	358188.00	
28	Maa Santoshi Trading Co.	219154.00	
29	Maran Enterprises	345258.27	
30	Mehul Marketing	69984.00	
31	Modern Time	154016.00	
32	Raj & Raj Leathers	62498.00	
33	Nanak Shoppe	173398.00	
34	Narang Plastics	7405.00	
35	Neelam Watch House	73325.00	
36	New Babu Watch Co.	98731.00	
37	New Shalabh Traders	167.00	
38	Paramount Traders	5614.00	
39	Phukan Time Traders	122848.00	
40	Polycab Wires Pvt. Ltd.	154000.00	
41	Pooja Clocks	127520.00	
42	Pradhan Watch Co.	46174.00	
43	Ratan Time	84315.00	
		6674.00	



## Detailed bifurcation of notes to financial statements for the year ended 31 March 2014

## 14. Trade Receivables (Cont.)

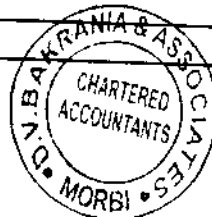
No	Particulars	31 March 2014	
		Amount in ₹	Amount in ₹
44	Revax Watch		
45	Samay Marketing, Cuttack	46093.00	
46	Samay Marketing, Lucknow	175069.00	
47	Samay Marketing, Varanasi	391286.00	
48	Sri Venkateshwar Trading	416613.00	
49	Subham Watch Co.	146322.00	
50	Siddhi Sales & Service	151261.00	
51	Sonam Marketing, Jaipur	97340.00	
52	Sonam Marketing, Manglore	150000.20	
53	Sonam Marketing, Roorkee	17487.50	
54	Sonam Marketing, Banglore	8858.00	
55	Sonam Marketing, Gauwahati	380815.00	
56	Sri Vinayaka Associates	66955.00	
57	The Time Sales	427902.00	
58	Timex Marketing	76287.00	
59	Urja Marketing	251016.00	
60	Urja Time & Gift	654.00	
61	Urja Time	1540.00	
62	Vighnarata Marketing	24818.00	
		7708.00	27158561.97
	<b>Total</b>		<b>27158561.97</b>



## Detailed bifurcation of notes to financial statements for the year ended 31 March 2014

## 16. SHORT - TERM LOANS &amp; ADVANCES:

No	Particulars	31 March 2014	
		Amount in ₹	Amount in ₹
1	Advance Income Tax, TDS & TCS: - Advance Income Tax (FY 2013-14) - Income Tax TDS Receivable (FY 2013-14)	700000.00 51015.00	751015.00
2	<u>Balance with Central authorities:</u> - Modvat / Cenvat Credit Receivable - ED Modvat / Cenvat Credit Receivable - HED Modvat / Cenvat Credit Receivable - Modvat / Cenvat Credit (Capital) Receivable - Excise Refund (Previous years) Receivable - Excise Refund Receivable (FY 2013-14) - Duty Drawback Receivable - Vat Tax Credit Receivables	3607758.00 38118.00 18519.00 291030.00 722684.14 7560811.00 3147102.00 5322215.99	20708238.13
3	<u>Advances to creditors:</u> - Federation of Export Organisation - Mahek Sales Corporation - New Globle Logistics - Nihar Industries - Golden Ways International Co. Ltd. - K V Logistic - Longhai Zhonghui Watch Co. - Nanyang Senba Optical & Electronics Co. Ltd. - Shakti Enterprise - Shandong Guangyao Super Thin Glass Co. Ltd. - Taiwan Nikal Precession - Wel Kuan Precision Industry Co. Ltd. - Xiamen Farlong Trading Co. Ltd. - Zhangzhou Arts & Crafts Import Export Corporation - Zhangzhou Xinma Trading Co. Ltd. - Ashia India Glass Ltd. - Sundram Dynacast Pvt. Ltd.	7023.00 75000.00 6027.00 200000.00 36927.00 1459.00 42525.00 70687.00 32068.00 610338.00 167519.00 366628.00 614742.00 12921.00 347012.00 87699.00 11460.00	2690035.00
6	<u>Other loans, advances &amp; receivables:</u> - Prepaid Insurance Expenses - Saint Gobin Glass India Ltd. (Trade Deposit) - Excise Duty Advance Against SCN (Saurashtra Transport) - Electric Deposit Interest Receivable - Tata Motor TDS Receivable - Tata Finance TDS Receivable - Voda Phone Rent Receivable	545596.00 106205.00 50000.00 111732.00 11895.12 28820.86 4000.00	858248.98
	<b>Total</b>		<b>25007537.11</b>



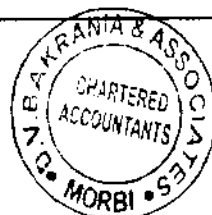
## Detailed bifurcation of notes to financial statements for the year ended 31 March 2014

## 19. COST OF RAW MATERIAL (Detailed Bifurcation):

No	Particulars	31 March 2014	
		Amount in ₹	Amount in ₹
	<b>Purchases:</b>		
1	Purchase Local (Vat 4.00%)	143368002.37	
2	Purchase Local (Vat 12.50%)	14921104.01	
3	Purchase Local (Vat 15.00%)	393864.80	
4	Purchase Central	21312796.00	
5	Purchase Central (Full Tax)	7875.00	
6	Purchase Import	70239927.00	
7	Purchase Import Custom Duty	20240640.00	
8	Purchase Import Expenses	3631892.00	
9	Purchase Import Handling Charges	406760.00	
10	Purchase Retail Invoice	134200.00	
11	URD Purchase	57350.00	
12	Purchase Tax	826444.00	275540855.18
	<b>Total</b>		<b>275540855.18</b>

## 22. OTHER EXPENSES (Detailed Bifurcation):

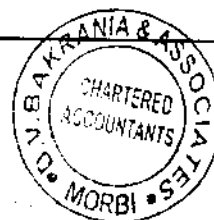
No	Particulars	31 March 2014	
		Amount in ₹	Amount in ₹
<b>A.</b>	<b>Pertains to Manufacturing:</b>		
1	Electric power		7808199.00
2	Fuel charges		433759.00
3	Production expenditures		1476076.00
4	<u>Export related expenditures:</u>		
	- Export Expenses	6728958.31	
	- Export Documents Charges	144746.00	
	- Handling Charge Export Expenses	452138.00	
	- Sea Freight Expenses	2242743.00	
	- Excise MOT Expense	68720.00	9637305.31
5	Freight & labour charges		345758.00
6	Factory miscellaneous		431819.00
7	Machinery repairs and maintenance		1209526.79
	<b>Sub - Total</b>	-	<b>21342443.10</b>



## Detailed bifurcation of notes to financial statements for the year ended 31 March 2014

## 22. Other Expenses (Cont.):

No	Particulars	31 March 2014	
		Amount in ₹	Amount in ₹
<b>B.</b>	<b>Pertains to Selling &amp; Administrative:</b>		
1	<u>Selling &amp; Advertising:</u>		
	- Additional Discount Expenses	3328024.29	
	- Annual Discount Expenses	43586.00	
	- Discount Expenses	18038.00	
	- Advertisement Expenses	602949.00	
	- Cr Discount Expenses	587710.00	
	- Commission Expenses	85000.00	
	- Scheme Discount Expenses	146059.00	
	- Entry Tax Expenses	107932.00	
	- Sales Freight Expenses	2279066.00	
	- Sales Promotion Expenses	981416.00	8179780.29
2	<u>Insurance charges:</u>		
	- Insurance Expenses	640502.00	
	- Keyman Insurance Policy Expenses	1078660.00	1719162.00
3	<u>Rent, rates and taxes:</u>		
	- Land Lease Rent Expenses	12000.00	
	- Service Tax Expenses	7930.00	
	- Trade Mark Fee Expenses	83500.00	
	- Land Revenue Tax Expenses	8314.00	111744.00
4	<u>Stationery, printing &amp; zeroes:</u>		
	- Stationery & Printing Expenses	216230.00	
	- Law Stationery Expenses	10375.00	
	- Computer Expenses	32660.00	
	- Zerox Expenses	7217.00	
	- Website Expenses	70787.00	
	- Web Domin Charge Expenses	32000.00	369269.00
5	<u>Communication costs &amp; postage:</u>		
	- Angadia / Currier / Postage Charges	237682.00	
	- Mobile Vodafone Expenses	209513.00	
	- Mobile Reliance Expenses	46867.00	
	- Telephone Expenses	229272.00	723334.00

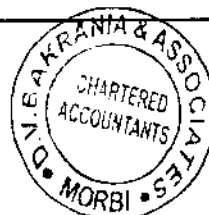




## Detailed bifurcation of notes to financial statements for the year ended 31 March 2014

## 22. Other Expenses (Cont.):

No	Particulars	31 March 2014	
		Amount in ₹	Amount in ₹
6	<u>Travelling &amp; vehicle petrol:</u>		
	- Petrol / Diesel Expenses (Staff Bus)	2033784.00	
	- Petrol / Diesel Expenses (Staff Tempo)	255709.00	
	- Petrol / Diesel Expenses (Car/Wagnor)	273038.30	
	- Traveling Expenses	345050.00	
	- Motorcycle Expenses	100.00	
	- Vehicle Expenses	582605.00	3490286.30
7	<u>Legal and professional fees:</u>		
	- Legal & Professional Fee Expenses	353200.00	
	- Stock Audit Fee Expenses	8433.00	361633.00
8	<u>Repairs and maintenance:</u>		
	- Electric Parts & Repairs Expenses	664668.66	
	- Maintenance Charge Expenses	12000.00	
	- Building Repairs Expenses	420254.00	1096922.66
9	<u>Office &amp; admin miscellaneous:</u>		
	- Income Tax TDS Expenses	229901.00	
	- Registration & Membership Expenses	32866.00	
	- Subscription Expenses	48872.00	
	- Testing Expenses	99305.00	
	- ECGC Premium Expenses	128735.00	
	- DEPB Expenses	18808.00	
	- Office Expenses	27163.00	
	- ROC Expenses	19208.00	
	- Royalty Charge Expenses	56100.00	660958.00
10	Directors' remuneration		13800000.00
11	Audit Fee Expenses		29775.00
12	Loss on trasnit goods		292143.00
13	Loss on sales of machinery		0.00
14	Forwad contract charges		2060884.00
15	Excise tax penalty		0.00



## Detailed bifurcation of notes to financial statements for the year ended 31 March 2014

## 22. Other Expenses (Cont.):

No	Particulars	31 March 2014	
		Amount in ₹	Amount in ₹
16	Donation		0.00
17	<u>Sales tax (previous year):</u>		
	- Sales Tax Assessment Expenses	0.00	0.00
18	Excise duty (u/s.11A) Interest payment		0.00
	Sub - Total	-	32895891.25
	<b>Total</b>		<b>54238334.35</b>

## 24. FINANCE COSTS (Detailed Bifurcation):

No	Particulars	31 March 2014	
		Amount in ₹	Amount in ₹
1	Term loan interest		2989494.00
2	Working capital loan interest		6175156.00
3	Bank EPC interest		1831515.00
4	Bank FBP interest		398362.00
5	Bank supplier credit limit interest / charges		2250006.00
6	Bank buyers credit limit interest / charges		485881.00
7	Vehicles & business loan interest		289995.82
8	Deposit interest		3531600.00
9	<u>Bank commissions &amp; charges:</u>		
	- Bank Commission Expenses	176538.61	
	- Bank LC Charges Expenses	164979.73	
	- WAE Charges Expenses	8181.00	
	- Bank Processing, Documents, Inspection Charges	98670.00	448369.34
	<b>Total</b>		<b>18400379.16</b>

