

# JAND & ASSOCIATES

*Chartered Accountants*

## INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF GX GLASS SALES & SERVICES LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **GX Glass Sales & Services Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, 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**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, 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 on the financial statements.



### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2017;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

1. The Company's net worth has been completely eroded. The Company has incurred a net loss during the current year and has been incurring losses in the previous years. Further the current liabilities have exceeded the current assets. However the financial statements have been prepared on the fundamental assumption of going concern for the reasons stated in Note No. 1 (a) (ii) forming part of these financial statements.

Our opinion is not modified in respect of the above matter.

### Report on other Legal and Regulatory Requirements

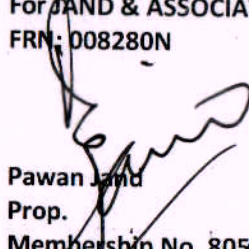
1. As required by the Companies (Auditors Report), Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.





- e) The going concern matter as described under Emphasis Matter paragraph above, in our opinion, does not have an adverse affect on the functioning of the company for the reasons stated therein.
- f) On the basis of written representations received from the directors, as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- g) Our report on Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 is given under Annexure-II to this report.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations in Note 2.23-Contingent Liabilities of its financial statements.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as on March 31, 2017.
  - iii) No amounts are required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 2.29 of the financial statements.

For JAND & ASSOCIATES  
FRN: 008280N

  
Pawan Jand  
Prop.  
Membership No. 80501  
Place: New Delhi  
Dated: 23<sup>rd</sup> May 2017



**Referred to in paragraph 1 under Report on other Legal & Regulatory requirements' of our Report of even date**

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a regular program of physical verification of its fixed assets through which all fixed assets are verified, in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification as carried out under the above program during the current year.
- c) The title deeds of immovable properties are held in the name of the Company.
- ii. The inventories except goods in transit have been physically verified by the management at reasonable intervals during the year, and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 as per information and explanations given to us. Consequently the provisions of clauses 3(iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. As per information and explanations given to us, the Company has not accepted any deposits from the public, and hence the provisions of clause 3 (v) of the Order are not applicable.
- vi. The company is not required to maintain cost records as prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013.
- vii. a) According to the information and explanations given to us and the records of the company examined by us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities during the year except some delays in respect of Provident fund, Employees' State Insurance, duty and Tax deducted at source.
- b) There are no dues in respect of income tax, sales tax, service tax, duty of custom, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:-





Nature of Dues	Year	Amount (INR Lakhs)	Forum Pending
Sales Tax	2011-12	38.73	Special Commissioner (OHA), VAT
Sales Tax	2012-13	57.81	Special Commissioner (OHA), VAT
Income Tax	2012-13	32.61	ITAT, Delhi
<b>Total</b>		<b>129.15</b>	

- viii. According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions and Government. The Company has not obtained any borrowings by way of debentures.
- ix. In our opinion and according to the information and explanations given to us, term loans have been applied for the purpose for which they were raised. The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments).
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company during the year has made rights issue of its shares and have complied with the relevant provisions of the Companies Act 2013. Further the amounts raised have been used for the purposes for which the funds were raised.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.



- xvi. In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For JAND & ASSOCIATES

FRN: 008280N

Pawan Jand

Prop.

Membership No. 80501

Place: New Delhi

Dated: 23<sup>rd</sup> May 2017





**ANNEXURE-II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON  
THE FINANCIAL STATEMENTS OF GX GLASS SALES & SERVICES LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of GX GLASS SALES & SERVICES LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For JAND & ASSOCIATES**

**FRN: 008280N**

  
Pawan Jand



**Prop.**

**Membership No. 80501**

**Place: New Delhi**

**Dated: 23<sup>rd</sup> May 2017**



**GX GLASS SALES AND SERVICES LIMITED**
**CASH FLOW STATEMENT** for the year ended March 31, 2017

(Amount in Lakhs.)

	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>I.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit after tax as per Profit & loss Statement	(45,743,680)	(44,997,682)
	Adjustments for Non-Operating & Non-Cash Items:		
	Reserves	-	-
	Adjustment for Depreciation	(3,977,795)	(9,314,375)
	Interest Expenses	290,172	687,979
	Interest income	(175,065)	(74,168)
	Profit/Loss on Sale/Write off of Fixed Assets	3,738,266	6,862,903
	Depreciation	1,657,095	5,076,478
	Bad & Doubtful Debts written off	-	557,611
	Provision for Bad & Doubtful Debts	3,554,134	3,623,178
	Provision for taxation & tax adjustments related to earlier year	-	-
	<b>Operating profit/(loss) before working capital changes</b>	<b>(40,656,874)</b>	<b>(37,578,076)</b>
	Adjustments for changes in assets & liabilities:		
	Changes in Trade receivables, Inventories & Other receivables	2,176,084	(1,389,646)
	Changes in Trade payables & Other liabilities	(108,416,844)	34,767,097
	<b>Cash generated from operations before extraordinary items</b>	<b>(146,897,634)</b>	<b>(4,200,625)</b>
	Extraordinary Receipts/ (Payments)	1,818,041	-
	<b>Cash flow from operations before taxes</b>	<b>(145,079,593)</b>	<b>(4,200,625)</b>
	Tax paid during the year & tax adjustments related to earlier year	-	-
	<b>Net Cash flow From Operating Activities</b>	<b>(145,079,593)</b>	<b>(4,200,625)</b>
<b>II.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Additions to Fixed Assets & Capital work in Progress		
	- On account of purchase	(611,331)	(2,944,445)
	- On account of loss on foreign exchange	-	-
	Sale of fixed assets	4,007,520	9,314,375
	Loan given	-	-
	Loan received back	-	-
	Interest received during the year	175,065	74,168
	<b>Net Cash Used In Investing Activities</b>	<b>3,571,255</b>	<b>6,444,097</b>
<b>III.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Repayment of Loan (Yes Bank)	(2,960,306)	(1,079,285)
	Repayment of Loan (Related Party)	-	(2,986,248)
	Loan Taken (Related Party)	-	2,500,000
	Interest paid	(290,172)	(826,330)
	Increase in Share Capital	49,984,900	-
	Share Premium Account	99,969,800	-
	<b>Net Cash Used In Financing Activities</b>	<b>146,704,222</b>	<b>(2,391,863)</b>
<b>IV.</b>	<b>Net Increase/ (Decrease) in cash &amp; cash equivalents ('+II+III)</b>	<b>5,195,884</b>	<b>(148,391)</b>
<b>V.</b>	<b>Cash &amp; Cash equivalents at the beginning of the accounting period</b>	<b>1,184,513</b>	<b>1,332,904</b>
<b>VI.</b>	<b>Cash &amp; Cash equivalents at the end of the accounting period (IV+V)</b>	<b>6,380,396</b>	<b>1,184,513</b>

**Notes:**

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 (AS 3) "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

2. Figures in bracket represents outflow.

 For JAND & ASSOCIATES  
Chartered Accountants  
(Firm Registration No. 008280 N)

 Pawan Jand  
Prop  
M. No. 80-501  
Place: New Delhi

Place: New Delhi

Dated: May 23, 2017

Dated: May 23, 2017

  
Rupinder Shelly  
Director

  
Sanjay Ganjoo  
Director

  
Rajesh Dobriyal  
Head-F & A

  
Ved Prakash Roy  
Company Secretary

**GX GLASS SALES AND SERVICES LIMITED**  
**BALANCE SHEET AS AT**  
**31.03.2017**

(in Rs.)

	PARTICULARS	NOTE NO.	As At 31st March, 2017	As At 31st March, 2016
I	<b>EQUITY AND LIABILITIES</b>			
1	<b>SHAREHOLDERS' FUNDS</b>			
	(a) Share capital	2.1	85,334,900	35,350,000
	(c) Reserves and surplus	2.2	(88,587,724)	(142,813,844)
			(3,252,824)	(107,463,844)
2	<b>NON-CURRENT LIABILITIES</b>			
	(b) Long-term provisions	2.3	3,620,375	2,889,078
			3,620,375	2,889,078
3	<b>CURRENT LIABILITIES</b>			
	(a) Short-term borrowings	2.4	939,097	3,899,403
	(b) Trade payables	2.5	34,143,740	145,835,609
	(c) Other current liabilities	2.6	18,406,264	15,862,536
			53,489,102	165,597,549
	<b>TOTAL</b>		<b>53,856,653</b>	<b>61,022,782</b>
II	<b>ASSETS</b>			
1	<b>NON-CURRENT ASSETS</b>			
	(a) Fixed assets			
	(i) Tangible assets	2.7	2,623,838	7,374,161
	(ii) Intangible assets	2.8	361,250	424,681
	(iii) Capital work In Progress	2.9	-	-
	(b) Long-term loans and advances	2.10	2,170,110	1,660,900
			5,155,198	9,459,742
2	<b>CURRENT ASSETS</b>			
	(a) Inventories	2.11	13,583,825	13,065,435
	(b) Trade Receivables	2.12	24,137,751	31,053,137
	(c) Cash and cash equivalents	2.13	6,380,396	1,184,513
	(d) Short-term loans and advances	2.14	4,599,482	6,259,955
			48,701,455	51,563,040
	<b>TOTAL</b>		<b>53,856,653</b>	<b>61,022,782</b>

SIGNIFICANT ACCOUNTING POLICIES  
 NOTES ON ACCOUNTS

1  
2

Per our report attached of even date  
 For **JAND & ASSOCIATES**  
 Chartered Accountants  
 (Firm Registration No. 008280 N)



Pawan Jand  
 Prop  
 M. No. 80501  
 Place: New Delhi  
 Date: May 23, 2017

Place: New Delhi  
 Date: May 23, 2017

Rupinder Shelly  
 Director

Sanjay Gargoo  
 Director

Rajesh Dobriyal  
 Head-F & A

Ved Prakash Roy  
 Company Secretary



**GX GLASS SALES AND SERVICES LIMITED**  
**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED**  
**31.03.2017**

(in Rs.)

S. N	PARTICULARS	NOTE NO.	For The Year ended 31st March 2017	For the Year ended 31st March,2016
	<u>REVENUE</u>			
I	Revenue from Operations	2.15	130,152,261	170,850,427
II	Other income	2.16	1,524,751	168,708
III	Total Revenue (I+II)		<b>131,677,012</b>	<b>171,019,135</b>
IV	<u>EXPENSES:</u>			
a	Purchase of Stock in Trade	2.17	93,334,561	127,362,252
b	Changes in inventories of Stock in Trade	2.18	(518,391)	(34,856)
c	Employees benefits expense	2.19	40,780,371	37,396,598
d	Finance costs	2.20	290,172	687,979
e	Depreciation and amortisation expense	2.21	1,657,095	5,076,478
f	Other expenses	2.22	41,876,884	45,528,367
	Total expenses		<b>177,420,692</b>	<b>216,016,817</b>
V	Profit/(loss) before extraordinary items and tax (III-IV)		(45,743,679)	(44,997,682)
VI	Extraordinary items		-	-
VII	Profit/(loss) before tax		(45,743,679)	(44,997,682)
VIII	Tax expense:		-	-
a	Current tax		-	-
b	Earlier years tax		-	-
c	Deferred tax		-	-
d	MAT credit entitlement		-	-
IX	Profit/(Loss) for the period (VII-VIII)		<b>(45,743,679)</b>	<b>(44,997,682)</b>
X	Earning per equity share:			
a	Basic		(13)	(7)
b	Diluted		(13)	(7)

SIGNIFICANT ACCOUNTING POLICIES  
NOTES ON ACCOUNTS

1  
2

Per our report attached of even date  
**F. AND ASSOCIATES**  
Chartered Accountants  
(Firm Registration No. 008280 N)

Pawan Jang  
Prop  
M. No. 80-501  
Place: New Delhi  
Dated: **MAY 23, 2017**



Place: New Delhi  
Dated: **MAY 23, 2017**

*Rupinder Shelly*  
Rupinder Shelly  
Director

*Sanjay Ganjoo*  
Sanjay Ganjoo  
Director

*Rajesh Dobriyal*  
Rajesh Dobriyal  
Head-F & A

*Ved Prakash Roy*  
Ved Prakash Roy  
Company Secretary

## GX GLASS SALES & SERVICES LTD

### 1. Significant Accounting policies:

#### a) Basis of Accounting

- i) The financial statements are prepared under the historical cost convention on accrual basis of accounting to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions thereof.
- ii) The net worth of the Company has been eroded. In order to counter this the company has during the year raised Capital at a premium both aggregating to Rs. 14.99 Crores. This has strengthened the financial health of the company though the networth is still marginally negative. However the accounts have been prepared on the fundamental assumption of going concern concept after taking in to consideration the following;
  1. The Company is a subsidiary of Asahi India Glass Ltd. The company has been receiving and shall continue to receive active financial support from its holding company.
  2. The Company's management has carried out a market study of its value proposition in the market. The company has come to the conclusion that its brand, products and processes have wide acceptability in the market, which so far it has not exploited. Going forward, the company is in the process of taking effective measures to overcome the limitations and expect a turn around in next 3 years.

#### b) Fixed Assets

Both tangible and intangible assets are stated at cost of acquisition or construction, less accumulated depreciation. Cost includes all expenses related to acquisition and installation of the concerned assets as well as related proportionate share of expenses incurred.

Office building on lease comprise of cost of additions and alteration carried out on leased premises.

Capital works in progress includes expenditure incurred till date of balance sheet on assets under construction / installation and capital advances made.

*Signature*

*Signature*

*Signature*

*Signature*



**c) Depreciation**

**Tangible Assets**

Pursuant to the notification of Schedule II of The Companies Act, 2013 ("the Act"), by the Ministry of Corporate Affairs effective 01-04-2014, depreciation on fixed assets is provided on Straight Line Method (SLM) as per useful life and in manner prescribed in Schedule II of the Companies Act 2013.

**Intangible Assets**

Intangible asset are amortized over a period of five years on a pro-rata basis.

**Leasehold Assets**

Leasehold assets are depreciated over the period of lease.

**d) Inventories**

Inventories are valued at lower of cost or net realizable value. The bases of determining cost for various categories of inventories are follows:

Stores, Spares Parts and Consumables	First in First out based on actual cost
Traded Goods	First in First Out based on actual cost
Material in Transit	At actual cost
Scrap/waste	Estimated net realizable value

**e) Revenue Recognition**

Sales are recognized as soon as goods are dispatched to customer and are stated net of returns, trade discounts, trade taxes etc.

Revenue with regard to services is recognized once the services are rendered.

**f) Cost of Material and Stores Consumed**

Cost of traded goods and Stores is worked out by adding opening stock to purchase and reducing closing stock and replacement therefrom.

*Adhikari*

*W. R. Roy*

*SCY*

**g) Employees Benefit**

Contribution to Defined Contribution Scheme such as Provident Fund, ESIC, etc. are charged to the Profit and Loss Account as incurred.

The liability for gratuity at the end of each financial year is determined on the basis of actuarial valuation carried out by the actuary on the basis of projected unit credit method as confirmed to the Company. Profits and losses arising out of actuarial valuations are recognized in the Profit and Loss Account as income or expense.

The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of actuarial valuation using projected unit credit method.

Liability on account of short term employee benefits comprising largely of compensated absences, bonus and other incentives is recognized on an undiscounted accrual basis.

Termination benefits are recognized as an expense in the Profit and Loss Account.

**h) Taxes on Income**

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

Deferred Tax is recognized on timing differences; being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets subject to the consideration of prudence are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Asset can be realized. The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and laws enacted or substantially enacted on the Balance Sheet date.

**i) Operating Lease**

The company has taken office building and warehouses and recognized as operating lease and the rentals thereon are charged to Profit and Loss Account. The lease agreements are usually renewed by mutual consent on mutually agreeable terms.

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**GX GLASS SALES AND SERVICES LIMITED**  
**NOTES ON ACCOUNTS FOR THE YEAR ENDED**  
**31.03.2017**

**2.1 SHARE CAPITAL:**

(in Rs.)

PARTICULARS	AS AT	
	31st March, 2017	31st March, 2016
<u>AUTHORISED:</u> 90,00,000 Equity shares of Re. 10/- each (Previous Year 50,00,000 Equity shares of Rs 10/- each)	90,00,000 90,00,000	50,00,000 50,00,000
<u>ISSUED, SUBSCRIBED &amp; PAID UP</u> 85,33,490 (Previous Year 35,35,000) Equity share of Rs. 10/- each issued at par and fully paid up	85,334,900 85,334,900	35,350,000 35,350,000

The details of Shareholders holding more than 5% Equity Shares are given below:-

Name of the Shareholder	31st March, 2017		31st March, 2016	
	No. of shares	% held	No. of shares	% held
1 M/S Asahi India Glass Limited ( Holding Co.) Opening Balance 29,97,500 Add : During the Year 4979350	79,76,850	93.48%	29,97,500	84.79%
2 Mr Aditya Bhutani Opening Balance 340000 Add : During the Year NIL	340000	3.98%	3,40,000	9.62%

The reconciliation of the number of shares outstanding and the amount of share capital at the beginning and at the end of the reporting period is given below:

Particulars	31st March, 2017		31st March, 2016	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning	35,35,000	35,350,000	35,35,000	35,350,000
Add : During the year	49,98,490	49,984,900	-	-
Number of shares at the end	85,33,490	85,334,900	35,35,000	35,350,000

**2.2 RESERVES & SURPLUS:**

PARTICULARS	AS AT	
	31st March, 2017	31st March, 2016
<u>Share Premium Account</u> Addition during the year	99,969,800 99,969,800	- -
<u>Surplus in Statement of Profit and Loss:</u> As per last Balance Sheet Add: Impact of Depreciation based on Companies Act 2013 Add: Net profit/(Loss ) after tax transferred from Statement of Profit & Loss Closing Balance	(142,813,845) - (45,743,679) (188,557,524) (88,587,724)	(97,816,162) - (44,997,682) (142,813,844) (142,813,844)

**2.3 LONG-TERM PROVISIONS:**

(in Rs.)

PARTICULARS	AS AT	
	31st March, 2017	31st March, 2016
Provision for Employees benefits: Leave Encashment Gratuity	1,640,715 1,979,660 3,620,375	1,362,827 1,526,251 2,889,078

**CURRENT LIABILITIES:**

**2.4 Short Term Borrowings:**

PARTICULARS	AS AT	
	31st March, 2017	31st March, 2016
<u>Secured Loan</u> From banks*	939,097	3,899,403
<u>Unsecured Loan</u> Loans from Related Party	-	-
	939,097	3,899,403

\*Secured by exclusive charge on all movable fixed and current assets. It is further supported by irrevocable corporate guarantee of holding company Asahi India Glass Ltd

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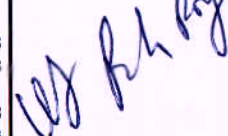

<b>2.5 Trade Payables:-</b> (in Rs.)		
	AS AT	
PARTICULARS	31st March, 2017	31st March, 2016
Sundry creditors:		
- Micro, Small and Medium Enterprises*	184	-
- Related Party	21,418,281	135,991,775
- Others	12,725,275	9,843,835
	<b>34,143,740</b>	<b>145,835,609</b>
* as certified by the company		
<b>2.6 Other Current Liabilities:</b>		
	AS AT	
PARTICULARS	31st March, 2017	31st March, 2016
Advances from customers	12,160,547	11,108,506
Other payables:		
Accrued salaries and benefits	4,189,482	3,175,749
Withholding taxes	666,703	416,645
Statutory dues	1,389,533	1,161,636
	<b>18,406,264</b>	<b>15,862,536</b>
<b>2.10 LONG TERM LOANS AND ADVANCES:</b> (in Rs.)		
	AS AT	
PARTICULARS	31st March, 2017	31st March, 2016
Unsecured considered good:		
Security Deposits	2,170,110	1,660,900
	<b>2,170,110</b>	<b>1,660,900</b>
<b>2.11 INVENTORIES:</b>		
	AS AT	
PARTICULARS	31st March, 2017	31st March, 2016
(As taken, valued & certified by the Management)- At cost or net realisable value, whichever is lower except scrap at estimated realisable value)		
1 Glass & Glass Products	9,419,143	8,506,945
2 Glass Fittings & Allied Products	3,742,856	3,744,044
3 Others (stores & spares)	419,827	689,402
4 Scrap	2,000	125,045
	<b>13,583,825</b>	<b>13,065,435</b>
*Inventory valued with material in transit of Rs.93813/- (LY -Rs.3,13,110/-)		
<b>2.12 TRADE RECEIVABLES:</b>		
	AS AT	
PARTICULARS	31st March, 2017	31st March, 2016
Unsecured Considered Good		
Over Six months	15,676,012	13,479,422
Others:	8,461,740	14,650,706
Unsecured Considered doubtful		
Over Six months	15,811,217	15,180,092
Others	-	-
Less: Provision for doubtful debts	(15,811,217)	(12,257,084)
	<b>24,137,751</b>	<b>31,053,137</b>
	<b>24,137,751</b>	<b>31,053,137</b>
<b>2.13 CASH &amp; CASH EQUIVALENTS:</b>		
	AS AT	
PARTICULARS	31st March, 2017	31st March, 2016
(a) Balances with Banks:		
Bank deposits	5,116,398	-
In Current accounts	622,348	487,474
Fixed Deposit	443,610	402,745
(held as margin money against security given)		
(b) Cash on hand	194,548	292,377
(c) Others:		
Interest Accrued but not due on Fixed Deposit	3,492	1,917
	<b>6,380,396</b>	<b>1,184,513</b>
<b>2.14 SHORT TERM LOANS &amp; ADVANCES:</b>		
	AS AT	
PARTICULARS	31st March, 2017	31st March, 2016
Unsecured considered good		
(a) Others:		
Against supply of goods and services	3,407,749	2,902,240
Prepaid Expenses	477,936	487,640
Advance Income Tax (TDS)	51,782	506,455
Balances with Government Authorities	662,015	545,579
Others	-	1,818,041
	<b>4,599,482</b>	<b>6,259,955</b>

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GX GLASS SALES AND SERVICES LIMITED  
NOTES ON ACCOUNTS FOR THE PERIOD ENDED  
31.03.2017

		(in Rs.)	
NOTE NO.	PARTICULARS	For the period Ended 31st March, 2017	For the year ended 31st March, 2016
<b>2.15</b>	<b>REVENUE FROM OPERATIONS :</b>		
a)	Sales of Products :-		
(i)	Glass & Glass Products	53,870,398	86,370,305
(ii)	Glass Fittings & Allied Products	47,571,864	54,321,521
(iii)	Others	15,953,712	15,166,566
b)	Sales of Services		
	Installation Services	12,756,287	14,992,035
	Total	<b>130,152,261</b>	<b>170,850,427</b>
<b>2.16</b>	<b>OTHER INCOME:</b>		
(a)	Interest Income	214,131	33,555
(b)	Commission received	1,256,677	-
(c)	Others	53,943	135,153
		<b>1,524,751</b>	<b>168,708</b>
<b>2.17</b>	<b>PURCHASE OF STOCK IN TRADE :</b>		
	Glass & Glass Products	46,004,670	80,314,759
	Glass Fittings & Allied Products	36,676,019	36,169,044
	Others	10,653,872	10,878,449
		<b>93,334,561</b>	<b>127,362,252</b>
<b>2.18</b>	<b>CHANGES IN INVENTORIES OF STOCK IN TRADE</b>		
	<b>Glass &amp; Glass Products</b>		
	At the beginning of the Accounting Period	8,506,944	7,548,758
	At the end of the Accounting Period	9,419,143	8,506,945
		<b>(912,199)</b>	<b>(958,186)</b>
	<b>Glass Fittings &amp; Allied Products</b>		
	At the beginning of the Accounting Period	3,744,043	4,410,853
	At the end of the Accounting Period	3,742,856	3,744,044
		<b>1,188</b>	<b>666,810</b>
	<b>Others</b>		
	At the beginning of the Accounting Period	814,447.22	1,070,967
	At the end of the Accounting Period	421,827	814,447
		<b>392,620</b>	<b>256,520</b>
		<b>(518,391)</b>	<b>(34,856)</b>
<b>2.19</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salary & Wages	38,125,333	34,704,621
	Contribution to Provident and other Funds	1,816,582	1,843,224
	Staff Welfare Expenses	838,456	848,753
		<b>40,780,371</b>	<b>37,396,598</b>
<b>2.20</b>	<b>FINANCE COSTS:</b>		
	<b>Interest on Loan</b>		
	Bank	290,172	625,081
	Others ( Related party)	-	62,898
		<b>290,172</b>	<b>687,979</b>
<b>2.21</b>	<b>DEPRECIATION AND AMORTIZATION EXPENSE:</b>		
	Depreciation	1,488,615	4,693,736
	Amortisation	168,480	382,742
		<b>1,657,095</b>	<b>5,076,478</b>
<b>2.22</b>	<b>OTHER EXPENSES:</b>		
	Rent	4,374,052	6,929,899
	Rates & Taxes	818,889	107,444
	Insurance	44,614	69,873
	<b>Payment to the auditors:</b>		
	As Auditor	400,000	400,000
	For Taxation Matters	100,000	100,000
	For Other services	250,000	250,000
	For Reimbursement of Service tax	103,050	-
	Recruitment & Training	62,899	48,599
	Advertisement	4,001,994	1,046,297
	Forwarding & Installation Charges	12,842,961	12,690,746
	Travelling & conveyance	4,741,255	5,218,804
	Legal & Professional Charges	1,991,169	2,299,047
	<b>Repairs &amp; Maintenance:</b>		
	Others	972,548	1,320,728
	Provision for doubtful debt	3,554,134	3,623,178
	<b>Miscellaneous expenses:</b>		
	Others	3,881,053	4,003,238
	Fixed assets Written Off	3,738,266	6,862,903
	Bad debts written off	-	557,611
		<b>41,876,884</b>	<b>45,528,367</b>





**GX GLASS SALES & SERVICES LTD.**

**2. Notes to Accounts:**

**2.23. Contingent Liabilities**



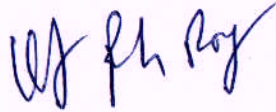

Particulars	As at 31 <sup>st</sup> March 2017 (Rs.)	As at 31 <sup>st</sup> March 2016 (Rs.)
Bank Guarantees	3,30,000	3,30,000
Sales Tax Demand	96,61,938	
ITAT Appeal (Pending)	10,07,719	

**2.24. Related Party disclosures**

**List of Related Parties:**

- i. Enterprise having control over reporting enterprise: Asahi India Glass Limited
- ii. Enterprise significantly influenced by Key Management Personnel: AIS Glass Solutions Limited, Sheild Auto Glass Ltd, AIS Distribution Services Limited.
- iii Key Management Personnel: Mr. Sanjay Labroo, Mr. Rupinder Shelly, Mr. Aditya Bhutani.

Nature of Transactions	Enterprise having control over reporting enterprise		Enterprise significantly influenced by Key Management Personnel		Key Management Personnel	
	As at 31 <sup>st</sup> Mar 2017	As at 31 <sup>st</sup> Mar 2016	As at 31 <sup>st</sup> Mar 2017	As at 31 <sup>st</sup> Mar 2016	As at 31 <sup>th</sup> Mar 2017	As at 31 <sup>st</sup> March 2016
<b>Purchase Glass &amp; Others Products</b> Asahi India Glass Limited AIS Glass Solutions Limited	31,95,972	38,05,524	4,92,36,098	8,08,73,941		
<b>Sale of Glass &amp; Glass Services</b> Asahi India Glass Limited AIS Glass Solutions Ltd	75,296 12,22,298	2,53,122 12,28,861				
<b>Remuneration</b> Mr. Aditya Bhutani					70,89,412	60,53,617
<b>Excess Remuneration Recoverable Director</b>					NIL	18,18,041

<b>Loan Received</b> Asahi India Glass Ltd	NIL	25,00,000				
<b>Loan Repayment</b> Asahi India Glass Ltd	NIL	32,65,179				
<b>Interest</b> Asahi India Glass Limited	NIL	62,898				
<b>Loan Outstanding Balances including Interest Payable</b> Asahi India Glass Limited	NIL	NIL				
<b>Balance as Payable:</b> Asahi India Glass Limited AIS Glass Solutions Ltd	7,39,148	2,10,05,466				
			2,04,24,459	1,12,556,011		
<b>Expenses Incurred</b> Shield Auto Glass Ltd	2,12,066	50,350				
<b>Balance Recoverable</b> Shield Auto Glass Ltd	2,02,450	NIL				
<b>Balance Payable:-</b> Shield Auto Glass Ltd AIS Distribution Services Limited	NIL	41,297				
	2,54,674	2,54,674				

Note: Related party relationship is as identified by the Company on the basis of available information and accepted by the Auditors as correct.

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## 2.25. Employee Benefits:

### (A) DEFINED CONTRIBUTIONS PLAN

As per Accounting Standard (AS) 15 issued by Institute of Chartered Accounts of India Employee Benefits, detail of expenses under Defined Contribution Plan are as under:-

Contributions	31 <sup>st</sup> Mar 2017	31 <sup>st</sup> Mar 2016
Provident Funds other funds (in Rs.)	15,25,799	17,22,495
Employee State Insurance (in Rs.)	1,13,130	1,20,729

### (B) DEFINED BENEFIT PLANS

The company has a defined benefit gratuity plan and every employee who completes five years of service or more gets gratuity.

The company, in accordance with its rules, has made provision for leave encashment of as per actuarial valuation of Rs.5,24,041/- (Previous Year Rs. 4,67,770/-) and provision for gratuity at Rs.6,04,522/- (Previous Year Rs. 15,26,251/-). The assumptions making the provision are as under.

#### For Leave Encashment

Discount rate	7.50 % per annum	8.00 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	0	0
Withdrawal rate (Per Annum)	2.00% p.a.	2.00% p.a.

#### For Gratuity

Discount rate	7.50 % per annum	8.00 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	0	0
Withdrawal rate (Per Annum)	2.00% p.a.	2.00% p.a.

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## 2.26. Segment reporting

Particulars	For the year ended march 31, 2017				For the year ended march 31, 2016			
	Glass	UPVC	Unallo-cable	Total	Glass	UPVC	Unallo-cable	Total
<b>Segment Revenue</b>								
Sales	93,191,290	36,960,971	-	130,152,261	135,777,104	35,073,323	-	170,850,427
Other Income	-	1,256,677	53,943	1,310,620	-	-	94,540	94,540
<b>Net Revenue</b>	<b>93,191,290</b>	<b>38,217,648</b>	<b>53,943</b>	<b>131,462,881</b>	<b>135,777,104</b>	<b>35,073,323</b>	<b>94,540</b>	<b>170,944,967</b>
<b>Segment Results</b>								
Segment result before Interest & Taxes	(35,513,088)	(10,154,551)	-	(45,667,639)	(27,198,551)	(5,340,479)	(11,844,841)	(44,383,871)
Interest expenses	-	-	290,172	290,172	-	-	687,979	687,979
Interest incomes	-	-	214,131	214,131	-	-	74,168	74,168
Profit/(Loss) before tax	(35,513,088)	(10,154,551)	(76,041)	(45,743,679)	(27,198,551)	(5,340,479)	(12,458,652)	(44,997,682)
Tax expenses	-	-	-	-	-	-	-	-
<b>Profit/(Loss) after tax</b>	<b>(35,513,088)</b>	<b>(10,154,551)</b>	<b>(76,041)</b>	<b>(45,743,679)</b>	<b>(27,198,551)</b>	<b>(5,340,479)</b>	<b>(12,458,652)</b>	<b>(44,997,682)</b>
<b>Other Information</b>								
Segment assets	36,199,962	6,121,097	8,550,506	50,871,565	42,627,056	6,211,797	4,385,087	53,223,940
Segment liabilities	35,818,793	16,731,211	4,559,472	57,109,477	135,467,173	24,652,691	8,366,762	168,486,626
Share Capital	-	-	85,334,900	85,334,900	-	-	35,350,000	35,350,000
Reserves & Surplus	-	-	(88,587,724)	(88,587,724)	-	-	(142,813,844)	(142,813,844)
Capital expenditure	-	-	12,586,851	12,586,851	-	-	19,721,306	19,721,306
Depreciation & Amortization	-	-	9,601,763	9,601,763	-	-	11,922,463	11,922,463

- 2.27. The company during the financial years 2012-13 and 2013-14 had paid remuneration aggregating to Rs.1,10,00,424/- . The company in terms of the Companies Act, 1956 is required to obtain the approval from Ministry of Corporate Affairs as the remuneration paid is in excess of the limits prescribed under the Companies Act, 1956. The company when it moved the application for approval was directed by the Ministry of Corporate Affairs to first recover the excess remuneration paid till financial year 2011-12 before moving the application. Therefore the application is still to be moved
- 2.28. The total expenses on account of operating lease for the reporting period ended 31<sup>st</sup> Mar 2017 is Rs. 43,74,052/- (Previous Reporting Year Rs. 69,29,899/-).
- 2.29 Details of Specified Bank Notes (SBN) held and transacted during the period between 8th November 2016 to 30th December 2016:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	577,500	143,520	721,020
(+) Permitted receipts		711,000	711,000
(-) Permitted payments		326,789	326,789
(-) Amount deposited in Banks	577,500	485,806	1,063,306
<b>Closing cash in hand as on 30.12.2016</b>		<b>41,925</b>	<b>41,925</b>

- 2.30. In the opinion of the Board, all the current assets, loans and advances have a value on realization in the ordinary course of business atleast equal to the amount at which they are stated in the balance sheet.
- 2.31. Sundry Debtors, some of the Current Liabilities and Advances are subject to Confirmation/reconciliation.

As Per our report of even date  
For Jand & Associates,  
Chartered Accountants  
(Pawan Jand)

Prop.  
M. No. 501  
Place: New Delhi  
Date: 23<sup>rd</sup> May 2017



(Rupinder Shelly)  
Director  
(Rajesh Dobriyal)  
Head-F&A

(Sanjay Ganjoo)  
Director  
(Ved Prakash) Roy  
Company Secretary