

# JAND & ASSOCIATES

*Chartered Accountants*

## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying financial statements of **GX GLASS SALES & SERVICES LTD ("the Company")**, which comprise the Balance Sheet as at 31 March 2015, 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, 2015;
- 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 as well. 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) (iii) forming part of these financial statements.
- 2. Refer Note 2.26 forming part of these financial statements, The Company had an order from the Central Government requiring it to recover a sum of INR 57,55,173 from one of its directors against excess remuneration paid in earlier years. While the Company has reversed the transaction in the financial statements, as per the Management the actual recovery shall take place in the next financial year.

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

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

- a) As required by the Companies (Auditors Report) Order, 2015 ("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 & 4 of the Order.
- b) 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 appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss, and 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 mentioned above under the Emphasis of Matters paragraph above, in our opinion, does not have any adverse effect on the functioning of the Company for the reasons stated therein.

f) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.


g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.23 to the financial statements;

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts required to be transferred to Investor Education and Protection Fund by the Company.

**For JAND & ASSOCIATES**  
**FRN: 008280N**

  
**Pawan Jand**  
**Prop.**  
**Membership No. 80501**  
**Place: New Delhi**  
**Dated: 11.05.2015**





**Referred to in paragraph 1 under Report on other Legal & Regulatory requirements section 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.
- ii. a) The inventories except goods in transit have been physically verified during the year by the management. In our opinion the frequency of such verification is reasonable.
- b) In our opinion and according to the 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) On the basis of our examination of the records of inventories, we are of the opinion that the Company has maintained proper records of inventories and the discrepancies noticed on such verification between physical stocks and book records were not material.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms 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) and (iii)(b) of the Order are not applicable.
- iv. 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 for purchase of inventory and fixed assets and for sale of goods & services. During the course of our audit we have not observed any major weakness in such internal control system.
- v. As the company has not accepted any deposits from the public, 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 material statutory dues with the appropriate authorities during the year.



The Company has not deposited service tax on reverse mechanism during the year which been outstanding for more than six months as at the financial year end.

b) There are no dues with respect to income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:-

Nature Of dues	Amount (INR Lacs)	Period to which amount relates	Forum where dispute is pending
Sales Tax	2.38	2012-13	Commissioner (Appeals), Haryana

d) The Company is not required to transfer any amounts to Investor education & Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there-under.

viii. The accumulated losses of the company as at the end of the financial year are more than 50% of its net worth. The company has incurred cash loss of INR 259.91Lacs(Previous Year: INR 185.16Lacs)during the current year.

ix. 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 term loan repayment of dues to financial institutions. The company has not obtained any borrowings from banks and by way of debentures.

x. The Company has not provided any guarantee during the year.

xi. 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.

xii. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of the fraud on or by the Company nor we have been informed by the company of such instances being noticed or reported during the year.

For JAND & ASSOCIATES

FRN: 008280N

Pawan Jand

Prop.

Membership No. 80501

Place: New Delhi

Dated: 11.05.2015





**GX GLASS SALES AND SERVICES LIMITED**  
**BALANCE SHEET AS AT**  
**31.03.2015**

(in Rs.)

	PARTICULARS	NOTE NO.	As At 31st Mar 2015	As At 31st March,2014
I	<b>EQUITY AND LIABILITIES</b>			
1	<b>SHAREHOLDERS' FUNDS</b>			
	(a) Share capital	2.1	35,350,000	35,350,000
	(c) Reserves and surplus	2.2	(97,816,162)	(72,078,665)
			(62,466,162)	(36,728,665)
2	<b>NON-CURRENT LIABILITIES</b>			
	(b) Long-term provisions	2.3	1,113,106	678,108
			1,113,106	678,108
3	<b>CURRENT LIABILITIES</b>			
	(a) Short-term borrowings	2.4	5,687,260	5,072,549
	(b) Trade payables	2.5	105,769,654	98,742,431
	(c) Other current liabilities	2.6	23,132,325	10,005,404
			134,589,239	113,820,384
	<b>TOTAL</b>		<b>73,236,183</b>	<b>77,769,827</b>
II	<b>ASSETS</b>			
1	<b>NON-CURRENT ASSETS</b>			
	(a) Fixed assets			
	(i) Tangible assets	2.7	15,393,847	19,311,944
	(ii) Intangible assets	2.8	807,423	896,349
	(iii) Capital work In Progress	2.9	592,508	-
	(b) Long-term loans and advances	2.10	2,632,420	2,280,820
			19,426,198	22,489,113
2	<b>CURRENT ASSETS</b>			
	(a) Inventories	2.11	13,030,579	10,432,141
	(b) Trade Receivables	2.12	28,621,540	38,959,732
	(c) Cash and cash equivalents	2.13	1,332,904	920,953
	(d) Short-term loans and advances	2.14	10,824,962	4,967,888
			53,809,985	55,280,714
	<b>TOTAL</b>		<b>73,236,183</b>	<b>77,769,827</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. 80-501  
Place: New Delhi  
Dated: 11.05.2015



Place: New Delhi  
Date: 11.05.2015

Rupinder Shelly  
Director

Aditya Bhutani  
Director

Rajesh Dobriyal  
Head-F & A

**GX GLASS SALES AND SERVICES LIMITED**  
**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED**  
**31.03.2015**

(in Rs.)

S. N	PARTICULARS	NOTE NO.	For The Period ended 31st Mar 2015	For the Year ended 31st March, 2014
	<b>REVENUE</b>			
I	Revenue from Operations	2.15	157,066,100	168,717,096
II	Other income	2.16	72,516	28,988
III	Total Revenue (I+II)		<b>157,138,616</b>	<b>168,746,084</b>
IV	<b>EXPENSES:</b>			
a	Purchase of Stock in Trade	2.17	110,516,412	114,860,166
b	Changes in inventories of Stock in Trade	2.18	(2,598,438)	(50,752)
c	Employees benefits expense	2.19	36,602,072	35,509,240
d	Finance costs	2.20	763,801	756,428
e	Depreciation and amortisation expense	2.21	5,202,065	3,790,232
f	Other expenses	2.22	37,846,420	36,186,525
	Total expenses		<b>188,332,332</b>	<b>191,051,840</b>
V	Profit/(loss) before extraordinary items and tax (III-IV)		(31,193,716)	(22,305,756)
VI	Extraordinary items		(5,755,113)	-
VII	Profit/(loss) before tax		(25,438,603)	(22,305,756)
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>(25,438,603)</b>	<b>(22,305,756)</b>
X	Earning per equity share:			
a	Basic		(7)	(6)
b	Diluted		(7)	(6)

SIGNIFICANT ACCOUNTING POLICIES  
NOTES ON ACCOUNTS

1  
2

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



Pawan Jand  
Prop  
M. No. 80-501  
Place: New Delhi  
Dated: **11.05.2015**

Place: New Delhi  
Dated: **11.05.2015**

Rupinder Shelly  
Director

Aditya Bhutani  
Director

Rajesh Dobriyal  
Head-F & A

**GX GLASS SALES AND SERVICES LIMITED**  
**NOTES ON ACCOUNTS FOR THE YEAR ENDED**  
**31.03.2015**

**2.1 SHARE CAPITAL:** (in Rs.)

PARTICULARS	AS AT	
	31st Mar 2015	31st March, 2014
<b>AUTHORISED:</b>		
50,00,000 Equity shares of Re. 10/- each	50,00,000	50,00,000
(Previous Year 50,00,000 Equity shares of Rs 10/- each)	50,00,000	50,00,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
35,35,000 (Previous Year 35,35,000)		
Equity share of Rs. 10/- each issued at par and fully paid up	35,35,000	35,35,000
	35,35,000	35,35,000

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

Name of the Shareholder	As at 31st Mar 2015		As at 31st March, 2014	
	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 <u>NIL</u>	29,97,500	84.79%	29,97,500	84.79%
2 Mr Aditya Bhutani				
Opening Balance 3,40,000				
Add : During the Year <u>NIL</u>	3,40,000	9.62%	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	As at 31st Mar 2015		As at 31st March, 2014	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning	35,35,000	35,35,000	35,35,000	35,35,000
Add : During the year				
Number of shares at the end	35,35,000	35,35,000	35,35,000	35,35,000

**2.2 RESERVES & SURPLUS:**

PARTICULARS	AS AT	
	31st Mar 2015	31st March, 2014
<b>Surplus in Statement of Profit and Loss;</b>		
As per last Balance Sheet	(72,078,665)	(49,772,909)
Add: Impact of Depreciation based on Companies Act 2013	(298,894)	-
Add: Net profit/(Loss ) after tax transferred from Statement of Profit & Loss	(25,438,603)	(22,305,756)
Closing Balance	(97,816,162)	(72,078,665)
	(97,816,162)	(72,078,665)

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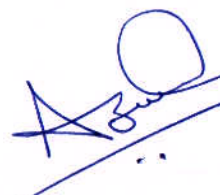
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**GX GLASS SALES AND SERVICES LTD**  
**NOTES ON ACCOUNTS FOR THE YEAR ENDED**  
**31.03.2015**

2.3	<u>LONG-TERM PROVISIONS:</u>	(in Rs.)	
		AS AT	
	PARTICULARS	31st Mar 2015	31st March, 2014
	Provision for Employees benefits:		
	Leave Encashment	1,113,106	678,108
		<u>1,113,106</u>	<u>678,108</u>
2.4	<u>CURRENT LIABILITIES:</u>		
	<u>Short Term Borrowings:</u>		
		AS AT	
	PARTICULARS	31st Mar 2015	31st March, 2014
	<u>Secured Loan</u>		
	From banks*	4,978,688	3,754,095
	<u>Unsecured Loan</u>		
	Loans from Related Party	708,572	1,318,454
		<u>5,687,260</u>	<u>5,072,549</u>
	*Secured by exclusive charge on all movable fixed and current assets. It is further supported by irrevocable corporate gurantee of holding company Asahi India Glass Ltd		
2.5	<u>Trade Payables:-</u>	(in Rs.)	
		AS AT	
	PARTICULARS	31st Mar 2015	31st March, 2014
	Sundry creditors:		
	- Micro, Small and Medium Enterprises*	-	-
	- Related Party	94,239,620	86,646,240
	- Others	11,530,034	12,096,191
		<u>105,769,654</u>	<u>98,742,431</u>
	* as certified by the company		
2.6	<u>Other Current Liabilities:</u>		
		AS AT	
	PARTICULARS	31st Mar 2015	31st March, 2014
	Interest accrued and due on borrowings	138,351	-
	Advances from customers	17,656,338	4,974,901
	<u>Other payables:</u>		
	Accrued salaries and benefits	3,598,037	3,301,662
	Withholding taxes	936,747	409,232
	Statutory dues	802,852	1,319,609
		<u>23,132,325</u>	<u>10,005,404</u>



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**GX GLASS SALES AND SERVICES LTD**  
**NOTES ON ACCOUNTS FOR THE YEAR ENDED**  
**31.03.2015**

2.9	<u>Capital work in progress:</u>	AS AT	
	PARTICULARS	31st Mar 2015	31st March, 2014
	Building under construction	592,508	-
		<u>592,508</u>	<u>-</u>
2.10	<u>LONG TERM LOANS AND ADVANCES:</u>	(in Rs.)	
	PARTICULARS	31st Mar 2015	31st March, 2014
	<u>Unsecured considered good:</u>		
	Security Deposits	2,632,420	2,280,820
		<u>2,632,420</u>	<u>2,280,820</u>
2.11	<u>INVENTORIES:</u>	AS AT	
	PARTICULARS	31st Mar 2015	31st March, 2014
	(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	7,548,758	6,332,252
	2 Glass Fittings & Allied Products	4,410,854	3,069,420
	3 Others (stores & spares)	927,008	886,771
	4 Scrap	143,959	143,697
		<u>13,030,579</u>	<u>10,432,141</u>
2.12	<u>TRADE RECEIVABLES:</u>	AS AT	
	PARTICULARS	31st Mar 2015	31st March, 2014
	<u>Unsecured Considered Good</u>		
	Over Six months	9,371,132	19,310,614
	Others:	19,250,408	19,649,118
	<u>Unsecured Considered doubtful</u>		
	Over Six months	8,633,905	5,124,791
	Others	-	-
	Less: Provision for doubtful debts	(8,633,905)	(5,124,791)
		<u>28,621,540</u>	<u>38,959,732</u>
		<u>28,621,540</u>	<u>38,959,732</u>





**GX GLASS SALES AND SERVICES LTD**  
**NOTES ON ACCOUNTS FOR THE YEAR ENDED**  
**31.03.2015**

<b>2.13 CASH &amp; CASH EQUIVALENTS:</b>			
		AS AT	
PARTICULARS		31st Mar 2015	31st March, 2014
(a) Balances with Banks:			
In Current accounts	896,398		148,098
Fixed Deposit	371,419		405,000
<i>(held as margin money against security given)</i>			
(b) Cash on hand	63,309		346,186
(c) Others:			
Interest Accrued but not due on Fixed Deposit	1,777		21,670
	<b>1,332,903</b>		<b>920,953</b>
<b>2.14 SHORT TERM LOANS &amp; ADVANCES:</b>			
		AS AT	
PARTICULARS		31s Mar 2015	31st March, 2014
<b><u>Unsecured considered good</u></b>			
(a) Others:			
Against supply of goods and services	3,400,434		3,119,654
Prepaid Expenses	482,088		382,568
Advance Income Tax (TDS)	944,303		816,372
Balances with Government Authorities	243,024		649,294
Others	5,755,113		-
	<b>10,824,962</b>		<b>4,967,888</b>








GX GLASS SALES AND SERVICES LIMITED  
NOTES ON ACCOUNTS FOR THE YEAR ENDED  
31st Mar 2015

(in Rs.)

NOTE NO.	PARTICULARS	For the year Ended 31st Mar 2015	For the year ended 31st March, 2014
2.15	<b>REVENUE FROM OPERATIONS :</b>		
a)	Sales of Products :-		
(i)	Glass & Glass Products	77,042,901	94,630,572
(ii)	Glass Fittings & Allied Products	48,010,870	39,098,177
(iii)	Others	15,349,070	17,623,626
b)	Sales of Services		
	Installation Services	16,663,259	17,364,721
	<b>Total</b>	<b>157,066,100</b>	<b>168,717,096</b>
2.16	<b>OTHER INCOME:</b>		
(a)	Interest Income	26,060	16,348
(b)	Others	46,456	12,640
		<b>72,516</b>	<b>28,988</b>
2.17	<b>PURCHASE OF STOCK IN TRADE :</b>		
	Glass & Glass Products	71,152,517	72,585,188
	Glass Fittings & Allied Products	31,290,331	29,567,029
	Others	8,073,564	12,707,950
		<b>110,516,412</b>	<b>114,860,166</b>
2.18	<b>CHANGES IN INVENTORIES OF STOCK IN TRADE</b>		
	<b>Glass &amp; Glass Products</b>		
	At the beginning of the Accounting Period	6,332,252	5,551,665
	At the end of the Accounting Period	7,548,758	6,332,252
		<b>(1,216,506)</b>	<b>(780,588)</b>
	<b>Glass Fittings &amp; Allied Products</b>		
	At the beginning of the Accounting Period	3,069,420	2,564,809
	At the end of the Accounting Period	4,410,853	3,069,420
		<b>(1,341,433)</b>	<b>(504,612)</b>
	<b>Others</b>		
	At the beginning of the Accounting Period	1,030,468	2,264,916
	At the end of the Accounting Period	1,070,967	1,030,468
		<b>(40,499)</b>	<b>1,234,447</b>
		<b>(2,598,438)</b>	<b>(50,752)</b>

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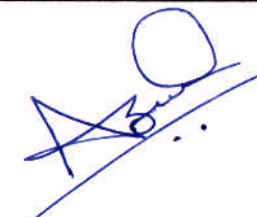
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**GX GLASS SALES AND SERVICES LTD**  
**NOTES ON ACCOUNTS FOR THE YEAR ENDED**  
**31.03.2015**

2.19	<u>EMPLOYEE BENEFITS EXPENSE</u>		
	Salary & Wages	33,890,603	33,091,191
	Contribution to Provident and other Funds	1,740,908	1,473,830
	Staff Welfare Expenses	970,561	944,219
		<u>36,602,072</u>	<u>35,509,240</u>
2.20	<u>FINANCE COSTS:</u>		
	<u>Interest on Loan</u>		
	Bank	625,449	561,084
	Others ( Related party)	138,352	195,344
		<u>763,801</u>	<u>756,428</u>
2.21	<u>DEPRECIATION AND AMORTZATION EXPENSE:</u>		
	Depreciation	4,635,602	3,274,977
	Amortisation	566,463	515,255
		<u>5,202,065</u>	<u>3,790,232</u>
2.22	<u>OTHER EXPENSES:</u>		
	Rent	6,162,746	5,372,046
	Rates & Taxes	566,072	22,130
	Insurance	69,070	76,761
	<u>Payment to the auditors:</u>		
	As Auditor	400,000	400,000
	For Taxation Matters	100,000	100,000
	For Other services	250,000	250,000
	Recruitment & Training	151,609	157,510
	Advertisement	234,088	487,249
	Forwarding & Installation Charges	12,998,405	13,643,438
	Travelling & conveyance	5,619,028	5,774,231
	Legal & Professional Charges	1,728,464	920,883
	<u>Repairs &amp; Maintenance:</u>		
	Others	1,297,334	1,151,536
	Provision for doubtful debt	3,509,114	4,054,156
	<u>Miscellaneous expenses:</u>		
	Others	4,760,490	3,776,584
		<u>37,846,420</u>	<u>36,186,525</u>



## GX GLASS SALES & SERVICES LTD

### 1. Significant Accounting policies:

#### a) Basis of Accounting

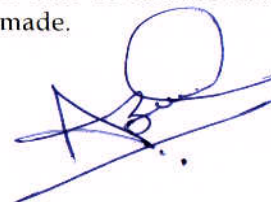
- i) The financial statements are prepared under the historical cost convention on accrual basis of accounting to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions thereof.
- ii) The net worth of the Company has been eroded and the accumulated losses of the Company are Rs. 9,78,16,162/- as against the Paid up Capital of Rs 3,53,50,000/-. However the accounts have been prepared on the fundamental assumption of going concern concept based on the following.
  1. The Company is a subsidiary of Asahi India Glass Ltd, the integrated glass manufacturer in India and has been receiving active support therefrom.
  2. The Company has been in operation for less than five years and according to management these are initial losses incurred primarily to establish and promote business.
  3. The Company is having a healthy Gross Margin of the 31%.
  4. The Company is into an expansion mode as it has:
    1. Increased its geographical presence by opening a branch in Panchkula in the year 2013-14, and
    2. In addition to Gurgaon has opened another sale cum experience center in West Delhi and another sale cum experience Center in South Delhi is also under construction which will become operational in the year 2015-16.

#### 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.



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. The company has accounted for higher depreciation charge of Rs.12,34,677/- in the results for the year ended March 31st Mar 2015 and additional charge of Rs. 2,98,894/- in reserves in terms of transitional provisions of the said Schedule-II. Had the company continued with the previously assessed useful lives, charge for depreciation for the year ended March 31st Mar 2015, would have been lower by Rs. 12,34,677/- and the loss for the year would have been lower by the same amount.

**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 same are rendered.

Revenue with regard to ongoing projects is recognized based on percentage completion of work.

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 therefrom.





**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.

*Handwritten signatures and initials in blue ink:*  
Three distinct signatures are visible, including one that appears to be "Dhruv" and another that is a large, stylized "X" or "A" with a circle above it. Below these, there are some smaller, less legible marks.

**GX GLASS SALES & SERVICES LTD.**

**2. Notes to Accounts:**

**2.23. Contingent Liabilities**

Particulars	As at 31 <sup>st</sup> March 2015 (Rs.)	As at 31 <sup>st</sup> March 2014(Rs.)
Bank Guarantees	3,30,000	3,30,000
Performance Guarantee	NIL	7,50,000
Sales Tax Demand	2,37,721	NIL

**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 2015	As at 31 <sup>st</sup> Mar 2014	As at 31 <sup>st</sup> Mar 2015	As at 31 <sup>st</sup> Mar 2014	As at 31 <sup>th</sup> Mar 2015	As at 31 <sup>st</sup> March 2014
Purchase Glass & Others Products Asahi India Glass Limited AIS Glass Solutions Limited	44,62,864	1,09,75,586	6,93,70,516	6,68,98,091		
Sale of Glass & Glass Services Asahi India Glass Limited AIS Glass Solutions Ltd	450630 272958	NIL NIL				
Remuneration Mr. Aditya Bhutani					68,93,369	55,00,212



<b>Loan Repayment</b> Asahi India Glass Ltd	5,98,047	NIL				
<b>Interest</b> Asahi India Glass Limited	1,38,351	1,95,344				
AIS Glass Solutions Ltd	NIL	NIL				
<b>Loan Outstanding Balances including Interest Payable</b> Asahi India Glass Limited	8,46,923	13,18,454				
<b>Balance as creditors:</b> Asahi India Glass Limited	1,81,43,528	1,53,98,868				
AIS Glass Solutions Ltd			7,46,04,932	7,12,47,374		
<b>Balance outstanding:-</b> Shield Auto Glass Ltd	91,647.00	4,13,261				
AIS Distribution Services Limited	2,54,674.00	1,45,843				

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 2015	31 <sup>st</sup> Mar 2014
Provident Fund other funds (in Rs.)	15,45,117	12,82,065
Employee State Insurance (in Rs.)	1,77,082	1,72,286

### (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. However as the company has been into operations for less than 5 years, no provision for gratuity liability is made.

The company, in accordance with its rules, has made provision for leave encashment of as per actuarial valuation of Rs.5,78,983/- (Previous Year Rs. 3,27,383/-). The assumptions making the provision are as under.

Discount rate	8.00 % per annum	9.00 % 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.

2.26. The Company during the year 2010-11 and 2011-12 had paid a consolidated remuneration of Rs. 89,26,113/- to its working director which was in excess of the limits prescribed under Schedule XIII of the Companies Act 1956. In accordance with the provisions of Companies Act 1956, the Company had moved an application for approval of the excess remuneration to the Central Government. The Company has received an approval during the year for Rs.31,71,000/- with the direction that the balance Rs.57,55,113/- be recovered. The Company has reversed the excess remuneration of Rs.57,55,113/- during the year however as per the management the actual recovery shall take place in the year 2015-16.

2.27 The total expenses on account of operating lease for the reporting period ended 31<sup>st</sup> Mar 2015 is Rs 61,62,746/- (Previous Reporting Year Rs 53,72,046/-)

*De* *Abhyal* *[Signature]* *y*



2.28. 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.


2.29. 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

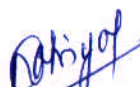
(Pawan Jand)  
Prop.  
M. No. 80-501



Place: New Delhi  
Date: 11<sup>th</sup> May 2015

  
(Rupinder Shelly)  
Director

  
(Aditya Bhutani)  
Director

  
(Rajesh Dobriyal)  
Head-F&A